Taj Hotels Resorts and Palaces

THE INDIAN HOTELS COMPANY LIMITED
CIN: L74999MH1902PLC000183
Registered Office: Mandlik House Mandlik Road Mumbai 400 001 India
Tel 91 22 6639 5515 Fax 91 22 2202 7442
Website: www.tajhotels.com
E-mail : investorrelations@tajhotels.com

August 22, 2017

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 500850

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Symbol: INDHOTEL

Dear Sirs,

Ref: Submission of Annual Report of the Company under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015")

Pursuant to Regulation 34(1) of the Listing Regulations, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2016-17.

You are requested to kindly take the same on record.

Yours sincerely,

BEEJAL DESAI
Vice President Legal & Company Secretary

Encl: a/a

TAJ

HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

A TATA Enterprise

116TH ANNUAL REPORT 2016 - 2017

Taj Swarna, Amritsar

TAJ
HOTELS • PALACES • RESORTS • SAFARIS

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COMPANY INFORMATION

Board of Directors

N. Chandrasekaran (Appointed w.e.f. February 22, 2017)	Chairman
Cyrus P. Mistry (Resigned w.e.f. December 19, 2016)	
Deepak Parekh	
Nadir Godrej	
Ireena Vittal	
Gautam Banerjee	
Vibha Paul Rishi	
K. B. Dadiseth (Resigned w.e.f.April 7, 2017)	
Shapoor Mistry (Resigned w.e.f.April 25, 2017)	
Dr. N S Rajan (Resigned w.e.f October 28, 2016)	
Rakesh Sarna	Managing Director & CEO
Mehernosh S. Kapadia	Executive Director – Corporate Affairs
Anil P. Goel (Retired w.e.f October 15, 2016)	Executive Director & Chief Financial Officer

Management

Rakesh Sarna	Managing Director & CEO
Mehernosh S. Kapadia	Executive Director – Corporate Affairs
Giridhar Sanjeevi (Appointed w.e.f. May 4, 2017)	Chief Financial Officer
Chinmai Sharma	Chief Revenue Officer
Dr. P. V. Ramana Murthy	Senior Vice President – Human Resources
Farhat Jamal	Senior Vice President - Operations (West)
Prabhat Verma	Senior Vice President - Operations (South)
Suma Venkatesh	Senior Vice President – Real Estate & Development
Rohit Khosla	Senior Vice President - Operations (North)
Rajendra Misra	Senior Vice President – General Counsel
Beejal Desai	Vice President - Legal & Company Secretary

Registered Office & Share Department

Mandlik House, Mandlik Road, Mumbai 400 001.

Tel: 6639 5515

Fax: 2202 7442

CIN: L74999MH1902PLC000183

Email: investorrelations@tajhotels.com

Website: www.tajhotels.com

Solicitors

Mulla & Mulla & Craigie Blunt & Caroe

Auditors

Deloitte, Haskins & Sells, LLP

PKF Sridhar & Santhanam, LLP (for part of the year)

Bankers

The Hongkong & Shanghai Banking Corporation Ltd

Standard Chartered Bank

State Bank of India

HDFC Bank Ltd

ICICI Bank Ltd

FINANCIAL HIGHLIGHTS

	STANDALONE		CONSOLIDATED	
	2016-17	2015-16	**2016-17**	2015-16
	₹ crores	₹ crores	**₹ crores**	₹ crores
Total Income	**2,445.11**	2,374.12	**4,065.20**	4,122.78
Profit/(Loss) Before Tax	**258.85**	152.89	**30.58**	(91.17)
Profit/ (Loss) After Tax, Non-controlling Interest & Share of Associates & Joint Ventures	**141.94**	84.15	**(63.20)**	(231.08)
Total Assets	**6,093.59**	5,967.22	**8,634.28**	9,815.38
Equity	**98.93**	98.93	**98.93**	98.93
Other Equity	**2,516.97**	2,276.65	**2,418.76**	2,481.32
Non-controlling interest	**-**	-	**737.82**	742.93
Total Equity	**2,615.90**	2,375.58	**3,255.51**	3,323.18
Borrowings	**2,048.98**	2,157.65	**3,382.98**	4,526.09
Debt : Equity Ratio	**0.78:1**	0.91:1	**1.04:1**	1.36:1
Book Value per Share of ₹ 1/- each - In ₹	**26.44**	24.01	**32.91**	33.59
Earnings Per Share - Basic and Diluted - In ₹	**1.43**	0.85	**(0.64)**	(2.34)
Dividend proposed Per Share - In ₹	**0.35**	0.30	**0.35**	0.30

NOTICE

NOTICE is hereby given that the HUNDRED AND SIXTEENTH (116th) ANNUAL GENERAL MEETING of THE INDIAN HOTELS COMPANY LIMITED will be held on Monday, August 21, 2017, at 3.00 p.m. at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following business:

1. To receive, consider and adopt:

   a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon; and

   b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Report of the Auditors thereon.

2. To declare a dividend on Equity Shares for the financial year 2016-17.

3. To appoint a Director in place of Mr. Mehernosh S. Kapadia (DIN: 00050530) who retires by rotation and, being eligible, offers himself for re-appointment.

4. **Appointment of Statutory Auditors of the Company.**

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (''the Act'') and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, BSR & Co LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) be and are hereby appointed as the Statutory Auditors of the Company in place of Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018), the retiring Auditors of the Company, to hold office for a period of five years from the conclusion of the 116th Annual General Meeting (''AGM'') of the Company until the conclusion of the 121st AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act) to examine and audit the accounts of the Company, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

5. **Appointment of Mr. N. Chandrasekaran as a Director of the Company.**

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

   "RESOLVED THAT Mr. N. Chandrasekaran (DIN: 00121863), who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 27, 2017 and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (''the Act'') 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 of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.**"**

6. **Private placement of Non-Convertible Debentures.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors (''the Board'', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to cumulative / non-cumulative, listed / unlisted, redeemable non-convertible debentures (''NCDs'') / bonds on private placement basis, in one or more series / tranches during a period of one year from the date of passing this Resolution, up to an amount not exceeding ₹ 500 crores on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs be issued, the consideration for the issue, utilization of issue proceeds and all matters connected with or incidental thereto and that such borrowing is within the overall borrowing limits of the Company;

   RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to finalize, settle and execute such documents, deeds, writings, papers or agreements as may be required and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper and desirable and to resolve any question, difficulty or doubt that may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company.''

7. Payment of Minimum Remuneration to Mr. Rakesh Sarna, Managing Director and Chief Executive Officer.

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

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013 (''the Act''), read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and in pursuance of the Resolution passed by the Members vide Postal Ballot on March 13, 2015, the consent of the Members be and is hereby accorded for payment of 'Minimum Remuneration' as set out in the Explanatory Statement annexed to the Notice, to Mr. Rakesh Sarna, Managing Director and Chief Executive Officer for the period April 1, 2017 upto November 30, 2017 in case of inadequacy of profits for the financial year 2017-18;

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

NOTES:

1. The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (''the Act'') setting out the material facts in respect of the Business under Item Nos. 4 to 7 to be transacted at the meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (''AGM'') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation.
3. Members/Proxies and Authorised representatives are requested to bring to the Meeting, the attendance slips, enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the Board Resolution authorising the representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, August 15, 2017 to Monday, August 21, 2017, both days inclusive, for payment of dividend, if declared/approved at the Meeting.
5. Pursuant to Regulations 26(4) and 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (''Listing Regulations'') and the Secretarial Standard-2 on "General Meetings" issued by the Institute of Company Secretaries of India, the particulars of Directors seeking appointment/re-appointment at the Meeting are annexed to the Notice.
6. The Dividend on Equity Shares, as recommended by the Board of Directors, if declared at the AGM, will be paid on or after August 28, 2017, to the Members whose names appear on the Company's Register of Members on Monday, August 14, 2017, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before Monday, August 14, 2017. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of the shares whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (''NSDL'') and the Central Depository Services (India) Limited (''CDSL'') as at the close of business hours on August 14, 2017.
7. **Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

   Pursuant to Sections 205A and 205C, and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, were required to be transferred to the Investor Education and Protection Fund (''IEPF''). 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''), both of which were applicable with effect from September 7, 2016, also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

As per Section 124(6) of the Act read with the IEPF Rules as amended, the Company is also required to transfer the shares in respect of which dividend has remained unpaid / unclaimed for a period of seven consecutive years or more from the date they first became due for payment, by any Member, to the Demat Account of the IEPF Authority.

The Company has sent notice to all the Members whose Dividend are lying unpaid / unclaimed against their name for seven consecutive years or more. Members are requested to immediately claim the unpaid / unclaimed dividend amount due. In case the dividends or not claimed by the Members, necessary action will be initiated by the Company to transfer such shares to IEPF in the prescribed manner.

The Members may note that all unclaimed / unpaid dividend for the financial year 2008-09 has already been transferred by the Company to the IEPF established by the Central Government within the stipulated time as prescribed under the applicable provisions of the Act. No claim shall lie against the Company for the amounts or shares so transferred prior to March 31, 2017 nor shall any payment be made in respect of such claim. However, any such shares, unclaimed / unpaid dividend amounts can be claimed from the IEPF Authority, as prescribed under the IEPF Rules by submitting an online application in the prescribed Form IEPF-5 available on the website (www.iepf.gov.in) and sending a physical copy of the same, duly signed, to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

It may be noted that unpaid dividend for the financial year ended March 31, 2010 is due for transfer to the IEPF Account of the Authority on October 10, 2017. The Company has sent notice to all the Members on May 25, 2017, whose Dividends are lying unpaid / unclaimed against their name for seven consecutive years or more. Members are requested to claim the same on or before September 4, 2017.

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

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

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

10. **Nomination facility:**

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

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

12. **Updation of Members' Details:**

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

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

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

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

16. The Notice of the AGM along with the Annual Report for 2016-17 is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depository Participants, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, a physical copy is being sent by permitted mode. To support the 'Green Initiative' Members who have not registered their email addresses are required to register the same with the Company / Depository. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. www.tajhotels.com.

17. **Voting through electronic means**

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

    The facility of voting through electronic voting system shall also be made available at the AGM. Members holding shares as on cut-off date i.e. August 14, 2017 and attending the Meeting, who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting.

    The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    The remote e-voting period commences on August 16, 2017 (9:00 a.m. IST) and ends on August 20, 2017 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 14, 2017, may cast their vote by remote e-voting. 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 process and manner for remote e-voting are as under:

    A) In case a Member receives an email from NSDL (for Members whose email addresses are registered with the Company / Depository Participant) :

    (i) Open the email and access the attached PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

    NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting. pdf".

    (ii) Open the internet browser by typing the following URL: https://www.evoting.nsdl.com/

    (iii) Click on Shareholder – Login.

    (iv) Insert user ID and password as initial password noted in step (i) above. Click Login.

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

    NOTE: *Shareholders who forgot the User Details/Password can use "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com.*

    In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

    In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

    (vi) If you are logging in for the first time, please enter the User ID and Password provide in the PDF file attached with the email as initial password. Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Please keep a note of your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

    (vii) Once the remote e-voting home page opens. Click on remote e-voting: Active Voting Cycles.

    (viii) Select "EVEN" of The Indian Hotels Company Limited.

    (ix) Now you are ready for remote e-voting as Cast Vote page opens.

    (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

    (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.

    (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.

    (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email nevilledaroga@hotmail.com with a copy marked to evoting@nsdl.co.in.

B) **In case Members receives physical copies of the Notice of the AGM (for Members whose email addresses are not registered with the Company/Depositories):**

(i) Initial password is provided in the enclosed Attendance slip:

EVEN (E-voting Event Number) + USER ID and PASSWORD/ PIN

(ii) Please follow all step from (ii) to (xiii) above, to cast vote.

C) **Other Instructions:**

i. In case of any queries regarding e-voting, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990. Members may also send their queries on e-voting by email to Mr. Rajiv Ranjan, Asst. Manager, NSDL at rajivr@nsdl.co.in / evoting@nsdl.co.in

ii. The voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. August 14, 2017. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM.

iii. Any person, who acquires shares of the Company and becomes a Member of the Company after despatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request to evoting@nsdl.co.in and may cast their vote by remote e-voting or at the Meeting. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

iv. M/s Neville Daroga & Associates, Practicing Company Secretary (Membership No. 8663) has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the remote e-voting and the voting at the meeting in a fair and transparent manner.

v. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

vi. The Results declared along with the Scrutinizer's Report shall be uploaded on the Company's website www.tajhotels.com as also NSDL's website www.evoting.nsdl.com immediately after the results are declared by the Chairman. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India being the stock exchanges on which the shares of the Company are listed.

By Order of the Board of Directors

BEEJAL DESAI
Vice President – Legal and Company Secretary

Mumbai, May 26, 2017

Registered Office:

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

EXPLANATORY STATEMENT

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

1. The following Explanatory Statement sets out the material facts relating to the business under Item Nos. 4 to 7 of the accompanying Notice dated May 26, 2017.

Item No. 4

2. This explanatory statement is provided though not mandatory under Section 102 of the Act.
3. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration No. 117366W/W-100018) and PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), were appointed at the 113th Annual General Meeting (''AGM'') of the Company held on August 27, 2014, as the Statutory Auditors of the Company for a period of three years commencing from the conclusion of the 113th AGM of the Company held on August 27, 2014, till the conclusion of the 116th AGM of the Company to be held in the year 2017.
4. M/s PKF Sridhar & Santhanam, LLP, one of the Joint Auditors of the Company, had informed the Company of their decision not to seek re-appointment as Joint Auditors from the conclusion of the 115th AGM vide their letter dated May 12, 2016. Accordingly, Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the sole auditors of the Company at the 115th AGM.
5. Section 139 (2) of the Act read with the Companies (Audit and Auditors) Rules, 2014 provides that no listed company shall appoint or re-appoint an audit firm as Auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.
6. In line with above requirement of the Act, Deloitte Haskins & Sells LLP have completed their tenure of two terms of five consecutive years and will, therefore, not be eligible to seek re-appointment as the Statutory Auditors of the Company at the AGM.
7. After a rigorous selection process with respect to selection of Statutory Auditors of the Company, which included several rounds of discussion with various firms, their partners and personnel, the Audit Committee and the Board of Directors of the Company has approved the proposal for appointment of BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company for five financial years viz. 2017-18 to 2021-2022, to hold office from the conclusion of the forthcoming 116th AGM till the conclusion of the 121st AGM of the Company, subject to ratification by the Members at every AGM, if so required under the Act. The selection was based on various factors like People, Audit Methodology, Quality Control, Reputation of the Firm and Knowledge.
8. BSR & Co. LLP is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It has its registered office in Mumbai. BSR & Co. LLP has a valid Peer Review certificate and is part of KPMG network of Audit Firms and is engaged in providing audit and assurance services to its clients.
9. BSR & Co. LLP have in compliance with the provisions of Section 139(1) and Section 141 of the Act, read with the Companies (Audit & Auditors) Rules, 2014, given their written consent along with a certificate that their appointment, is in accordance with the limits, conditions and criteria as specified in Section 141 of the Act.
10. The Board commends the Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.
11. None of the Directors or Key Managerial Personnel (''KMP'') or their respective relatives are, in anyway, concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

Item No. 5

12. Mr. N. Chandrasekaran was appointed as an Additional Director of the Company, as recommended by the Nomination and Remuneration Committee (''NRC''), with effect from January 27, 2017, by the Board of Directors under Section 161 of the Act and Article 132 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. N. Chandrasekaran holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director. A notice along with the requisite deposit under Section 160(1) of the Act has been received from a member signifying its intention to propose Mr. N. Chandrasekaran's appointment as a Director.
13. Mr. N. Chandrasekaran was also appointed as Chairman of the Board of Directors of the Company with effect from February 22, 2017.
14. Mr. N. Chandrasekaran currently, is the Chairman of Tata Sons Limited. He was appointed as a Director on the Board of Tata Sons Limited on October 25, 2016. He was the Chief Executive Officer and Managing Director of Tata Consultancy Services Limited (''TCS''), a leading global information technology solutions and consulting firm; a position he held since 2009 till February 2017.

15. Mr. N. Chandrasekaran joined TCS in 1987 after completing his Master's in Computer Applications from Regional Engineering College, Trichy, Tamil Nadu, India. Under his leadership, TCS became the largest private sector employer in India with the highest retention rate in a globally competitive industry. TCS remains the most valuable company in India for the year ended 2015-16 with a market capitalisation of over US $70 billion. Under Mr. N. Chandrasekaran's leadership, TCS was rated as the world's most powerful brand in IT services in 2015 and recognised as a Global Top Employer by the Top Employers Institute across 24 countries.
16. Mr. N. Chandrasekaran has been driving TCS's strong positioning in the emerging digital economy with a suite of innovative digital products and platforms for enterprises, some of which have since scaled into sizeable new businesses.
17. He was also appointed as a director on the board of India's central bank, the Reserve Bank of India in 2016. He has served as the Chairperson of IT Industry Governors at the WEF, Davos, in 2015-16. He has been playing an active role in the Indo-US and India-UK CEO Forums. He is also part of India's business taskforces for Australia, Brazil, Canada, China, Japan and Malaysia. He served as the Chairman of NASSCOM, the apex trade body for IT services firms, in India in 2012-13 and continues to be a member of its governing executive council.
18. Mr. N. Chandrasekaran has received several awards and recognition in the business community. Recently he was honoured with the 'Business Leader Award' at the ET Awards for Corporate Excellence 2016. He was also awarded Qimpro Platinum Standard Award 2015 (business) and Business Today's Best CEO 2015 (IT and ITEs). He was voted the 'Best CEO' for the fifth consecutive year by the Institutional Investor's 2015 Annual All-Asia Executive Team rankings. During 2014, he was voted as one of CNBC TV 18 Indian Business Icons. He was also awarded CNN-IBN Indian of the Year 2014 in the business category. Mr. N. Chandrasekaran was presented with the 'Best CEO for 2014' award by Business Today for the second consecutive year. He has also received the Medal of the City of Amsterdam - Frans Banninck Coqc - in recognition of his endeavour to promote trade and economic relations between Amsterdam and India.
19. Mr. N. Chandrasekaran was conferred with an honorary doctorate by JNTU, Hyderabad, India (2014). He has received an honorary doctorate from Nyenrode Business Universiteit, Netherland's top private business school (2013). He has also been conferred honorary degrees by many Indian Universities such as the Gitam University, Visakhapatnam, Andhra Pradesh (2013); KIIT University, Bhubaneswar, Odisha (2012); and the SRM University, Chennai, Tamil Nadu (2010).
20. Mr. N. Chandrasekaran is the Chairman of Tata Consultancy Services Limited, Tata Steel Limited, Tata Motors Limited, Tata Power Limited, Jaguar Land Rover Automotive PLC and TCS Foundation. He is also a Director on the Board of the Reserve Bank of India.
21. The Board commends the Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.
22. Mr. N. Chandrasekaran may be deemed to be concerned or interested in Item No. 5 as it relates to his appointment as a Director of the Company. Other than him none of the other Directors, KMP or their respective relatives are in any way concerned or interested in the Resolution mentioned at Item No. 5 of the accompanying Notice.

Item No. 6

23. As per Section 42 of the Act, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("PAS Rules"), a company offering or making an invitation to subscribe to Non-Convertible Debentures (''NCDs'') on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.
24. The borrowing limit approved by the Members under Section 180(1)(c) of the Act is ₹ 5,000 crores. As on March 31, 2017, the total debt of the Company was ₹ 2,049 crores. This includes NCDs of ₹ 1,783 crores. Of the foregoing, debt of ₹ 556 crores is maturing in Financial Year 2017-18. The Company proposes to raise NCDs of up to ₹ 500 crores to, *inter alia,* repay the debt maturing in the current year, capital expenditure and make investments in its wholly owned subsidiaries.
25. The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the PAS Rules and the Companies (Share Capital & Debentures) Rules, 2014, to enable the Company to offer or invite subscriptions of NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 6 within the overall borrowing limits of the Company, as approved by the Members.
26. The Board commends the Resolution at Item No. 6 of the accompanying Notice for approval by the Members of the Company.
27. None of the Directors or KMP or their respective relatives are in any way concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

Item No. 7

28. The Members vide Postal Ballot held on March 13, 2015, had by way of an Ordinary Resolution approved the appointment and remuneration of Mr. Rakesh Sarna as the Managing Director and Chief Executive Officer (''MD & CEO'') of the Company for a period of 5 years with effect from September 1, 2014 upto August 31, 2019. Mr. Sarna has submitted his resignation as MD & CEO of the Company for personal reasons, which will be effective from close of business hours on September 30, 2017.

29. In case of no profits or inadequacy of profits in any financial year, the terms of appointment of Mr. Sarna provide for payment of Minimum Remuneration during the currency of his tenure as per the details mentioned hereunder, subject to such approvals as may be required:

    (i) **Basic Salary:** Annual Basic salary of US$150,000 (Basic Salary of US$ 12,500 per month equivalent to ₹ 755,875 per month in the scale of US$ 12,000 to US$ 20,000). The annual increments, which will be effective 1st April each year, will be decided by the Board based on the recommendation of the NRC and will be performance-based and also take into account the Company's overall performance. The exchange rate for the purpose of remuneration payable to Mr. Sarna will be the spot closing exchange rate as published by the Reserve Bank of India a day prior to the date of joining the Company and will be fixed for a period of 3 years. The exchange rate will be reset at the start of the 4th year. This rate will be fixed for an additional 2 years. The actual rate for each month will be the exchange rate published by the Reserve Bank of India at the closing of the previous day and there will be no adjustment for currency fluctuation, if the variation is equal to or less than 10%. In the event the actual exchange rate appreciates or depreciates by more than 10%, then the incremental percentage over 10% will be adjusted as part of the remuneration for the month.

    (ii) **Living Allowance:** This element of remuneration is intended to support the transition of Mr. Sarna (who is a US citizen) for this role. This amount would be US$ 360,000 per annum (i.e. US$ 30,000 per month).

    (iii) **Performance Linked Bonus:** This element is an annual performance linked component. A minimum of US$ 510,000 would be provided for a period of 12 (twelve) months in the first year of joining. For subsequent years, the target Performance Linked Bonus will be US$ 510,000. The maximum Performance Linked Bonus will be US$ 765,000. This Performance Linked Bonus would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of the Performance Linked Bonus by the Board (supported by the NRC) are:

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

    (iv) **Long Term Incentive:** Mr. Sarna would be covered under a Long Term Incentive plan. The purpose of this Long Term Incentive plan is to enable the achievement of the long term value creation objective through retention and continuity of the leadership. The value of the Long Term Incentive plan is intended to be a minimum of US$ 480,000 per annum for the first five years of appointment. The total amount will be delivered in two tranches – the first tranche of US$ 1,440,000 at the end of the third year and US$ 960,000 at completion of five years in the Company. No amount would be payable if separation takes place prior to completing three years in the Company. The second tranche payment is contingent on completion of five years of continued employment with the Company.

    (v) **Perquisites and benefits:**

    a) Rent free residential accommodation (furnished or otherwise); the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity, water charges) for the said accommodation.

    b) Hospitalization and major Medical expenses (for self, spouse and dependent minor children) in India, Transport (2 cars with driver provided for official and personal use), Telecommunication and other facilities (i.e. one club membership and relocation expenses as per Company's policy).

    c) The Company shall keep and maintain the insurance policies as per Company's rules and policy.

    d) All statutory contribution (including Provident Fund and Gratuity Fund) as per the Rules of the Company.

    e) The Managing Director shall be entitled to leave in accordance with the Rules of the Company.

30. In addition to the aforesaid, Mr. Sarna has been appointed as an employee of United Overseas Holding Inc (UOH), a wholly-owned subsidiary of the Company, for a period of five years from September 1, 2014 upto August 31, 2019, to be in charge of the overall management of the Company's US/ International Hotels' Business portfolio and is entitled to receive the following remuneration directly from UOH:

a) **Basic Salary**

Annual Basic Salary of US$ 99,996 (i.e. US$ 8,333 per month), paid in accordance with regular payroll practices. Any potential annual increases during the term will become effective 1st April each year commencing in 2015 and will be performance-based and take into account UOH's/ any other international subsidiary's performance as well.

b) **Allowance**

An allowance of US$ 21,000 per month, to be paid monthly in arrears.

c) **Performance Linked Bonus**

An annual performance linked component in a minimum amount of US$ 340,000 would be paid in respect of the 12 (twelve) months in the first year of joining. For subsequent years, the target Performance Linked Bonus will be US$ 340,000, to be paid in the year following in which it is earned. Actual performance linked component amounts could be higher or lower than the target amount subject to Mr. Sarna and UOH's/ any other international subsidiary's actual performance vis-à-vis objectives set for the year. This Performance Linked Bonus would be payable subject to the achievement of certain performance criteria and such other parameters, as may be considered appropriate from time to time by UOH/ any other international subsidiary in its sole and exclusive discretion.

d) **Long Term Incentive Plan**

Mr. Sarna would be covered under a Long Term Incentive Plan. The purpose of this Long Term Incentive plan is to enable the achievement of the long term value creation objective through retention and continuity of the leadership. The value of the Long Term Incentive plan is intended to be a minimum of US$ 320,000 per annum for the first five years of appointment. The total amount will be delivered in two tranches – the first tranche of US$ 960,000 at the end of the third year and US$ 640,000 at completion of five years in UOH/ any other international subsidiary of the Company. No amount would be payable if separation takes place prior to completing three years in UOH/ any other international subsidiary of the Company. The second tranche payment is contingent on completion of five years of continued employment with UOH/ any other international subsidiary of the Company.

31. The Employment Agreement entered into between Mr. Sarna and UOH is co-terminus with the Agreement entered into between the Company and Mr. Sarna (Principal Agreement) for his appointment as the Managing Director and Chief Executive Officer of the Company and in the event of the expiry and/or sooner determination of the Principal Agreement, howsoever occasioned, the UOH Agreement shall also forthwith stand terminated.
32. Pursuant to the provisions of Section 197 of the Act, the remuneration payable to any one Managing Director; or Whole-time Director or Manager shall not exceed five per cent of the Net Profits of the Company, and if there is more than one such director, remuneration shall not exceed ten per cent of the net profits to all such Managerial Personnel taken together.
33. At the time of appointment of Mr. Sarna, the Managerial Remuneration payable to him was well within the limit of five percent of the Net Profits of the Company as specified in the Act. However, due to a larger quantum of capital investment planned for financial year 2017-18 coupled with increase in supply of rooms and dampening demand is likely to have an adverse impact on the Profit and Loss Statement of the Company for the Financial Year 2017-18. As such, Mr. Sarna's total remuneration for the Financial Year 2017-18 is likely to exceed the limit of five percent of the Net Profits of the Company as specified in the Act.
34. Pursuant to the provisions of Section 197 read together with Schedule V of the Act and the MCA Notification dated September 12, 2016, the Company may pay Managerial Remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, upto the ceiling limits as specified in Schedule V by an Ordinary or Special Resolution, as the case may be, or in case of a managerial person who is functioning in a professional capacity by a Special Resolution passed by the Members at the General Meeting for a period not exceeding three years.
35. In terms of the Notification dated September 12, 2016, Mr. Sarna is a professional and possesses a Diploma in Hospitality Administration from Ottawa. Besides, he does not have any interest in the capital of the Company or its holding company or any of its subsidiaries and does not have any direct or indirect interest or is not related to the Directors or promoters of the Company or its holding or any of its subsidiaries. Accordingly, no approval of the Central Government will be required for payment of managerial remuneration to Mr. Sarna in case of inadequacy of profits.
36. Taking into consideration the above, the terms of appointment and remuneration of Mr. Sarna (including minimum remuneration) and in view of inadequacy of profits anticipated for the financial year 2017-18, Member's approval by means of a Special Resolution is being sought in compliance with the provisions of section 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, by way of abundant caution to pay remuneration to Mr. Sarna for the period April 1, 2017 to November 30, 2017. The payment of the minimum remuneration to him as stated above has been approved by the NRC and the Board at their meetings held on May 26, 2017.
37. The Board commends the Resolution at Item No. 7 of the accompanying Notice for approval by the Members of the Company.
38. Except for Mr. Sarna, none of the other Directors, KMP of the Company and their respective relatives are in any way concerned or interested in the said Resolution at Item No. 7 of the accompanying Notice.

STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.

I. *General Information:*

(1) *Nature of industry:*

The Company is engaged in the business of hoteliering.

(2) *Date or expected date of commencement of commercial production:*

The Company was incorporated on April 1, 1902. The Company had since then commenced its business.

(3) *In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:*

Not applicable.

(4) *Financial performance based on given indicators:*

₹ in crores

	IGAAP	IND AS	
Particulars	**Standalone 2014-15**	**Standalone 2015-16**	**Standalone 2016-17**
Gross Revenue	2103.60	2374.12	2445.11
Profit/(Loss) Before Tax & Exceptional Items	230.58	159.78	225.34
Profit/(Loss) Before Tax	1.88	152.89	258.85
Profit/(Loss) After Tax	(82.02)	84.15	141.94

(5) *Foreign investments or collaborations, if any.*

Details are as follows for status as on March 31, 2017:

Particulars	**₹ in crores**
Taj International Hotels (H.K.) Ltd.	1,111.98
IHOCO BV	1,912.60
BJETS Pte Ltd., Singapore	102.59

II. *Information about the Appointee:*

(A) MR. RAKESH SARNA, MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

(1) *Background details:*

Mr. Rakesh Sarna, aged 60 years joined The Indian Hotels Company Limited as Managing Director and Chief Executive Officer on September 1, 2014. Mr. Sarna has over three and a half decades of experience across various leadership roles with Hyatt Hotels Corporation. He was the Group President - Americas with a portfolio of 146 Full Service hotels, 233 Select Service hotels and 15 Vacation Ownership facilities across North America, the Caribbean and Latin America with around 40,000 employees. In this role, Mr. Sarna was responsible for the development and management of all owned, managed and franchised hotels across all Hyatt brands.

Previously, he served as Chief Operating Officer- International from June 2007 until his appointment as Group President- Americas in October 2012. During this time, he was responsible for the development and management of all owned, managed and franchised hotels across all Hyatt brands and for overseeing the Divisional Offices in Hong Kong for Asia Pacific; in Zurich for Europe, Africa & Middle East; in Dubai for South West Asia and in Mexico City for Latin America. In addition, during this time, Mr. Sarna was also responsible for co- authoring the brand attributes of Andaz (Hyatt's boutique brand) and leading the launch of this new brand.

He moved to Canada as a young adult and completed his Diploma in Hospitality Administration from Ottawa.

(2) *Past Remuneration:*

Particulars	**2016-17**		**2015-16**	
	₹	**$**	**₹**	**$**
Salary and Allowances				
Basic Salary	91,78,383	150,000	91,18,388	150,000
Living Allowance	2,20,28,122	360,000	21,88,4140	360,000
	3,12,06,505	510,000	3,10,02,528	510,000
Retirals				
PF (Employers Contribution)	11,01,406	18,000	10,94,206	18,000
	3,23,07,911	528,000	3,20,96,735	528,000
Incentives				
Performance Linked Bonus	3,11,78,110	510,000	3,08,41,995	510,000
Long Term Incentive Accrued	2,95,95,000	480,000	2,90,28,000	480,000
	6,02,05,870	990,000	5,98,69,995	990,000
Sub Total	**9,25,13,781**	**1,518,000**	**9,19,66,730**	**1,518,000**
Perquisite				
$ Value of Perquisites in India	**1,58,71,031**	**2,62,442**	**1,62,56,084**	**252,697**
Total	**10,83,84,812**	**1,780,442**	**10,82,22,814**	**17,70,697**

In addition to the above Mr. Sarna also received remuneration from United Overseas Holding Inc. (a Wholly Owned Subsidiary of the Company) of US$ 691,996 for the financial years 2015-16 and 2016-17.

(3) Recognition or awards:

Nil

(4) Job profile and his suitability:

At Taj Hotels Palaces Resorts Safaris, Mr. Sarna has envisioned Tajness as the cornerstone of the Company's identity – the holistic brand and operations philosophy that binds all the 101 hotels of the Taj, inspired by the nobility of heritage and traditions of India. Under this vision, he has implemented restructuring of brand architecture focused on creating value for the entire stakeholder ecosystem, a recalibration of operations and financial strategy as well as redesigning human resources policy and practices for Taj's 26,000 associates worldwide.

In addition to the above Mr. Sarna oversees the performance of the Company's USA properties and his customary responsibilities are as under:

- Devise plans for containing future losses and facilitate financial turnaround to profitability;
- Provide advice on the restructuring of USA Hotels business;
- Provide guidance on international best practices in the hospitality business; and
- Advise generally on the international USA Hotels business to turn around the performance of the same.

Mr. Sarna is responsible for steering the profitable growth of the organization as it continues to be positioned as a strong India based hotel chain with strategic presence in chosen markets outside India.

The Board is of the view that Mr Sarna's experience and expertise in the global hospitality sector, is greatly beneficial to the Company and the remuneration payable to him is commensurate with his qualifications and experience.

(5) Remuneration proposed:

Please refer to paragraph 2 & 3 of the Explanatory Statement to Item No. 7.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The remuneration of Mr. Sarna is commensurate with remuneration of expatriates appointed at CEO/MD levels of similar sized multinationals, taking into consideration the responsibilities shouldered by him. The table below provides a summary of the comparison of the CEO remuneration in the global Hospitality industry.

(in US$)

25th Percentile	50th Percentile	75th Percentile	90th Percentile
6,199,751	10,470,366	10,926,084	12,459,557

(Source: As per Aon Hewitt CEO Market pricing report for the global hospitality industry, 2017 covering 11 global hospitality majors).

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

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Besides the remuneration paid/payable to Mr Rakesh Sarna as Managing Director and Chief Executive Officer, he does not have any other pecuniary relationship with the Company or with the managerial personnel.

III. Other information:

(1) Reasons for inadequate profits:

Background

The total number of branded hotel rooms across all categories has increased from 39,285 in 2006-07 to 1,13,622 in 2015-16, at a CAGR of 12.5%. Mumbai and Delhi, with the highest share of the branded rooms inventory of 18% and 20% respectively, in 2006/07 have registered CAGR of 6.5% in rooms supply taking their total inventory to 13,054 and 14,035 respectively in 2015/16. Besides these markets, others with a high CAGR in rooms supply are Pune (26%), Ahmedabad (22%), Bengaluru (19%), Gurgaon (18%), Jaipur (15%), Hyderabad (14%), Chennai (14%) and Goa (10%).

Increase in supply coupled with a reduction in demand resulted in a decline in Room Revenue Per Available Room (RevPAR) over this period. The RevPAR fell from ₹ 5,496 in 2007-08 to ₹ 3,512 in 2015-16, at a CAGR of -4%.

Taj faced an additional challenge of its products competing with high quality new openings.

Product Upgradation Program

The company commenced on a renovation program in 2015-16 with the objective of strengthening market leadership across major markets, enhancing guest experience and asset health. It is imperative for the Company to have its assets in a state of readiness to take on the next supply cycle which is few years away.

In comparison to the past two years, a larger quantum of capital investment is planned for financial year 2017-18 which in turn is expected to have an adverse impact on the following aspects of the Company's Profit and Loss Statement.

- **Room Revenue:** On an average the rooms under renovation would be unavailable for sale for a period of 183 days in the current financial year. A total of 598 rooms will be under renovation which represents 14% of the Company's total room inventory. Further a significant proportion of these rooms are from the principal markets including Mumbai, New Delhi and Goa.
- **F&B Revenue:** All Day Dining restaurants at Taj Exotica, Goa, Taj Bengal, Taj West End, Bangalore and Connemara, Chennai are planned for renovation. In addition, speciality restaurants at Taj Palace Delhi and Connemara will also undergo a renovation. Further, the reduction in room inventory on account of renovations will also impact the F&B income from residents.
- **Repair and Maintenance:** Of the total expense being incurred on renovation, the items that are non-capital in nature will be charged to the Profit and Loss Statement under the repairs and maintenance head.
- **Administration Expense:** Assets being renovated will result in a charge of their book value under the head ''Assets written off''.
- **Finance Costs:** The Company will be incurring additional interest expense on account of borrowing to fund the investment program.
- **Depreciation:** With the completion of the investment program there will be an addition to the Fixed Asset block of the concerned hotels resulting in an increased depreciation.

The above reasons for inadequacy of profit are limited to the next two years as the Company is undertaking a significant renovation program.

(2) *Steps taken or proposed to be taken for improvement:*

The significant renovation program is limited to the next two years, where the quantum of work being undertaken is more than what is normally planned. This is due to the urgent need to upgrade the Company's hotels to retain leadership in key markets. Thereafter the planned renovations will not have a major impact on profitability.

(3) *Expected increase in productivity and profits in measurable terms:*

The primary reason to renovate our assets is to ensure that there is no erosion in market share, rates and profitability. With the next wave of supply expected, it is imperative that the Company renovate its products, to mitigate the risk of losing out on clientele which would adversely impact all financial parameters. The impact of renovation will therefore be visible in growth of operating margins and sustaining the current leadership position in key markets.

By Order of the Board of Directors

BEEJAL DESAI
Vice President – Legal and Company Secretary

Mumbai, May 26, 2017

Registered Office:

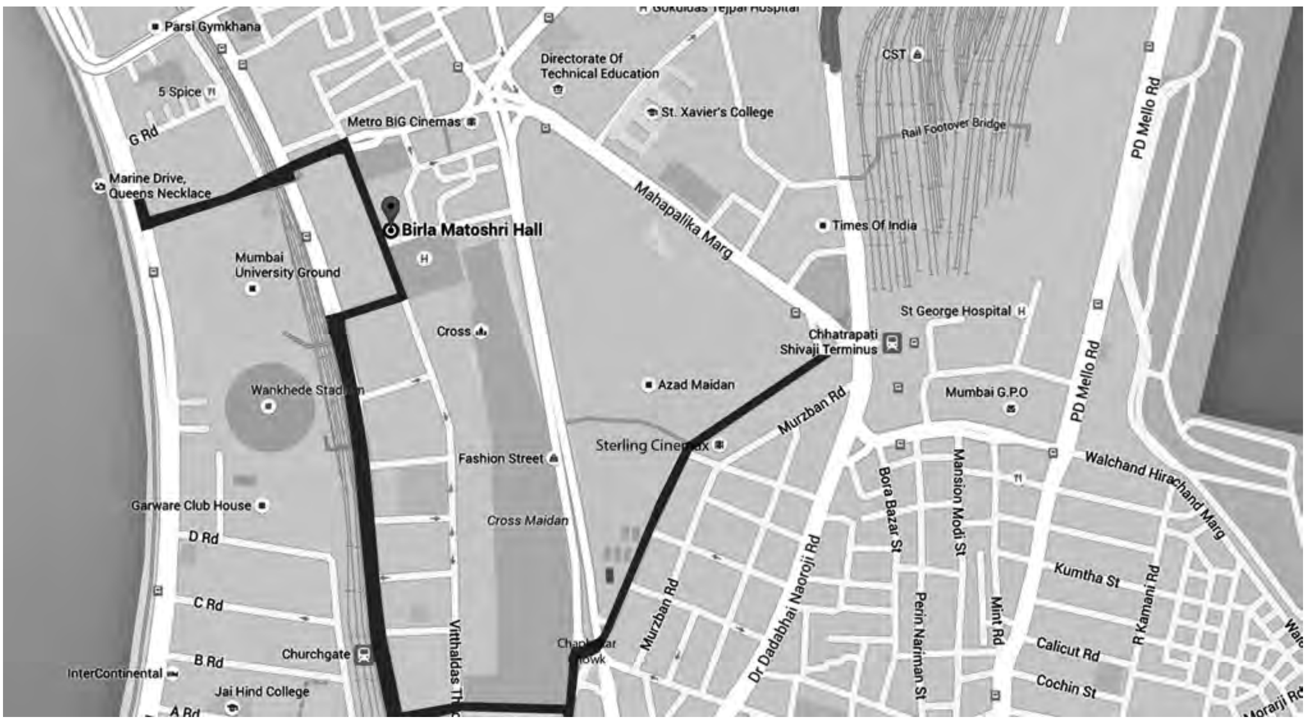
Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN: L74999MH1902PLC000183
Tel.: 022 66395515 Fax: 022 22027442
Email: investorrelations@tajhotels.com
Website: www.tajhotels.com

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to the Listing Regulations and Secretarial Standard-2 on General Meetings)

Name of Director	**N. Chandrasekaran**	**Mehernosh S. Kapadia**
Age	54	64
Date of Birth	June 02, 1963	May 22, 1953
Date of Appointment	January 27, 2017	August 10, 2011
Expertise in specific functional areas/ brief resume	Mr. N Chandrasekaran is the Chairman of Tata Sons Limited. He was appointed as a Director on its Board on October 25, 2016. He was the Chief Executive Officer and Managing Director of Tata Consultancy Services (TCS), a leading Global IT solutions and consulting firm, a position he held since 2009 till February 2017. He joined TCS in 1987 and under his leadership, TCS has become the largest private sector employer in India with the highest retention rate in a globally competitive industry. TCS remains the most valuable company in India for the year ended 2015-16 with a market capitalisation of over US $70 billion. Under Mr. N. Chandrasekaran's leadership, TCS was rated as the world's most powerful brand in IT services in 2015 and recognised as a Global Top Employer by the Top Employers Institute across 24 countries. He was also appointed as a director on the board of India's central bank, the Reserve Bank of India in 2016. He has served as the chairperson of IT Industry Governors at the WEF, Davos, in 2015-16. He has been playing an active role in the Indo-US and India-UK CEO Forums. He is also a part of India's business taskforces for Australia, Brazil, Canada, China, Japan and Malaysia. He served as the Chairman of NASSCOM, the apex trade body for IT services firms, in India in 2012-13 and continues to be a member of its governing executive council. Mr. N. Chandrasekaran has received several awards and recognition in the business community. Recently he was honoured with the "Business Leader Award" at the ET Awards for Corporate Excellence, 2016.	Mr. Mehernosh S. Kapadia has served the Taj Group of hotels in a variety of managerial positions. He has considerable experience of over 33 years in handling various issues with the Central and State Governments and Municipal Authorities.
Qualifications	Bachelor's Degree in Applied Science Master's Degree in Computer Application – Trichy	Diploma in Travel Management
Details of shares held in the Company	NIL	63,480
List of Body Corporates in which outside directorship held as on 31.03.2017	• Tata Sons Limited • Tata Consultancy Services Limited • Tata Motors Limited • Tata Steel Limited • Tata Power Company Limited • TCS Foundation • Jaguar Land Rover Automotive PLC • Reserve Bank of India	• Taj SATS Air Catering Ltd • Taj Air Ltd • Ewart Investments Ltd • Tata Realty and Infrastructure Ltd • Taj Air Metrojet Aviation Ltd • The Associated Building Company Ltd • Business Jets India Private Ltd • Business Jets Pte Ltd • BJets Pte Ltd
Chairman/Member of the Committees of other Companies on which he is a Director (Committees includes the Statutory Committees) as on 31.03.2017	**Nomination and Remuneration Committee** • Tata Sons Ltd • Tata Consultancy Services Limited • Tata Motors Ltd **Corporate Social Responsibility Committee** • Tata Consultancy Services Ltd (Chairman)	**Audit Committee** • Taj Air Ltd • Taj Air Metrojet Aviation Ltd • Ewart Investments Ltd **Nomination and Remuneration Committee** • Taj Air Ltd • Taj Air Metrojet Aviation Ltd **Corporate Social Responsibility Committee** • Taj SATS Air Catering Ltd
Number of Board meetings attended during the year	1	6
Terms and conditions of appointment/reappointment	Director liable to retire by rotation	As per his contract as Executive Director of the Company
Remuneration to be paid	Sitting fees & Commission	Details of remuneration provided in the Corporate Governance Report
Last drawn remuneration	Details of remuneration provided in Corporate Governance Report	Details of remuneration provided in the Corporate Governance Report
Relationship with other Directors	None	None

Route Map to the AGM Venue

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



Landmark: Next to Bombay Hospital (H)

Distance from **Churchgate Station**: 1 km

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

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

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the 116th Annual Report of your Company together with its Audited Financial Statements for the financial year ended March 31, 2017.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards (''Ind AS'') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. As such financial statements for the year ended as at March 31, 2016 have been restated to conform to Ind AS.

FINANCIAL RESULTS

	Standalone		Consolidated	
Particulars	**2016/17**	2015/16	**2016/17**	2015/16
	₹ crores	₹ crores	**₹ crores**	₹ crores
Total Income	**2445.11**	2374.12	**4065.20**	4122.78
Profit before Depreciation, Finance Costs, Tax and Exceptional items	**574.49**	528.58	**664.56**	651.92
Less: Depreciation	**151.29**	126.02	**299.37**	284.82
Less: Finance Costs	**197.86**	242.78	**323.83**	375.59
Profit before Tax & Exceptional Item	**225.34**	159.78	**41.36**	(8.49)
Add/(Less): Exceptional Items	**33.51**	(6.89)	**(10.78)**	(82.68)
Profit / (Loss) before Tax	**258.85**	152.89	**30.58**	(91.17)
Less: Provision for Tax	**116.91**	68.74	**113.74**	90.63
Profit / (Loss) after Tax, Non - controlling interest & share of Associates and Joint Ventures	**141.94**	84.15	**(83.16)**	(181.80)
Less: Non - controlling Interest	**-**	-	**(17.60)**	(27.87)
Add: Share of Profit / (Loss) of Associates and Joint Ventures	**-**	-	**37.56**	(21.41)
Profits / (Loss) after Tax	**141.94**	84.15	**(63.20)**	(231.08)

EXTERNAL ENVIRONMENT

The Indian economy grew by 7.0% year on year in the quarter ending December 2016, slightly lower than the 7.4% year on year in the previous quarter. The growth in GDP during 2016/17 is estimated at 7.1% as compared to the growth rate of 7.9% in 2015/16.

Consumer Inflation has moderated from 5.47% in April 2016 to 2.99% in April 2017. The decrease in inflation over the recent past is attributed to the demonetization drive which commenced in November 2016. The cash crunch, combined with a decrease in demand, led to the fall in inflation. It is expected that sectors that depend mostly on cash will see some disruption in the short term. Although increased activity in the rural economy coupled with pay revisions across public sector enterprises was expected to have a favourable impact on consumption, these positives were more than offset by the demonetization drive.

Looking ahead, the growth of some sectors such as Information Technology / Information Technology Enabled Services may be constrained with several key macroeconomic events in FY16-17 such as Brexit, continued increase in interest rates by the US Federal Reserve and protectionist policies in the USA. However, India's increased focus on digitalization and the "Smart Cities" and ''Make in India" initiatives is expected to create opportunities which may counter any slowdown globally.

INDIAN HOSPITALITY INDUSTRY

The Indian hospitality industry has been instrumental in contributing to the nation's economic growth. The introduction of e-visa for foreign tourists and the increased domestic travel have helped to contribute.

International travel and tourism arrivals increased by 3.9% to reach a total of 1,235 million in 2016 (January to December), 46 million more than for the calender year 2015 in the same period. (*Source: UNWTO*) For India, during the period January – December 2016, foreign tourists' arrivals were 88.90 lakh an increase of 10.7% as compared to 80.27 lakh in the calendar year 2015. *(Source: Ministry of Tourism, Government of India)*

The facility of e-visa has been enhanced and is now available at 16 international airports to tourists arriving from 161 specified countries. In 2016, a total of 10.79 lakh tourists availed the facility as compared to 4.45 lakh in 2015 which represents, a growth of 142.5%.

The growth in demand for rooms (6.2%) has been consistently outpacing the supply (3.1%) growth in India and this trends has been sustained over the recent past. This has resulted in occupancies to be sustained at over 60% across the industry. All key markets have registered growth in room demand and no key markets were lagging compared to the previous year *(Source: STR reports)*

FINANCIAL HIGHLIGHTS - STANDALONE

The Taj Group opened one Luxury hotel in Amritsar and one Gateway hotel at Corbett. The inventory of the Taj Group of Hotels now stands at 134 hotels with 16,675 rooms. The Group's portfolio also include 35 hotels under the Ginger Brand, which has an aggregate inventory of 3,324 rooms. Your Company continues to pursue expansion both in the domestic and international market, in a capital light manner, to achieve sustainable and profitable growth.

Income

The Total Income for the year ended March 31, 2017 at ₹ 2,445.11 crores represents a growth of 3% over the previous year. Within the overall revenue, Room Revenue increased by 8%, driven by improved Average Rate Per Room (''ARR''), occupancies and incremental impact of full year operations of Taj Guwahati, which commenced operations in April 2016. The Food and Beverage Revenues increased marginally over the previous year, aided by growth in restaurant sales and banqueting income. Other Operating Income, Management and Operating Fees, were also higher, compared to the previous year.

Dividend and Interest Income were however lower as compared to the previous year, as the Company had used surplus cash to redeem Non-Convertible Debentures of ₹ 521 crores (including premium on redemption) in the latter half of 2015/16, which impacted the treasury income during the current year.

Depreciation and Finance Costs

Depreciation for the year was higher at ₹ 151.29 crores as compared to ₹ 126.02 crores for the previous year due to additions to fixed assets on account of planned renovations carried out in Mumbai and Goa Hotels and the impact of full year of operations of Taj Guwahati.

Finance costs for the year ended March 31, 2017 at ₹ 197.86 crores were lower than the previous year by ₹ 44.92 crores mainly due to retirement of high cost debt.

Profit Before Tax and Exceptional items

Profit before Tax and Exceptional Items stood at ₹ 225.34 crores, which represents an increase of 41%, as compared to the previous year.

Exceptional Items

Exceptional Items include foreign exchange gain of ₹ 1.90 crores on long term borrowings/ assets , exchange gain on change in Fair value of Cross currency swap derivative contracts ₹ 65.45 crores and provision for impairment due to losses in an overseas subsidiary ₹ 64.33 crores.

Exceptional Items also include Recovery of costs on a surrendered project, interest awarded by Arbitrator against claim raised on Karnataka Forest Development Corporation ₹ 24.33 crores and Refund of Municipal Tax and interest of ₹ 6.16 crores previously paid under protest.

In the previous year, there was a net exchange gain of ₹ 3.29 crores and your Company had written off expenditure incurred on a project of ₹ 9.83 crores.

Borrowings

The total borrowings stood at ₹ 2,048.98 crores as at March 31, 2017 as against ₹ 2,157.65 crores as on March 31, 2016, representing a decrease of ₹ 108.67 crores due to repayment & refinancing of debt.

Profit / (Loss) before and after tax

The Profit before Tax for the year was at ₹ 258.85 crores, as compared to ₹ 152.89 crores for the previous year. The Profit after Tax for the year was at ₹ 141.94 crores, as compared to ₹ 84.15 crores, for the previous year.

FINANCIAL HIGHLIGHTS - CONSOLIDATED

The consolidated income of your Company for the year ended March 31, 2017 aggregated ₹ 4,065.20 crores as against ₹ 4,122.78 crores for the previous year. The revenue from operations increased by 4% (on a same store basis, without considering the results of Taj Boston which was divested during the year) from ₹ 3,800.29 crores to ₹ 3,933.89 crores largely due to improvement in the performance of the domestic portfolio.

The Profit before Tax and Exceptional Items stood at ₹ 41.36 crores as compared to loss of ₹ (8.49) crores in the previous year. The Loss after Tax, Minority interest and share of associates/ joint ventures aggregating to ₹ (63.20) crores for the year has significantly reduced when compared to previous year of ₹ (231.08) crores.

The consolidated results for the current Financial Year are after considering the sale of Taj Boston, and may therefore impact the comparison with the previous year.

APPROPRIATIONS

Dividend

On account of improved performance and Profit After Tax reported by your Company during the current year, the Board of Directors recommend a dividend at ₹ 0.35 per share (previous year ₹ 0.30 per share). The dividend on Equity Shares, if approved by the Members, would involve a cash payout of ₹ 41.67 crores, including dividend tax. Pursuant to Regulation 43A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (''Listing Regulations''), the Company has adopted the Dividend Distribution Policy which is attached as Annexure-I.

Debentures

During the year, your Company redeemed the following Debentures:

1. 1,360, 9.90% Unsecured Non-convertible Redeemable Debentures of face value ₹ 10,00,000 each aggregating to ₹ 136 crores were redeemed on February 24, 2017.
2. 2% Secured Non-Convertible Debentures of the face value of ₹ 5,00,000 each aggregating to ₹ 150 crores, along with redemption premium of ₹ 3.51 lakhs per debenture were redeemed on March 22, 2017.

During the year, your Company had raised 7.85% Secured Non-convertible Redeemable Debentures of face value ₹ 10,00,000 each aggregating to ₹ 495 crores.

Capital Expenditure

During the year under review, your Company incurred ₹ 255.24 crores towards capital expenditure, a majority of which was towards the upcoming hotel at Andamans and to commission balance floors of Taj Guwahati project. Other areas of investment included new Information Technology initiatives, renovations and refurbishments of hotels.

Fixed Deposits

The outstanding amount of Fixed Deposits placed with your Company was Nil (Previous year Nil) excluding ₹ 0.72 crore (Previous year ₹ 0.81 crore), which remained unclaimed by depositors as at March 31, 2017. Your Company does not accept and / or renew Fixed Deposits from the general public and shareholders.

Loans, Guarantees or Investments

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

STRATEGIC INITIATIVES

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

Amalgamation of International Hotel Management Services, LLC (''IHMS'')

As part of the Company's restructuring plan, at a meeting held on October 19, 2015, the Board of Directors had approved the amalgamation of IHMS (formerly known as International Hotel Management Services Inc.), a wholly held subsidiary into the Company, by way of a Scheme of Arrangement amongst the Company, the Transferor Company, and the respective shareholders and creditors (the "Scheme"), as provided under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Act, Section 78 and Sections 100 to 103 of the Companies Act, 1956. The Appointed Date for the Scheme was January 1, 2016. The amalgamation was approved by the Members at the meeting convened on May 4, 2016, on the direction of the Honourable High Court of Judicature at Bombay ("Bombay High Court") where the application seeking permission for the amalgamation was filed. The Bombay High Court *vide* its order dated August 12, 2016 had approved the Scheme which had been filed with the jurisdictional Registrar of Companies on September 15, 2016.

The other conditions to effectiveness of the Scheme as specified in Clause 18(a) of the Scheme had subsequently been fulfilled including the receipt of the approval of the Securities and Exchange Board of India (''SEBI'') in terms of the SEBI Scheme Circulars and the filing of the "Certificate of Merger" with the office of the Secretary of State of the State of Delaware, both on September 29, 2016. Accordingly, the "Effective Date" of the Scheme is September 29, 2016, being the last of the dates on which all the conditions and matters referred to in Clause 18(a) of the Scheme have been fulfilled in accordance with the Scheme.

Pursuant thereto, in accordance with the terms of the Scheme, IHMS has amalgamated with the Company and has ceased to exist as a separate legal entity as per the applicable law in the State of Delaware and is deemed to be dissolved without winding up for the purposes of the Companies Act with effect from the Appointed Date i.e. January 1, 2016. The necessary accounting entries have been passed in the books of accounts of the Company to reflect the same.

Amalgamation of Lands End Properties Private Limited (''LEPPL'')

At a meeting held on October 19, 2015, the Board of Directors of the Company had approved the amalgamation of LEPPL, a wholly held subsidiary into the Company, by way of a Scheme of Arrangement amongst the Company, the Transferor Company, and the respective shareholders and creditors (the "Scheme"), as provided under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Act, section 78 and Sections 100 to 103 of the Companies Act, 1956. The Appointed Date for the Scheme is March 31, 2016. The amalgamation was approved by the Members of the Company at the meeting convened on May 4, 2016, on the direction of the Honourable High Court of Judicature at Bombay ("Bombay High Court") where the application seeking permission for the amalgamation has been filed. The Bombay High Court *vide* its order dated October 13, 2016 has approved the scheme of arrangement between LEPPL and the Company. Pursuant thereto, the High Court orders were filed with the jurisdictional Registrar of Companies on December 7, 2016 for reduction of capital of the Company and on December 9, 2016 in respect of the Scheme.

The other conditions to effectiveness of the Scheme as specified in Clause 18(a) of the Scheme were subsequently fulfilled including receipt of approval/comments from the SEBI on December 19, 2016 vide SEBI Letter dated December 15, 2016, in terms of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Accordingly, the "Effective Date" of the Scheme is December 19, 2016, being the last of the dates on which all the conditions and matters referred to in Clause 18(a) of the Scheme occur or have been fulfilled or waived in accordance with the Scheme.

Pursuant thereto, in accordance with the terms of the Scheme, LEPPL was amalgamated with the Company with effect from the Appointed Date i.e. March 31, 2016, and consequently, LEPPL stands dissolved without winding up. The necessary accounting entries giving effect to the amalgamation have been passed in the books of accounts of the Company.

Divestment of IHMS (Boston) LLC – Taj Boston Hotel

The Board of Directors of the Company had, at its meeting held on May 18, 2016, accorded its approval to United Overseas Holding Inc. (''UOH''), an indirect wholly owned subsidiary (''WOS'') of the Company incorporated in the United States of America, to pursue the option of divestment of the Taj Boston Hotel by way of sale/ disposal of its entire issued and outstanding LLC interests in IHMS (Boston) LLC (a direct WOS of UOH), at a consideration not being lower than US$ 125 million (US$ One hundred and twenty five million only), to an independent third party, subject to negotiations and execution of suitable agreements and receipt of approval from its Members.

The Company had subsequently, obtained the Members approval for the same by a Special Resolution vide Postal Ballot. Accordingly, UOH effected on July 12, 2016, the divestment of the Hotel through sale of the entire issued and outstanding LLC interests of IHMS (Boston) LLC held by UOH, to 'AS Holdings LLC, Boston', for an aggregate consideration of US$ 125 million (US$ One hundred and twenty five million only).

Pursuant to the sale by UOH of its entire LLC interest in IHMS (Boston) LLC, the owning company of the Hotel, the Hotel continues to be operated and managed by IHMS (USA) LLC, an indirect wholly held subsidiary of the Company. IHMS (USA) LLC has entered into a Management Services Agreement with the new owning company, thus ensuring continuity of Taj's presence in the Boston market.

CORPORATE SOCIAL RESPONSIBILITY

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in your Company, its compliance with operating systems, accounting procedures and policies at all locations of your Company. Based on the report of the Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board. The internal financial controls as laid down are adequate and were operating effectively during the year.

In addition, during the year 2016/17, as required under Section 143 of the Act, the Statutory Auditors have evaluated and expressed an opinion on the Company's internal financial controls over financial reporting based on an audit. In their opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. No person has been denied access to the Chairman of the Audit Committee. The provisions of this policy are in line with the provisions of Section 177 (9) of the Act and Regulation 22 of the Listing Regulations. The Whistle Blower Policy can be accessed on your Company's website at the link: https://www.tajhotels.com/content/dam/thrp/investors/WHISTLE-BLOWER-POLICY-AND-VIGIL-MECHANISM.pdf.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 as per Section 92 (3) of the Act are given as Annexure III, which forms part of this Report.

AUDIT COMMITTEE

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

RELATED PARTY TRANSACTIONS

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

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

All RPTs that were entered into during the Financial Year were in the Ordinary Course of Business and at Arm's Length. The Company has nothing to report in Form AOC-2, hence the same is not annexed.

RISK MANAGEMENT

Although not mandatory, your Company has constituted a Risk Management Committee as a measure of good governance. The Risk Management Committee is tasked with the responsibility to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

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

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

Your Company has 25 Subsidiaries, 8 Joint Ventures and 6 Associates as at March 31, 2017. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the Financial Statements of your Company's Subsidiaries, Associates and Joint Ventures in Form AOC-1 is attached to the Financial Statements of your Company.

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

During the year under review, LEPPL and IHMS ceased to be subsidiaries of the Company pursuant to their amalgamation with the Company, i.e. w.e.f from December 19, 2016 and September 29, 2016, respectively. The appointed dates for the Scheme of Arrangement to be effective were opening of the business hours of January 1, 2016 for IHMS and close of the business hours of March 31, 2016 for LEPPL.

Apex Hotel Management Services (Australia) Pty Ltd ceased to be a subsidiary of the Company w.e.f. March 31, 2017.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Appointments

During the year, Mr. N. Chandrasekaran was appointed as an Additional Director of the Company w.e.f. January 27, 2017 and as Chairman of the Company w.e.f. February 22, 2017. He holds office upto the date of the forthcoming Annual General Meeting (''AGM'') of the Company.

In accordance with the Act and the Articles of Association of your Company, Mr. Mehernosh S. Kapadia retires by rotation and being eligible, offers himself for re-appointment.

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

The Independent Directors have submitted a declaration that each of them meet the criteria for independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as an Independent Director during the year.

Retirement / Resignations

Mr. Anil P. Goel sought premature retirement from the services of the Company and stepped down as the Executive Director and Chief Financial Officer (''CFO'') w.e.f. October 15, 2016. Mr. Goel served the Company for more than 15 years overseeing the Taj Group's Finance, Mergers and Acquisitions, Purchases and Information Technology functions and brought in a unique understanding of fiscal responsibility to the Taj Group.

The following Directors also stepped down from the Board of the Company:

- Dr. N. S. Rajan w.e.f. October 28, 2016
- Mr. Cyrus P. Mistry w.e.f. December 19, 2016
- Mr. K. B. Dadiseth w.e.f. April 7, 2017.
- Mr. Shapoor Mistry w.e.f. April 25, 2017

The Board places on record its appreciation of the services rendered by these Directors to the Company during their respective tenures.

Mr. Rakesh Sarna had expressed his desire to step down as the Managing Director & Chief Executive Officer (''MD & CEO'') of the Company upon completion of his three year tenure due to personal reasons vide his letter dated May 26, 2017.

The Board accepted the resignation of Mr. Sarna and requested him to continue as the MD & CEO of the Company until September 30, 2017 appreciating the contribution made by him to the Company in its transformation to operational excellence, which he agreed and accepted.

Changes in KMP

Pursuant to the provisions of Section 203 of the Act, the KMPs of your Company are Mr. Rakesh Sarna, MD & CEO, Mr. Mehernosh S. Kapadia, Executive Director – Corporate Affairs, Mr. Giridhar Sanjeevi, CFO, and Mr. Beejal Desai, Vice President – Legal & Company Secretary. Mr. Giridhar Sanjeevi was appointed as the CFO of the Company w.e.f. May 4, 2017 in place of Mr. Anil P. Goel. Mr. Giridhar Sanjeevi is a Chartered Accountant and holds an MBA degree from IIM –Ahmedabad.

BOARD MEETINGS

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

BOARD EFFECTIVENESS

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

A. Board Evaluation

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

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

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

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual Directors on the basis of as the contribution of the individual Director to the Board and Committee meetings based upon criteria such as preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At a separate meeting of Independent Directors, performance of Non-Independent Directors & performance of the Board as a whole was evaluated, taking into account the views of the Executive Directors and Non-Executive Directors. The same was discussed at the next Board meeting at which 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.

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

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

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

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

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

Additional Positive Attributes:

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

C. Remuneration Policy

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

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

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

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

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

- The extent of the overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence, remuneration should be market competitive, driven by the role played by the individual, reflective of the size of your Company, complexity of the sector / industry / Company's operations and your Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, your Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. Your Company also provides all employees with a social security net subject to limits, which covers medical expenses and hospitalization through re-imbursements or insurance cover and accidental death benefits, etc. Your Company provides retirement benefits as applicable with the Retirement Policy.

- In addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, your Company provides MD / EDs such remuneration by way of performance linked bonus, calculated with reference to the net profits of your Company for the Financial Year, as may be determined by the Board, subject to the overall limits stipulated in Section 197 of the Act. The specific amount payable to the MD / EDs would be based on performance as evaluated by the NRC and approved by the Board.
- Your Company provides the rest of the employees a performance linked bonus. The performance linked bonus is driven by the outcome of the performance appraisal process and the performance of your Company and the individual's contribution.

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), the Statutory Auditors of the Company, hold office till the conclusion of the 116th AGM of the Company. The Board has recommended the appointment of BSR & Co LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company in their place, for a term of five consecutive years, from the conclusion of this AGM till the conclusion of the 121st AGM of the Company (subject to ratification of their appointment at every AGM, if required under the Act), for approval of the Members.

The report of the Statutory Auditors along with the Notes to Schedules is enclosed to this report and contains an Unmodified Opinion.

SECRETARIAL AUDIT

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed BNP & Associates, Company Secretaries to undertake the Secretarial Audit of your Company for the Financial Year 2016-17. The Secretarial Audit Report is annexed herewith as Annexure IV. The report does not contain any qualifications, reservation or adverse remarks.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES / HUMAN RESOURCES

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

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required to be furnished pursuant to Section 197 (12) read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report. However, as per the provisions of Section 136 (1) of the Act, the reports and accounts are being sent to all the Members of your Company excluding the statement of particulars of employees. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholders interested in obtaining a copy of the same may write to the Company Secretary.

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

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

During the year under review, your Company has received 19 complaints on sexual harassment, and all the complaints have been resolved and appropriate action taken, where so necessary, and no cases remain pending.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by your Company, work performed by the Internal, Statutory and Secretarial Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that your Company's internal financial controls were adequate and effective during the Financial Year 2016-17.

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

(i) In the preparation of the accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and that there are no material departures;

(ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent in order to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;

(iii) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) They have prepared the Financial Statements for the financial year ended March 31, 2017 on a 'going concern' basis;

(v) The Directors have laid down internal financial controls for the company which are adequate and are operating effectively;

(vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

CORPORATE GOVERNANCE

Your Company evolves and follows corporate governance guidelines and best practices sincerely, not just to boost long-term shareholder value, but also to respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our operations and performance, as well as the leadership and governance of the Company.

During the second half of the year under review, the Company witnessed leadership change at Tata Sons (our Promoter). During this period there were allegations made regarding the ethics and governance of the Company. Clarifications were also sought by the regulators with respect to certain business decisions and governance processes. The Company would like to categorically deny the references and would like to impress upon you that it has robust processes in place to ensure compliance to all regulatory requirements. The Company's Board exercises its independence both in letter and in spirit. The Directors have always acted in the best interest of the Company and will continue to do so.

Further, allegations were made in relation to certain acquisitions and divestments by the Company and the financial condition of the Company. In this regard, we wish to highlight that the Company has made various strategic investments in properties, both overseas and India, with the aim of promoting the 'Taj' brand and to expand the business and operations of the Company. A number of these investments were made before the global downturn and financial crisis in 2008-09, when markets were buoyant. The 'black swan' event of collapse of the global markets in 2008-09 had an adverse impact on the hotel industry, not just in India but globally and this led to decline in the underlying asset values of the investments made by the Company. In some cases, the Company was, therefore, forced to sell the properties at a loss - such as in the case of Orient Express Hotels (Belmond) and Taj Boston. In other cases, where required, the Company has taken write downs on the relevant investments, as per applicable accounting standards. It should also be noted that during this period, the Company had also undertaken a divestment of the Blue Sydney in Australia, on which the Company realised a profit.

Allegations were also made in relation to the terms of the lease obtained by the Company for The Pierre in New York City. The Pierre is located at 5th Avenue and 61st Street, opposite Central Park, a premier address in Manhattan. The hotel has one of the most sought-after banquet venues in New York. Leasing of The Pierre was strategically important for the Company to establish its brand as well as visibility in the USA which is a key feeder market for the Taj Group's Indian operations. One should note that the lease terms of The Pierre have remained largely unchanged for a long period and the hotel was run and operated on almost similar terms for the long time by earlier operators including Four Seasons, and was thus available to the Company only on similar terms. Given the strategic value that would be added by addition of The Pierre in the Company's portfolio of hotels, the Board of Directors of the Company had taken a considered decision to enter into the lease for The Pierre. In any event, the Company reserves the option not to renew the lease after the initial period of ten years i.e. 2025. The Company has the right but not the obligation for two renewal options, each for a ten years period up to June 30, 2045.

Questions have also been raised about the acquisition of the Sea Rock property by the Company. Acquisition of the Sea Rock property was of strategic importance to the Company, due to variety of reasons including the unique location of the property, synergy with the existing Taj Lands End Hotel and economies of scale. If a competitor were to acquire the Sea Rock property then a competitor hotel across the road would have adverse impact on the annual turnover and profitability of the marquee Taj Lands End property, in addition to obstructing the view which the Taj Lands End Hotel currently enjoys. The timing of the acquisition of the Sea Rock property was just before the 26/11 terrorist attacks in Mumbai and the collapse of the global markets in 2008/09. Prior to the latter two events, the markets were booming and the prices were buoyant. It could not be visualised that both the aforesaid events would occur in a short period post acquisition. Consequently, taking cognizance of the changed business realities, it was decided to insulate the acquisition and incubate the asset in a separate company, till such time the sector sentiments improved, whilst pursuing with design development and residual approvals. The purchase of the Sea Rock hotel was put in a separate subsidiary as the transaction had not been completed. The original owner still has a 15% stake in the property and was responsible for getting all approvals. The Company originally planned to get an international partner and for this reason, this subsidiary was created. In any event, since then, the apex holding company for the Sea Rock property was made a 100% subsidiary and amalgamated into the Company.

In the past, the Company has taken write-offs on its investments as and when required by applicable accounting standards and policies. In spite of the write-offs taken by the Company, by and large the Company has maintained a healthy dividend record (barring two financial years viz. 2013-14 and 2014-15).

Your Board has closely monitored the events that unfolded during the leadership transition. The Audit Committee of the Board ("Committee") reviewed the aforementioned issues including the correspondence between the Regulators and the Company and the allegations made by Mr. Cyrus P. Mistry (both in public as well as in the proceedings before the National Company Law Tribunal initiated against our Promoter). The Committee also reviewed the Company's interventions, the processes implemented and followed with respect to various compliances and disclosures and the rigours applied when such strategic investment decisions were taken. After due deliberations with relevant stakeholders and review of relevant documents, the Committee expressed its confidence in the Company's processes to ensure compliance with the provisions of SEBI Regulations. The Committee noted that appropriate procedures were followed by your Company in preparing its financial statements and addressing the business risk issues and that there has been compliance with all legal requirements and corporate governance standards. It follows therefore that the aforesaid allegations by Mr. Cyrus P. Mistry in the various proceedings, representations and public statements against your Company and its governance were incorrect and such statements were made without exercising proper care.

As required by the Listing Regulations the report on Management Discussion and Analysis, Corporate Governance along with the Practising Company Secretary's Certificate regarding compliance of conditions of Corporate Governance and Business Responsibility Reporting form part of the Annual Report.

ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors

N. Chandrasekaran
Chairman

Mumbai, May 26, 2017

Registered Office:

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

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

1. **Objective and Philosophy**

The Dividend Distribution Policy ("the policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

The objective of this Policy is to reward its shareholders by returning a portion of its profits after retaining sufficient funds for growth of the Company thus maximizing shareholders' value.

The Policy set forth's the broad principles for guiding the Board and the Management in matters concerning declaration and distribution of dividend, with a view to ensure fairness, transparency, sustainability and consistency in the decision for distributing profits to shareholders.

The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits inter- alia for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

The Policy shall broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

2. **Regulatory Framework**

The Securities Exchange Board of India on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

The Indian Hotels Company Limited being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, has framed this policy to comply with the aforesaid requirements which has been approved by their Board of Directors.

This Policy shall be effective and applicable for dividend, if any, declared for the Financial Year 2016-17 and onwards.

3. **Parameters for declaration of Dividend**

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act, 2013 (the Act). The Board may also declare interim dividends as may be permitted by the Act.

As in the past, subject to the provisions of the applicable law, the Company's dividend pay-out will be determined based on available financial resources, business requirements and taking into account optimal shareholder return.

Dividend pay-out would also be subject to profitability under Standalone Financial Statements and while determining the nature and quantum of the dividend pay-out, the Board would take into account the following factors:

Financial parameters and Internal Factors:

- Operating cash flow of the Company
- Profit after Tax during the year and Earnings Per Share (EPS)
- Working capital requirements
- Capital expenditure requirement
- Business expansion and growth
- Likelihood of crystalization of contingent liabilities, if any
- Additional investment in subsidiaries and associates of the company
- Up gradation of technology and physical infrastructure
- Debt levels and cost of borrowings
- Past dividend pay-out ratio / trends

External Factors:

- Industry Outlook and Economic environment
- Capital markets
- Global conditions
- Statutory provisions and guidelines
- Dividend pay-out ratio of competitors

4. Circumstances under which the shareholders of the Company may or may not expect dividend

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- Proposed expansion plans, renovations and up-gradations requiring higher capital allocation
- Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow
- Requirement of higher working capital for the purpose of business of the Company
- Debt obligations
- Proposal for buy-back of securities
- In the event of loss or inadequacy of profit

5. Utilization of Retained Earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plans
- Declaration of dividend,
- Diversification of business
- Long term strategic plans for growth
- Replacement of capital assets
- Such other criteria's as the Board may deem fit from time to time.

6. Parameters to be adopted with regard to various classes of shares

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

7. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.tajhotels.com

8. Policy review and amendments

The Board may review, amend, abrogate, modify or revise any or all provisions of this Policy from time to time. However, amendments in the Act or in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be deemed to be incorporated in this Policy and shall be binding.

ANNEXURE II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES – 2016-17

The last hundred years has witnessed your Company's expansion across the length and breadth of India as well as different parts of the world. As your Company grew from one hotel to its current 102 properties, it has been guided by its Founder Jamsetji Tata's belief of giving back to the community. This ideology is the overarching philosophy on which your Company operates its business. Caring for the local community is an integral element of Tajness that is based on our brand promise 'We sincerely care for you'. Your Company's CSR philosophy is further guided by the Tata Sustainability Policy, and Tata Affirmative Action framework.

As one of the pioneers in the hospitality industry, your Company understands the role it can play to contribute towards the betterment of society as well as the destinations in which its hotels are located. Over the years, your Company has worked with government and non-government bodies to help build the livelihoods of less privileged communities in its surroundings. Additionally, your Company supports victims of natural and manmade disasters through the Taj Public Service Welfare Trust.

In the last year, your Company implemented its renewed CSR strategy, in line with the brand promise, to build livelihoods and contribute to its neighborhoods. Under the thematic areas of Livelihoods, Neighborhoods and Welfare, your Company implemented the following programs.

Livelihood-Skill building

There will be a growing skill gap of 250 million workers across various sectors in India by 2022, creating an urgent need for skill development. The hospitality sector contributes around 7.9% to the GDP of India but has significant gaps in meeting the need for qualified personnel across functions, as highlighted by the India Brand Equity Foundation. Under its thematic area of 'Livelihood' and its brand promise, of which Skill Building is a key element, your Company has focused on skills in hospitality and related trades for the underprivileged youth.

In 2016, in a bid to enhance the quality of this program, your Company partnered with Tata Strive, an initiative set up to work with the entities within the Tata Group and marque brands outside, to build skills in underprivileged youth. With greater emphasis on standardization and quality, the partnership brings the best of domain expertise from Taj coupled with the superior approach to holistic youth development driven by Tata Strive. Apart from playing the role of knowledge and quality assurance partner in training centers 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 11 Taj Tata Strive Hospitality Skill Centers are located in Mumbai, Airoli, Bangalore, Varanasi, Jaipur, Goa, Trivandrum, Chhindwara, Lonavala, Agartala and Uri. These centers now have a cumulative capacity to train 1900 youth annually. In the current year, 550 youth have been trained at these centers and all certified youth have been placed in the hospitality sector.

Large numbers of people who are already employed in the hospitality sector lack formal qualifications. Your Company in partnership with Tata Strive runs the Recognition of Prior Learning (''RPL'') program, which helps fill the gap and obtain a certification from NSDC. Over 900 individuals were trained through the RPL program in the current year. This included people from diverse backgrounds, including employees of Rashtrapati Bhavan, Raj Bhavan and the Central Reserve Police Force.

Livelihood - Entrepreneurship

A unique program to build entrepreneurs from the remote regions of Madhya Pradesh has been launched by your Company through a course in cooking and baking at the CII Taj-TATA Strive skill center in Chhindwara. The first batch of students is currently in training.

Your Company also took up a project to train the local fishing community in a South Goa village in organic farming. This program not only gave them skills but also supported them through connections and MoUs with retail outlets, giving them an avenue to market their produce.

Livelihood - Preservation of traditional arts and crafts

With a focus on preserving the cultural heritage of India in the destinations where it operates, your Company has always encouraged local artists and artisans to showcase and sell their art and handicrafts to guests, offering display space for free, and incorporating their offering as an element of local heritage in the guest experience. To elevate this program to the next level, in 2016, your Company assessed new possibilities and identified Fado De Goa. This form of music, which is a part of Goa's Portuguese heritage, is highly endangered being reduced to just a handful of practitioners.

With a comprehensive program to revive this form, your Company has been promoting appreciation and awareness of Fado, and creating more trained performers. Activities includes performances, lecture series, music competitions and festivals such as the Fado Singing Contest organized by Semana da Cultura Indo-Portuguesa. Your Company has also partnered with local experts to train potential musicians in the basics of Fado. 30 musicians have undergone the training program till date. Your Company collaborates with Fundesa Orient (Goan-Portuguese cultural Institute), Instituto Comoes (Portuguese language Institute) and SPIC MACAY to ensure that the program can sustain and scale.

Your Company continues its efforts to preserve the art of traditional Benarasi handloom weaving. Your Company has initiated a path-breaking program to train girls from conservative communities around Varanasi in this strongly male-dominated occupation. The ability to earn a livelihood through weaving will go a long way in empowering these women while preserving the craft. Your Company has also initiated a partnership with Okhai Centre for Empowerment to create new markets and products for its existing weavers.

Neighborhood - Responsible Neighbor

Your Company has elevated its existing program of maintaining cleanliness around all its hotels to a Responsible Neighbour Program. The scope includes environmental responsibility, and covers key neighbourhood and public sites. In the last year, your Company adopted 33 public sites across India and reached out to 524 community representatives through education on cleanliness. The engagement in these public sites included cleanliness drives, beautification and improvement of visitor experience through lighting and painting of public spaces, horticulture, education on waste disposal for hawkers and school students, and campaigns on cleanliness and civic sense for the general community.

Neighborhood – Heritage monuments

Your Company evaluated opportunities to support the preservation and enhancement of heritage monuments of significance in the locations where it operates. After discussions with multiple stakeholders, your Company has identified two sites: The National Rail Museum, New Delhi and the Gateway of India precinct, Mumbai.

The Rail Museum is a unique collection of railway artefacts reflecting the heritage and history of the Indian Railways, and a major visitor attraction. In partnership with the Ministry of Railways, your Company has been working to restore and improve the lawns and gardens of the Museum, through greening and plantation with native species, beautification and arrangements for waste disposal.

In Mumbai, your Company has initiated a project for the adoption and care of the historic precinct of the Gateway of India by bringing together a steering committee with representatives from Tata Trust, local community organizations, and a heritage conservation expert. Efforts are underway to improve cleanliness, lighting, maintenance of street furnishing and signage in the first phase.

Welfare

The needs of the local community are addressed by your Company through various welfare activities. Donation of food, educational scholarships, supporting charity homes and orphanages are all components of this program. These programs and initiatives are undertaken in association with local partners, including communities, NGOs and government bodies as appropriate.

Your Company's CSR Policy outlines key programs, initiatives and mechanisms followed for driving Corporate Social Responsibility this is updated under the 'Policies' section on the website under the link:

https://www.tajhotels.com/content/dam/thrp/investors/CSR-Policy-IHCL.pdf

https://www.tajhotels.com/content/dam/thrp/investors/IHCL%20SUSTAINABILITY%20POLICY.pdf

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

1. The composition of the CSR and Sustainability Committee is as follows:
   (i) Mr. Rakesh Sarna (Managing Director and CEO – The Indian Hotels Company Limited) - Chairman
   (ii) Mr. Nadir Godrej - Independent Director
   (iii) Ms. Ireena Vittal - Independent Director
2. Average net profit of the Company for last three financial years (2014-2016) for the purpose of computation of CSR: ₹ 21,320 lakhs.
3. The prescribed CSR Outlay (two per cent of the average net profit as per item 2 above) is ₹ 426 lakhs
4. Details of CSR spend during the financial year:

   Total amount spent for the financial year: ₹ 434.76 lakhs

   Amount unspent, if any: NIL

The manner in which the amount was spent during the financial year 2016-17 is detailed in the table below:

₹ Lakhs

Project	Sector in which the Project is covered	Nature of Program	Direct or / and Partnership with NGO	Location	Amount Outlay (budget) project – program-wise	Amount of Money Spent
Skill Building and Entrepreneurship	Employment Enhancing Vocational Skills/ Entrepreneurship - Schedule VII (ii)	Skill development and certification; promotion of local enterprises	Direct and Partnership	Mumbai, Varanasi, Jaipur, Bangalore, Trivandrum, Goa, Chhindwara, Agartala, Uri, Airoli, Lonavala	243	317.34
Preservation of Traditional Arts & Crafts	Promotion and development of traditional arts and handicrafts – Schedule VII (v)	Education, training and promotion to preserve dying art forms	Direct and Partnership	Goa and Varanasi	10	7.50
Upkeep of Local Neighborhoods	Environmental sustainability– Schedule VII (iv)	Adoption or maintenance of public spaces such as lakes, gardens, bus stops and roads, cleanliness, beautification and horticulture, and community education for public hygiene and cleanliness	Direct and Partnership	IHCL hotels	50	49.34
Preservation and Promotion of Heritage Sites	Restoration of buildings and sites of historical importance - Schedule VII (v)	Adoption, beautification, cleanliness, horticulture and development of heritage sites	Partnership and Direct	Delhi	97	28.90
Education and Welfare	Donations to CSR partners / projects - Rule 42 (2) of Companies (CSR) Rules, 2014	Educational scholarships, mid-day meals program, donations of food, clothes, and medicines, groceries; volunteering time	Direct and Partnership	All IHCL hotels and centralized support	23	31.68
Total					**423**	**434.76**

In continuation of its efforts to support livelihoods and socio-cultural development in its areas of operation and for target communities, your Company implemented a range of initiatives. These go beyond the requirements of 'compliance'. Skill building and livelihood promotion through expert volunteers, contribution to build knowledge in hospitality and related areas, pro bono use of hotel facilities to promote arts, crafts and cultural events, sourcing products and services for operational use directly from target communities and social enterprises, and income generation projects with partner NGOs are some such initiatives.

In 2016-17, hotels sourced ₹ 659 lakhs worth of products and services directly from farmers, less privileged vendors, women self-help groups and NGOs.

Implementing Agencies

Your Company executes its compliance and beyond compliance CSR endeavors in partnership with government and non-governmental organizations that understand the needs of the community. Some of the NGOs the Company engages with are Tata Trust, Okhai Centre for Empowerment, Cancer Patients Aid Association and Tata Tea Wives Association.

Employee Volunteering

Through the year, your Company offered multiple opportunities to associates for engaging with the community and participating in environmentally responsible endeavors. To harness the creative energies of the associates towards the focus areas of the company, the volunteering program offers activities related to mobilization and awareness for the Skill Building Program in less privileged communities, cleanliness drives in the local neighborhood, education and awareness for vendors and rag pickers on waste management and information to communities about the arts and crafts program.

In the last year, approximately 10,000 associates contributed about 25,000 hours in support of many such social and environmental initiatives during Tata Volunteering Week as well as the rest of the year.

Going Forward: 2017-18

Your Company intends to make its programs and processes for compliance stronger to ensure optimum deployment of available budgets to enhance its outreach to its target communities. In the next financial year, your Company will focus on strengthening its programs and initiatives. Ensuring operational efficiencies of the program will be the focus in 2017-18.

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

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

Mumbai, May 26, 2017

ANNEXURE III

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code (Division) of the Product / service	% to total turnover of the Company
1	Short Term Accommodation activities	551	43.3%
2	Restaurants and mobile food service activities	561	38.1%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY /ASSOCIATE	% of shares Held	Applicable Section
1	TIFCO Holdings Limited Mandlik House, Mandlik Road, Mumbai- 400001	U65910MH1977PLC019873	Subsidiary	100	2 (87)
2	KTC Hotels Limited The Gateway Hotel, Shanmugham Road, Marine Drive, Ernakulam- 682011	U55101KL1984PLC004105	Subsidiary	100	2 (87)
3	United Hotels Limited Vivanta by Taj - Ambassador, Sujan Singh Park, New Delhi 110003	U74899DL1950PLC001861	Subsidiary	55	2 (87)
4	Roots Corporation Limited Godrej & Boyce Complex, Gate No. 8, Plant No. 13, Office Building Vikhroli (E), Mumbai 400 079	U55100MH2003PLC143639	Subsidiary	66.93	2 (87)
5	Taj SATS Air Catering Limited House, Mandlik Road, Mumbai- 400001	U55204MH2001PLC133177	Subsidiary	51	2 (87)
6	Piem Hotels Limited Taj President, 90 Cuffe Parade, Mumbai- 400005.	U55101MH1968PLC013960	Subsidiary	51.57	2 (87)
7	Taj Trade and Transport Company Limited Mandlik House, Mandlik Road, Mumbai- 400001	U60300MH1977PLC019952	Subsidiary	89.51	2 (87)
8	Inditravel Limited Mandlik House, Mandlik Road, Mumbai- 400001	U74999MH1981PLC023924	Subsidiary	96.67	2 (87)
9	Northern India Hotels Limited The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra 282001	L55101UP1971PLC003838	Subsidiary	93.14	2 (87)
10	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 Pvt. Ltd Mandlik House, Mandlik Road, Mumbai- 400001	U55100MH2008PTC178963	Subsidiary	100	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	U55101DL1979PLC009746	Subsidiary	90.59	2 (87)
15	Benares Hotels Limited Nadesar Palace Compound, Varanasi 221002	L55101UP1971PLC003480	Subsidiary	53.70	2 (87)
16	Taj International Hotels (H. K.) limited 42nd floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	Foreign Company	Subsidiary	100	2 (87)
17	Chieftain Corporation N. V Kaya WFG Mensing 14, PO Box 3895, Willemstad Curacao, Netherlands Antilles	Foreign Company	Subsidiary	100	2 (87)

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY /ASSOCIATE	% of shares Held	Applicable Section
18	IHOCO BV Teleportboulevard 140, 1043 EJ Amsterdam	Foreign Company	Subsidiary	100	2 (87)
19	St. James Court Hotels Limited Crowne Plaza, St. James, Buckingham Gate, Westminster, London SWIE6AF	Foreign Company	Subsidiary	89.39	2 (87)
20	Taj International Hotels Limited Crown Plaza London St James, Buckingham Gate, Westminster, London SWIE6AF	Foreign Company	Subsidiary	100	2 (87)
21	Samsara Properties Limited Trident Chambers, PO Box 146, Road Town, Tortola British Virgin Islands	Foreign Company	Subsidiary	100	2 (87)
22	Apex Hotel Management Services Pte Limited 78, Shenton Way, #26-02A, Singapore- 079 120	Foreign Company	Subsidiary	100	2 (87)
23	Piem International (H. K) Limited 42/F, Central Plaza, 18 Harbour Road, Wanchai, Hongkong	Foreign Company	Subsidiary	100	2 (87)
24	BAHC 5 78 Shenton Way, #26-02A, Singapore 079120	Foreign Company	Subsidiary	100	2 (87)
25	United Overseas Holding Inc	Foreign Company	Subsidiary	100	2 (87)
26	Taida Trading and Industries Limited Mandlik House, Mandlik Road, Mumbai 400 001	U13100MH1959PLC011396	Associate	48.74	2 (6)
27	Oriental Hotels Limited Taj Coromandel, 37 M. G. Road, Chennai 600034	L55101TN1970PLC005897	Associate	37.05	2 (6)
28	Taj Madurai Limited Taj Coromandel, 37, M.G. Road, Chennai 600 034	U55101TN1990PLC018883	Associate	26	2 (6)
29	TAL Lanka Hotels Plc 25, Galle Face Centre Road, Colombo, Sri Lanka	Foreign Company	Associate	24.62	2 (6)
30	Lanka Island Resorts Limited 25, Galle Face Centre Road, Colombo, Sri Lanka	Foreign Company	Associate	24.66	2 (6)
31	Bjets Pte Limited 80 Raffles Place, #32-01, UOB Plaza 1, Singapore 048624	Foreign Company	Associate	45.69	2 (6)

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

i. Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year (i.e 01.04.2016)				No. of Shares held at the end of the year (i.e 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	0	0	0	0.00	0	0	0	0.00	0.00
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt/ State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	38,24,00,080	0	38,24,00,080	38.65	38,24,00,080	0	38,24,00,080	38.65	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1):-	**38,24,00,080**	**0**	**38,24,00,080**	**38.65**	**38,24,00,080**	0	**38,24,00,080**	**38.65**	**0.00**
(2) Foreign									
a) NRIs -	0	0	0	0.00	0	0	0	0.00	0.00
Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other –	0	0	0	0.00	0	0	0	0.00	0.00
Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**38,24,00,080**	**0**	**38,24,00,080**	**38.65**	**38,24,00,080**	**0**	**38,24,00,080**	**38.65**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	11,57,07,286	1,57,663	11,58,64,949	11.71	12,15,04,737	1,57,663	12,16,62,400	12.30	0.59
b) Banks / FI	10,55,53,386	15,500	10,55,68,886	10.67	8,99,35,394	15,500	8,99,50,894	9.09	-1.58
c) Central Govt	2,000	0	2,000	0.00	1,750	0	1,750	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0.00	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0.00	0.00	0.00
f) Insurance Companies	3,55,74,173	0	3,55,74,173	3.60	3,40,18,838	0	3,40,18,838	3.44	-0.16
g) FIIs	13,33,54,186	19,720	13,33,73,906	13.48	14,94,80,026	19,720	14,94,99,746	15.11	1.63
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others									
Foreign Financial Institutions / Banks	5,951	0	5,951	0.00	5,951	0	5,951	0.00	0.00
Sub-total (B)(1):-	**39,01,96,982**	**1,92,883**	**39,03,89,865**	**39.46**	**39,49,46,696**	**1,92,883**	**39,51,39,579**	**39.94**	**0.48**

Category of Shareholder	No. of Shares held at the beginning of the year (i.e 01.04.2016)				No. of Shares held at the end of the year (i.e 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp									
i) Indian	6,26,02,975	98,360	6,27,01,335	6.34	6,65,51,021	94,050	6,66,45,071	6.74	0.40
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11,31,14,588	1,52,83,623	12,83,98,211	12.98	10,36,33,805	1,44,84,490	11,81,18,295	11.94	-1.04
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,66,09,708	6,32,240	1,72,41,948	1.74	1,54,16,423	6,32,240	1,60,48,663	1.62	-0.12
c) Others (specify)									
i) Trusts	1,19,674	0	1,19,674	0.01	27,63,756	0	27,63,756	0.28	0.27
ii) Directors and relatives	1,94,806	0	1,94,806	0.02	66,181	0	66,181	0.01	-0.01
iii) Foreign Nationals	9,432	0	9,432	0.00	13,770	0	13,770	0.00	0.00
iv) Non-residents	45,95,780	52,539	46,48,319	0.47	48,09,231	52,539	48,61,770	0.49	0.02
v) Clearing members	3,44,293	0	3,44,293	0.03	6,83,922	0	6,83,922	0.07	0.03
vi) HUF's	28,26,052	0	28,26,052	0.29	25,32,928	0	25,32,928	0.26	-0.03
Sub-total (B)(2):-	**20,04,17,308**	**1,60,66,762**	**21,64,84,070**	**21.88**	**19,64,71,037**	**1,52,63,319**	**21,17,34,356**	**21.40**	**-0.48**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**59,06,14,290**	**1,62,59,645**	**60,68,73,935**	**61.35**	**59,14,17,733**	**1,54,56,202**	**60,68,73,935**	**61.35**	**0.00**
Total (A) + (B)	**97,30,14,370**	**1,62,59,645**	**98,92,74,015**	**100.00**	**97,38,17,813**	**1,54,56,202**	**98,92,74,015**	**100.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**97,30,14,370**	**1,62,59,645**	**98,92,74,015**	**100.00**	**97,38,17,813**	**1,54,56,202**	**98,92,74,015**	**100.00**	**0.00**

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. as on 01.04.16)			Shareholding at the end of the Year (i.e. as on 31.03.2017)			% Change in Share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Lady Tata Memorial Trust	1,77,28,200	1.79	0.00	1,77,28,200	1.79	0.00	0.00
2	Sir Dorabji Tata Trust	5,02,21,040	5.08	0.00	5,02,21,040	5.08	0.00	0.00
3	Sir Ratan Tata Trust	1,10,23,220	1.11	0.00	1,10,23,220	1.11	0.00	0.00
4	Tata Sons Limited (Promoter)	27,70,63,351	28.01	0.00	27,70,63,351	28.01	0.00	0.00
5	Tata Investment Corporation Limited	1,33,92,950	1.35	0.00	1,33,92,950	1.35	0.00	0.00
6	Ewart Investments Limited	17,73,088	0.18	0.00	17,73,088	0.18	0.00	0.00
7	Tata Chemicals Limited	89,07,790	0.90	0.00	89,07,790	0.90	0.00	0.00
8	Tata Industries Limited	5,54,399	0.06	0.00	5,54,399	0.06	0.00	0.00
9	Tata Capital Limited	14,700	0.00	0.00	14,700	0.00	0.00	0.00
10	Oriental Hotels Limited	6,26,999	0.06	0.00	6,26,999	0.06	0.00	0.00
11	Taida Trading & Industries Limited	1,56,515	0.02	0.00	1,56,515	0.02	0.00	0.00
12	Taj Madurai Limited	9,37,828	0.09	0.00	9,37,828	0.09	0.00	0.00
	TOTAL	**38,24,00,080**	**38.65**	0.00	**38,24,00,080**	**38.65**	0.00	0.00

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (i.e. as on 01.04.2016)		Date	Increase / Decrease in shareholding		Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Lady Tata Memorial Trust	1,77,28,200	1.79	-	NIL	0.00	1,77,28,200	1.79
2	Sir Dorabji Tata Trust	5,02,21,040	5.08	-	NIL	0.00	5,02,21,040	5.08
3	Sir Ratan Tata Trust	1,10,23,220	1.11	-	NIL	0.00	1,10,23,220	1.11
4	Tata Sons Limited (Promoter)	27,70,63,351	28.01	-	NIL	0.00	27,70,63,351	28.01
5	Tata Investment Corporation Limited	1,33,92,950	1.35	-	NIL	0.00	1,33,92,950	1.35
6	Ewart Investments Limited	17,73,088	0.18	-	NIL	0.00	17,73,088	0.18
7	Tata Chemicals Limited	89,07,790	0.90	-	NIL	0.00	89,07,790	0.90
8	Tata Industries Limited	5,54,399	0.06	-	NIL	0.00	5,54,399	0.06
9	Tata Capital Limited	14,700	0.00	-	NIL	0.00	14,700	0.00
10	Oriental Hotels Limited	6,26,999	0.06	-	NIL	0.00	6,26,999	0.06
11	Taida Trading & Industries Limited	1,56,515	0.02	-	NIL	0.00	1,56,515	0.02
12	Taj Madurai Limited	9,37,828	0.09	-	NIL	0.00	9,37,828	0.09

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

Sl. No.	Name	No. of Shares at the beginning (01.04.16) / end of the year (31.03.17)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	10,42,72,959	10.54	01 April 2016				
				24 June 2016	-6,55,312	Sale	10,36,17,647	10.47
				08 July 2016	-3,95,731	Sale	10,32,21,916	10.43
				15 July 2016	-3,03,292	Sale	10,29,18,624	10.40
				16 August 2016	-15,99,225	Sale	10,13,19,399	10.24
				26 August 2016	-41,40,802	Sale	9,71,78,597	9.82
				02 September 2016	-62,56,473	Sale	9,09,22,124	9.19
				09 September 2016	-11,04,990	Sale	8,98,17,134	9.08
				23 September 2016	-2,00,000	Sale	8,96,17,134	9.06
				30 September 2016	-35,040	Sale	8,95,82,094	9.06
				21 October 2016	-3,20,313	Sale	8,92,61,781	9.02
				28 October 2016	-2,39,059	Sale	8,90,22,722	9.00
		8,90,22,722	9.00	31 March 2017	0	NIL	8,90,22,722	9.00
2	Reliance Capital Trustee Company Limited	8,15,22,838	8.24	01 April 2016				
				27 May 2016	3,40,200	Purchase	8,18,63,038	8.28
				03 June 2016	2,84,800	Purchase	8,21,47,838	8.30
				10 June 2016	1,66,394	Purchase	8,23,14,232	8.32
				17 June 2016	1,18,753	Purchase	8,24,32,985	8.33
				24 June 2016	7,92,983	Purchase	8,32,25,968	8.41
				30 June 2016	6,00,000	Purchase	8,38,25,968	8.47
				08 July 2016	2,93,400	Purchase	8,41,19,368	8.50
				22 July 2016	5,00,000	Purchase	8,46,19,368	8.55
				05 August 2016	-36,25,815	Sale	8,09,93,553	8.19
				16 August 2016	-21,47,000	Sale	7,88,46,553	7.97
				02 September 2016	1,20,970	Purchase	7,89,67,523	7.98
				09 September 2016	1,00,000	Purchase	7,90,67,523	7.99
				16 September 2016	-3,31,000	Sale	7,87,36,523	7.96
				23 September 2016	-25,92,606	Sale	7,61,43,917	7.70
				30 September 2016	61,877	Purchase	7,62,05,794	7.70
				21 October 2016	-32,74,000	Sale	7,29,31,794	7.37
				28 October 2016	4,663	Purchase	7,29,36,457	7.37
				02 December 2016	244	Purchase	7,29,36,701	7.37
				10 February 2017	-10,00,000	Sale	7,19,36,701	7.27
				17 February 2017	-17,00,000	Purchase	7,02,36,701	7.10
				03 March 2017	247	Purchase	7,02,36,948	7.10
		7,02,36,948	7.10	31 March 2017	0	NIL	7,02,36,948	7.10
3	Government Pension Fund	3,73,61,892	3.78	01 April 2016				
				22 April 2016	-80,238	Sale	3,72,81,654	3.77
				29 April 2016	-1,01,154	Sale	3,71,80,500	3.76
				06 May 2016	-1,53,046	Sale	3,70,27,454	3.74
				13 May 2016	-1,32,482	Sale	3,68,94,972	3.73
				20 May 2016	-4,29,814	Sale	3,64,65,158	3.69
				27 May 2016	-10,15,750	Sale	3,54,49,408	3.58
				03 June 2016	-5,83,362	Sale	3,48,66,046	3.52
				10 June 2016	-45,000	Sale	3,48,21,046	3.52
				24 June 2016	-10,35,695	Sale	3,37,85,351	3.42
				08 July 2016	-6,58,544	Sale	3,31,26,807	3.35
				15 July 2016	-10,90,928	Sale	3,20,35,879	3.24

Sl. No.	Name	No. of Shares at the beginning (01.04.16) / end of the year (31.03.17)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				22 July 2016	-7,17,998	Sale	3,13,17,881	3.17
				29 July 2016	-27,75,614	Sale	2,85,42,267	2.89
				05 August 2016	-8,23,857	Sale	2,77,18,410	2.80
				26 August 2016	-40,000	Sale	2,76,78,410	2.80
				14 October 2016	-35,324	Sale	2,76,43,086	2.79
				18 November 2016	-15,676	Sale	2,76,27,410	2.79
				25 November 2016	14,22,560	Purchase	2,90,49,970	2.94
				09 December 2016	8,06,765	Purchase	2,98,56,735	3.02
				23 December 2016	2,11,297	Purchase	3,00,68,032	3.04
				31 December 2016	1,90,063	Purchase	3,02,58,095	3.06
				13 January 2017	9,13,453	Purchase	3,11,71,548	3.15
				24 March 2017	-40,000	Sale	3,11,31,548	3.15
		3,11,31,548	3.15	31 March 2017	0	NIL	3,11,31,548	3.15
4	ICICI Prudential Life Insurance Company Limited	2,45,01,099	2.48	01 April 2016				
				08 April 2016	84,458	Purchase	2,45,85,557	2.49
				15 April 2016	63,277	Purchase	2,46,48,834	2.49
				29 April 2016	1,517	Purchase	2,46,50,351	2.49
				20 May 2016	25,043	Purchase	2,46,75,394	2.49
				17 June 2016	23,141	Purchase	2,46,98,535	2.50
				24 June 2016	-47,194	Sale	2,46,51,341	2.49
				08 July 2016	-1,83,002	Sale	2,44,68,339	2.47
				22 July 2016	1,46,671	Purchase	2,46,15,010	2.49
				29 July 2016	37,951	Purchase	2,46,52,961	2.49
				05 August 2016	207	Purchase	2,46,53,168	2.49
				26 August 2016	1,36,924	Purchase	2,47,90,092	2.51
				02 September 2016	34,540	Purchase	2,48,24,632	2.51
				09 September 2016	1,41,624	Purchase	2,49,66,256	2.52
				16 September 2016	6,869	Purchase	2,49,73,125	2.52
				23 September 2016	122	Purchase	2,49,73,247	2.52
				30 September 2016	42,686	Purchase	2,50,15,933	2.53
				07 October 2016	22,500	Purchase	2,50,38,433	2.53
				14 October 2016	103	Purchase	2,50,38,536	2.53
				21 October 2016	-2,85,376	Sale	2,47,53,160	2.50
				28 October 2016	2,71,401	Purchase	2,50,24,561	2.53
				04 November 2016	-1,060	Sale	2,50,23,501	2.53
				11 November 2016	-510	Sale	2,50,22,991	2.53
				18 November 2016	139	Purchase	2,50,23,130	2.53
				25 November 2016	34,608	Purchase	2,50,57,738	2.53
				02 December 2016	38,513	Purchase	2,50,96,251	2.54
				09 December 2016	598	Purchase	2,50,96,849	2.54
				23 December 2016	18,880	Purchase	2,51,15,729	2.54
				31 December 2016	-2,79,418	Sale	2,48,36,311	2.51
				06 January 2017	4,04,703	Purchase	2,52,41,014	2.55
				13 January 2017	-6,669	Sale	2,52,34,345	2.55
				20 January 2017	-1,26,476	Sale	2,51,07,869	2.54
				27 January 2017	68,788	Purchase	2,51,76,657	2.54
				03 February 2017	7,901	Purchase	2,51,84,558	2.55
				10 February 2017	-4,82,789	Sale	2,47,01,769	2.50
		2,47,10,163	2.50	31 March 2017	8,394	Purchase	2,47,10,163	2.50

Sl. No.	Name	No. of Shares at the beginning (01.04.16) / end of the year (31.03.17)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
5	Franklin Templeton Investment Funds	1,79,65,419	1.82	01 April 2016				
				22 April 2016	1,65,912	Purchase	1,81,31,331	1.83
				29 April 2016	1,72,800	Purchase	1,83,04,131	1.85
				06 May 2016	4,77,678	Purchase	1,87,81,809	1.90
				13 May 2016	2,76,856	Purchase	1,90,58,665	1.93
				20 May 2016	48,143	Purchase	1,91,06,808	1.93
				30 June 2016	-70,802	Sale	1,90,36,006	1.92
				29 July 2016	-33,023	Sale	1,90,02,983	1.92
				09 September 2016	-16,944	Sale	1,89,86,039	1.92
				21 October 2016	12,61,000	Purchase	2,02,47,039	2.05
				28 October 2016	32,39,000	Purchase	2,34,86,039	2.37
				04 November 2016	2,19,275	Purchase	2,37,05,314	2.40
				11 November 2016	27,80,725	Purchase	2,64,86,039	2.68
				27 January 2017	50,396	Purchase	2,65,36,435	2.68
				10 February 2017	3,55,300	Purchase	2,68,91,735	2.72
				17 February 2017	16,62,040	Purchase	2,85,53,775	2.89
				24 February 2017	7,59,800	Purchase	2,93,13,575	2.96
				03 March 2017	14,53,037	Purchase	3,07,66,612	3.11
				10 March 2017	8,48,300	Purchase	3,16,14,912	3.20
				17 March 2017	75,698	Purchase	3,16,90,610	3.20
				24 March 2017	1,76,474	Purchase	3,18,67,084	3.22
		3,21,23,274	3.25	31 March 2017	2,56,190	Purchase	3,21,23,274	3.25
6	General Insurance Corporation of India	1,62,36,460	1.64	01 April 2016				
				16 August 2016	-1,35,353	Sale	1,61,01,107	1.63
		1,61,01,107	1.63	31 March 2017	0	NIL	1,61,01,107	1.63
7	The New India Assurance Company Limited	1,51,20,949	1.53	01 April 2016				
				09 September 2016	-20,000	Sale	1,51,00,949	1.53
				16 September 2016	-54,000	Sale	1,50,46,949	1.52
				23 September 2016	-2,26,000	Sale	1,48,20,949	1.50
				11 November 2016	2,19,400	Purchase	1,50,40,349	1.52
				18 November 2016	80,600	Purchase	1,51,20,949	1.53
				17 March 2017	-2,25,000	Sale	1,48,95,949	1.51
				24 March 2017	-2,32,103	Sale	1,46,63,846	1.48
		1,46,20,949	1.48	31 March 2017	-42,897	Sale	1,46,20,949	1.48
8	SBI Magnum Balance Fund	79,00,660	0.80	01 April 2016				
				20 January 2017	-48,06,490	Sale	30,94,170	0.31
				27 January 2017	-5,00,000	Sale	25,94,170	0.26
				10 February 2017	-5,00,000	Sale	20,94,170	0.21
				17 February 2017	-15,00,000	Sale	5,94,170	0.06
				24 February 2017	-13,681	Sale	5,80,489	0.06
				03 March 2017	-5,79,829	Sale	660	0.00
				31 March 2017	0		660	0.00
9	HDFC Trustee Company Limited	78,72,743	0.80	01 April 2016				
				08 April 2016	5,93,000	Purchase	84,65,743	0.86
				15 April 2016	88,900	Purchase	85,54,643	0.86
				22 April 2016	28,000	Purchase	85,82,643	0.87
				20 May 2016	7,88,000	Purchase	93,70,643	0.95
				27 May 2016	5,55,400	Purchase	99,26,043	1.00

Sl. No.	Name	No. of Shares at the beginning (01.04.16) / end of the year (31.03.17)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				03 June 2016	11,54,500	Purchase	1,10,80,543	1.12
				10 June 2016	1,04,000	Purchase	1,11,84,543	1.13
				15 July 2016	4,30,000	Purchase	1,16,14,543	1.17
				22 July 2016	4,00,000	Purchase	1,20,14,543	1.21
				29 July 2016	36,80,000	Purchase	1,56,94,543	1.59
				05 August 2016	25,00,000	Purchase	1,81,94,543	1.84
				16 August 2016	20,00,000	Purchase	2,01,94,543	2.04
				02 September 2016	5,00,000	Purchase	2,06,94,543	2.09
				09 September 2016	10,00,000	Purchase	2,16,94,543	2.19
				23 September 2016	10,78,000	Purchase	2,27,72,543	2.30
				30 September 2016	2,51,327	Purchase	2,30,23,870	2.33
				07 October 2016	10,25,673	Purchase	2,40,49,543	2.43
				14 October 2016	20,000	Purchase	2,40,69,543	2.43
				04 November 2016	25,36,700	Purchase	2,66,06,243	2.69
				25 November 2016	20,40,000	Purchase	2,86,46,243	2.90
				13 January 2017	10,00,000	Purchase	2,96,46,243	3.00
				20 January 2017	25,00,000	Purchase	3,21,46,243	3.25
				27 January 2017	13,26,000	Purchase	3,34,72,243	3.38
				03 February 2017	1,12,000	Purchase	3,35,84,243	3.39
				10 February 2017	2,50,000	Purchase	3,38,34,243	3.42
				24 February 2017	15,00,000	Purchase	3,53,34,243	3.57
				03 March 2017	1,08,000	Purchase	3,54,42,243	3.58
		3,54,42,243	3.58	31 March 2017	0	NIL	3,54,42,243	3.58
10	Caisse De Depot Et Placement Du Quebec - Franklin Advisors INC#	76,95,052	0.78	01 April 2016				
				22 April 2016	9,900	Purchase	77,04,952	0.78
				29 April 2016	9,600	Purchase	77,14,552	0.78
				06 May 2016	24,084	Purchase	77,38,636	0.78
				13 May 2016	13,975	Purchase	77,52,611	0.78
				20 May 2016	3,200	Purchase	77,55,811	0.78
				24 June 2016	-2,92,909	Sale	74,62,902	0.75
				30 June 2016	-39,305	Sale	74,23,597	0.75
				08 July 2016	-15,485	Sale	74,08,112	0.75
				15 July 2016	-2,54,273	Sale	71,53,839	0.72
				22 July 2016	-2,79,460	Sale	68,74,379	0.69
				29 July 2016	-5,74,045	Sale	63,00,334	0.64
				05 August 2016	-1,70,491	Sale	61,29,843	0.62
				26 August 2016	-34,930	Sale	60,94,913	0.62
				09 September 2016	-83,080	Sale	60,11,833	0.61
				16 September 2016	-1,93,726	Sale	58,18,107	0.59
				23 September 2016	-3,77,392	Sale	54,40,715	0.55
				30 September 2016	-3,30,511	Sale	51,10,204	0.52
				07 October 2016	-7,23,103	Sale	43,87,101	0.44
				21 October 2016	-20,153	Sale	43,66,948	0.44
				28 October 2016	-1,73,393	Sale	41,93,555	0.42
				25 November 2016	4,40,826	Purchase	46,34,381	0.47
				09 December 2016	2,39,079	Purchase	48,73,460	0.49
				23 December 2016	60,361	Purchase	49,33,821	0.50
				31 December 2016	54,294	Purchase	49,88,115	0.50
				13 January 2017	2,80,654	Purchase	52,68,769	0.53
		0	0.00	31 March 2017	-52,68,769	Sale	NIL	0.00

Sl. No.	Name	No. of Shares at the beginning (01.04.16) / end of the year (31.03.17)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
11	Reliance Nippon Life Insurance Company Limited#	65,07,940	0.66	01 April 2016				
				27 January 2017	-4,993	Sale	65,02,947	0.66
				03 February 2017	1,162	Purchase	65,04,109	0.66
				10 February 2017	-7,766	Sale	64,96,343	0.66
				17 February 2017	-72,434	Sale	64,23,909	0.65
		0	0.00	31 March 2017	-64,23,909	Sale	0	0.00
12	Hasham Investment and Trading Company Private Limited#	11,81,064	0.12	01 April 2016				
				02 September 2016	51,86,247	Purchase	63,67,311	0.64
				09 September 2016	5,08,941	Purchase	68,76,252	0.70
				16 September 2016	2,30,000	Purchase	71,06,252	0.72
				23 September 2016	2,00,000	Purchase	73,06,252	0.74
				07 October 2016	2,30,000	Purchase	75,36,252	0.76
		0	0.00	31 March 2017	-75,36,252	Sale	0	0.00
13	Active Emerging Markets Equity Fund#	74,86,076	0.76	01 April 2016				
				24 February 2017	-11,51,189	Sale	63,34,887	0.64
				03 March 2017	-10,66,118	Sale	52,68,769	0.53
				10 March 2017	10,66,118	Purchase	63,34,887	0.64
		0	0.00	31 March 2017	-63,34,887	Sale	0	0.00
14	Prazim Trading and Investment Company Pvt. Ltd.*	0	0.00	01 April 2016				
		93,24,341	0.94	24 March 2017	93,24,341	Purchase	93,24,341	0.94

Ceased to be in the list of Top 10 shareholders as on March 31, 2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2016

* Not in the list of Top 10 shareholders as on April 1, 2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2017.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	No. of Shares at the beginning of the year (i.e. on 01.04.2016)		Date	Increase / Decrease in shareholding		Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Cyrus P Mistry (*Resigned w.e.f. December 19, 2016)	1,28,625	0.01	-	0	0.00	1,28,625	0.01
2	Mehernosh S. 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)	2,561	0.00	-	0	0.00	2,561	0.00

V. INDEBTEDNESS

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

₹ crores

	Secured Loans	Unsecured Loans	Liability on Derivative Contracts	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	793.77	1363.88	338.10	2495.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.18	9.14	-	37.32
Total (i+ii+iii)	**821.95**	**1,373.02**	**338.10**	**2,533.07**
Change in Indebtedness during the financial year				
Addition	493.65	25.00	-	518.65
Reduction	229.06	393.73	93.83	716.62
Net Change	**264.59**	**(368.73)**	**(93.83)**	**(197.97)**
Indebtedness at the end of the financial year				
i) Principal Amount	1050.96	998.02	244.27	2293.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35.58	6.27	-	41.85
Total (i+ii+iii)	**1,086.54**	**1,004.29**	**244.27**	**2,335.10**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ crores

Sl. no.	Particulars of Remuneration	Rakesh Sarna MD & CEO	Anil P. Goel ED & CFO*	Mehernosh S. Kapadia ED- Corporate Affairs	Total Amount
1)	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.24	1.48	0.78	8.50
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.41	0.23	0.27	1.91
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2)	Stock Option	NIL	NIL	NIL	NIL
3)	Sweat Equity	NIL	NIL	NIL	NIL
4)	Commission paid - as % of profit	-	1.00	1.00	2.00
5)	Others	0.29	0.20	0.27	0.76
	Total (A)	**7.94**	**2.91**	**2.32**	**13.17**

* for part of the year upto October 15, 2016

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

B. Remuneration to other Directors:

Independent Directors

₹

Sl. no.	Particulars of Remuneration	Nadir Godrej	Gautam Banerjee	Ireena Vittal	Deepak Parekh	K. B. Dadiseth*	Vibha Paul Rishi	Total Amount
1	Fee for attending board / committee meetings	4,50,000	2,40,000	2,10,000	3,60,000	4,80,000	3,00,000	20,40,000
2	Commission	30,69,000	17,24,000	46,51,000	54,74,000	69,16,000	33,14,000	2,51,48,000
	Total	**35,19,000**	**19,64,000**	**48,61,000**	**58,34,000**	**73,96,000**	**36,14,000**	**2,71,88,000**

*Resigned w.e.f. April 7, 2017

Non- Executive Directors

₹

Sl. no.	Particulars of Remuneration	N. Chandrasekaran$	Cyrus Mistry*	Shapoor Mistry**	Dr. N S Rajan#	Total Amount
1	Fee for attending board / committee meetings	60,000	1,50,000	90,000	60,000	3,60,000
2	Commission	-	-	14,44,000	4,08,000	18,52,000
	Total	**60,000**	**1,50,000**	**15,34,000**	**4,68,000**	**22,12,000**

$ Appointed w.e.f. January 27, 2017

* Resigned w.e.f. December 19, 2016

** Resigned w.e.f. April 25, 2017

Resigned w.e.f. October 28, 2016

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

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

Sl. no.	Particulars of Remuneration	Mr. Beejal Desai Vice President – Legal & Company Secretary
	Mr. Beejal Desai Vice President – Legal & Company Secretary	**₹ crores**
1)	**Gross salary**	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.83
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.12
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-
2)	**Stock Option**	
	Sweat Equity	-
	Commission	-
	- as % of Profit	-
	- Others, specify	
	Others	0.06
	Total	**1.01**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY (Penalty / Punishment / Compounding)	NIL				
B. DIRECTORS (Penalty / Punishment / Compounding)					
C. OTHER OFFICERS IN DEFAULT (Penalty / Punishment / Compounding)					

ANNEXURE IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 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 of 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 March 31, 2017 (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 and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the ''Act'') and the Rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 (''SCRA'') and the Rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment.
(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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    (f) 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
    (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 meetings and minutes.

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:

(i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
(iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings.

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. There were no dissenting views by any member of the Board of Directors during the year under review.

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 –

During the audit period, the following specific events were held:

a) Approval of Scheme of Arrangement between "The Indian Hotels Company Limited and International Hotels Management Services LLC" and their respective shareholders and creditors ("Scheme") vide order of Hon'ble High Court of Judicature at Bombay dated 12th August, 2016.

b) Approval of Scheme of Arrangement between "The Indian Hotels Company Limited and Lands Ends Properties Private Limited" and their respective shareholders and creditors ("Scheme") vide order of Hon'ble High Court of Judicature at Bombay dated 13th October, 2016.

c) Allotment of 4950 Rated, Listed, Secured Redeemable, Non- Cumulative & Non - Convertible Debentures of face value ₹ 10,00,000/- each aggregating to ₹ 495 crores (Four Hundred and Ninety Five Crores Only) on a private placement basis on 20th January, 2017.

d) Full Redemption of 9.90% 1360 Unsecured, Non – Convertible, Redeemable Debentures of face value ₹ 10,00,000 each aggregating to ₹ 136 crores (Rupees One Hundred Thirty Six Crores Only) on 24th February, 2017.

e) Full Redemption of 2% 3000 Secured, Non- Convertible, Redeemable Debentures of face value ₹ 5,00,000 each aggregating to ₹ 150 crores (Rupees One Hundred and Fifty Crores Only) on 22nd March, 2017.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
Prakash K. Pandya
Partner
FCS No. : 3901
COP No. : 2311

Mumbai, May 25, 2017

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

Annexure A

To,
The Members,
The Indian Hotels Company Limited

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to The Indian Hotels Company Limited (the ''Company'') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
Prakash K. Pandya
Partner
FCS No. : 3901
COP No. : 2311

Mumbai, May 25, 2017

ANNEXURE V

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

a. The ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the financial year.

b. The percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Whole-time Directors and KMP	Remuneration in 2016/2017 (₹ Lakhs)	Remuneration in 2015/2016 (₹ Lakhs)	% increase of Remuneration in 2017 as compared to 2016	Ratio to median Remuneration
Mr. Rakesh Sarna – MD & CEO	793.57	791.95	0%	204.58
Mr. Anil P. Goel - ED & CFO *	291.70	260.90	12%	75.20
Mr. Mehernosh S. Kapadia - ED - Corporate Affairs	232.48	202.64	15%	59.93
Mr. Abhijit Mukerji - ED - Operations **	N.A	461.71	N.A	N.A
Mr. Beejal Desai, VP - Legal & Company Secretary	100.77	88.77	14%	25.98

* Retired with effect from October 15, 2016

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

Non-Executive and Independent Directors	Remuneration in 2016/2017 (₹ Lakhs)	Remuneration in 2015/2016 (₹ Lakhs)	% increase of Remuneration in 2017 as compared to 2016	Ratio to median Remuneration
Mr. N. Chandrasekaran @	0.60	N.A	N.A	0.15
Mr. Cyrus Mistry #	1.50	3.00	-50%	0.39
Mr. K.B. Dadiseth $	73.96	70.54	5%	19.07
Mr. Deepak Parekh	58.34	40.42	44%	15.04
Mr. Jagdish Capoor *	-	9.37	-100%	N.A
Mr. Shapoor Mistry ^	15.34	13.12	17%	3.95
Mr. Nadir Godrej	35.19	29.58	19%	9.07
Mr. Guy Crawford **	-	5.68	-100%	N.A
Ms. Ireena Vittal	48.61	40.12	21%	12.53
Mr. Gautam Banerjee	19.64	5.69	245%	5.06
Dr. N S Rajan ***	4.68	0.60	680%	1.21
Ms. Vibha Paul Rishi	36.14	5.99	503%	9.32

@ Appointed with effect from January 27, 2017

\# Resigned with effect from December 19, 2016

$ Resigned with effect from April 7, 2017

* retired with effect from July 1, 2014

^ Resigned with effect from April 25, 2017

** Resigned with effect from September 8, 2014

*** Resigned with effect from October 28, 2016

c. The percentage increase in the median Remuneration of employees in the financial year was 6%.

d. The number of permanent employees on the rolls of the Company as on March 31, 2017 was 5391.

e. Average Percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year was 9%.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has been reporting consolidated results which are drawn up based upon the results of its subsidiaries, joint ventures and associates (together referred to as the ''Taj Group'' or ''Group''). This discussion, therefore, covers the financial results and other developments during the period April 2016 to March 2017, in respect of the Taj Group. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated, on account of various factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which your Company conducts its business, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints, etc.

GLOBAL ECONOMIC ENVIRONMENT AND OUTLOOK

The world is witnessing improved economic activity across countries and regions especially in the areas of investments, manufacturing and trade. Stronger activity and expectations of more robust global demand, with agreed restrictions on oil supply have helped commodity prices recover from the tough times in early 2016. This increase in price have helped improve exports while improving the inflation rates. Most of the momentum came in the second half of 2016 especially with advanced economies like United States and United Kingdom showing strong growth. The Economic performance has been mixed for emerging markets where China's growth remained strong whereas India slowed mainly due to the impact of demonetisation. *(Source: IMF: Recent Developments and Prospects, April 2017)*

The growth in the global economy was 3.1% in 2016, primarily driven by an improvement in the advanced economies in the latter half of the year on account of improved manufacturing and trade demand. Global trade is showing signs of recovery and is expected to continue the upward trajectory. This growth could be marginally impacted due to certain countries moving to inward looking policies that might give preference to home grown products and services over global trade. Other factors that could impact the global economy are increased interest rate hikes in the United States and the threat of geopolitical tensions especially in the Middle East and North Africa. *(Source: IMF: Recent Developments and Prospects, April 2017)*

The global economic growth is expected to continue the momentum witnessed from the latter half of 2016. It is expected to increase from 3.1% in 2016 to 3.5% in 2017 largely driven by emerging markets. For 2016, the growth in Emerging and Developing Economies was 4.1%, and is projected to reach 4.5% in 2017. *(Source: IMF: Recent Developments and Prospects, April 2017 & World Economic Outlook, IMF, January 2017)*

Amongst the Emerging Market and Developing Economies, China's economic growth in 2016 stood at 6.7% while India' economy grew at 6.8%. There was a drop in India's growth from the original forecast due to the short term impact of demonetisation in November 2016. In the past decade, India's USD 2.2 trillion economy has surpassed economies such as Italy, Brazil, Canada, South Korea and Russia.

India continues to be among the fastest growing of the G20 countries with a projected GDP growth of 7.2% in 2017. One of the positive factors contributing to this is the roll out of GST which aims to transform the multiple taxes into a uniform tax code. Other positive factors contributing to this growth are the potential young working population, rise of India as an entrepreneurial hub and government push towards a digital economy. *(Source: IMF: Recent Developments and Prospects, April 2017).*

OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY

The direct contribution of Travel and Tourism to GDP was USD 2,306 billion (3.1% of total GDP) in 2016. This is expected to have increased to 3.8% in 2017 and to 4.0% from 2017-2027. *(Source: World Travel & Tourism Council)* Demand for international tourism remained robust in 2016 despite challenges. The year 2016 was the seventh consecutive year of sustained growth following the 2008 global economic and financial crisis. As per the United Nations World Tourism Organisation (UNWTO), it is estimated that international tourist arrivals increased by 3.9% in 2016 (although the growth was slower than growth in 2015 of 4.6%) reaching a total of 1.23 billion. Approximately 46 million more tourists (overnight visitors) travelled internationally last year compared to 2015.

Demand for International tourism was strongest in Asia and the Pacific (+8%) which lead to a growth in international tourist arrivals in 2016. Africa (+8%) enjoyed a strong rebound after two relatively weak years. In the Americas (+4%) the positive momentum continued. Europe (+2%) showed rather mixed results, with double-digit growth in some destinations offset by decreases in others. Demand in the Middle East (-4%) was also uneven, with positive results in some destinations, but decline in others. *(Source : UNWTO)*

Across the globe, the spend on leisure travel (inbound and domestic) generated 76.8% of direct Travel and tourism GDP for 2016 with business travel comprising the balance. The split of domestic to overseas travel indicates that domestic travel generated 72% of the contribution to GDP while foreign visitor spending was the balance 28%. *(Source: World Travel & Tourism Council)*

In India, the total contribution of Travel & Tourism to GDP for 2016 was INR 14,018.5 billion (USD 208.9 billion), which represents 9.6% of India's GDP. Over this period, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry was 9.3% of total employment (over 40 million jobs). Visitor exports generated INR 1,529.3 billion (USD 22.8 billion), which represents 5.4% of total exports for 2016. Travel & Tourism investment in 2016 was INR 2,284.9 billion, which represents 5.7% of the total investment of (USD 34.0 billion). *(Source: World Travel & Tourism Council)*

It is estimated that the travel and tourism industry generated about over 292 million jobs in 2016 and this is expected to rise by 1.9% in 2017. Investment in Travel & Tourism in 2016 was USD 806.5 billion and this is expected to rise by 4.1% in 2017. The 10 year growth in investment in Travel & Tourism is forecasted at a CAGR of 4.5% to reach USD 1,307.1 billion by 2027. *(Source: World Travel & Tourism Council)*

In FY 2016/17 foreign tourist arrivals were 92.25 lakh which represents a growth of 12% over 2015/16 foreign tourist arrivals which were 82.46 lakh. In 2016, foreign tourist arrivals on e-visas more than doubled from 4,45,300 to 10,79,696, partially on account of the e-visa facility extended to 161 countries from 113 previously. *(Source: Ministry of Tourism, Government of India)*

Future Trends

The global economy is expected to grow at 3.5% in 2017 as compared to growth of 3.1% in 2016. In 2017, the Travel and Tourism industry's contribution to global GDP is expected to grow at 3.8%. For many economies, continued demand support and well-targeted structural reforms to lift supply potential and broaden economic opportunities across the skills spectrum remain key goals.

In India the total contribution of Travel & Tourism to GDP is forecast to rise by 6.7% in 2017. The 10 year forecast indicates a CAGR of 6.7% to INR 28,491.8 billion (USD 424.5 billion) by 2027, at which point the sector is expected to comprise 10.0% of India's GDP. Leisure travel spending is expected to grow by 3.9% in 2017 to USD 3,970.4 billion and the 10 year forecast indicates a CAGR of 4.1% p.a. to reach USD 5,917.7 billion by 2027. Business travel spending is expected to grow by 4.0% in 2017 to USD 1,199.7 billion and the 10 year forecast indicates a CAGR of 3.7% p.a. to reach USD 1,719.9 billion in 2027. *(Source : World Travel & Tourism Council)*

The total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry is expected to rise by 1.8% in 2017 and at a 10 year CAGR of 2.0% p.a. to 49 million jobs by 2027. Visitor exports is forecast to grow by 5.4% in 2017, and at a 10 year CAGR of 6.1% p.a. from 2017-2027. *(Source : World Travel & Tourism Council)*

Travel & Tourism investment in 2016 was INR 2,284.9 billion, which represents 5.7% of total investment (USD 34.0 billion). It is expected to increase by 4.5% in 2017, and at a 10 year CAGR of 5.7% pa to reach INR 4,149.0 billion (USD 61.8 billion) by 2027. *(Source : World Travel & Tourism Council)*

Emerging Market and Developing Economies are forecast to grow at 4.5% and 4.8%, respectively, in 2017 and 2018, representing a steeper trajectory from 4.1% in 2016. China's GDP growth is expected to decrease marginally from 6.7% to 6.6% in spite of continued policy support in the form of credit growth and reliance on public investments to achieve growth targets. India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, favourable terms of trade, and lower external vulnerabilities. It is expected that India would recover in the medium to long term period from the demonetization initiative with GDP growth forecast standing at 7.2% for 2017 and 7.7% for 2018. The Government of India established drive is based upon growth stimulation, providing relief to the middle class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration. The Government of India, under the Make in India initiative, is attempting to give a boost to the contribution made by the manufacturing sector and aims to take it up to 25% of the GDP from the current 17%. Additionally, the Government has also unveiled the 'Digital India' initiative, which focuses on three core components, namely, creation of digital infrastructure, delivering services digitally and to increase the digital literacy. The Government of India has certified 20 private organisations as incubators under the 'Startup India Action Plan', which are expected to promote entrepreneurship, provide pre-incubation training and a seed fund for high growth start-ups in the country. *(Source: World Travel & Tourism Council & India Brand Equity Foundation-Ministry of Commerce & Industry, Government of India)*

In 2016, a total of 10.79 lakh tourists availed of the e-visa facility which has now been extended to residents of 161 countries arriving at 16 international airports. This represents a significant growth over e-visas issued in 2015 which stood at 4.45 lakh. *(Source: News 18, 11th January 2017).* According to the forecast issued by the World Travel & Tourism Council (WTTC) the strong forecast on travel and tourism industry in India will propel it to the 8th spot in terms of travel and tourism GDP by 2027.

In India leisure travel spending (inbound and domestic) generated 94.6% of direct Travel & Tourism to GDP in 2016 (INR12,079.0 billion) as compared with 5.4% for business travel spending (INR 689.0 billion). Leisure travel spending is expected to grow by 6.9% in 2017 and and at a 10 year CAGR of 7.0% p.a. to reach INR 25,391.1 billion by 2027. Business travel spending is expected to grow by 5.5% in 2017 and at a 10 year CAGR of 7.2% p.a. to reach INR 1,453.5 billion by 2027. *(Source: World Travel & Tourism Council-Economic Impact 2017)*

INDIAN HOSPITALITY INDUSTRY LANDSCAPE AND OUTLOOK

The Indian hospitality industry has been instrumental in contributing to the nation's economic growth. This trend is expected to continue especially with the introduction of e-visa for foreign tourists and with the domestic economy improving, there are clear signs of increased domestic travel. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. India is projected to be the fastest growing nation in the wellness tourism sector in the next five years, clocking over 20 % gains annually through 2017, according to a study conducted by SRI International.

The growth rate in room demand (6.2%) has been consistently outpacing the supply (3.1%) growth in India for the past many quarters this financial year (For 2016/17 this was the case. to be sustained at over 60% over the recent past. All key markets have shown good growth in room demand with no key markets lagging as compared to last year *(Source: STR reports)*

Domestic airline traffic has been increasing steadily over the past year. Domestic airlines will operate over 17,170 flights every week during the on-going summer schedule, an increase of 15.5% compared to the year-ago period. As per the data, some airlines like AirAsia India and Vistara airlines have increased their services by nearly 80 % during the upcoming summer schedule *(Source: Times of India, April 17, 2017)*

India has moved up 13 positions from 65 to now rank 52 in the Tourism & Travel competitive index. The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). The Union Cabinet has approved a MoU between India and South Africa, aimed at expanding bilateral cooperation in the tourism sector through exchange of information and data, establishing exchange programmes and increasing investments in the tourism and hospitality sector. 2017 has also been announced as the India – U.S. Travel and Tourism Partnership Year allowing both governments and private sectors to increase travel and tourism between the two countries. *(Source: BrandUSA.com and India Brand Equity Foundation-Ministry of Commerce & Industry, Government of India)*

With the travellers becoming more digitally savvy along with an improvement in network and internet connections, the industry is gearing up to meet these technical needs. Web and mobile based channels traffic have increased exponentially which has resulted in significant investments in related areas. Apart from hotels direct websites and mobile apps, online travel agents have also seen a spike in traffic. It has also enabled consumers to seamlessly move across platforms and check other guests' reviews of hotels before confirming any bookings resulting in more power at the hands of the consumer. A bouquet of hotel choices are easily available to the traveller through online travel agents like Expedia, Priceline, Booking.com and MakeMyTrip.

A testimony to the increasing importance of the digital space to the travel industry is Indian travel booking platform MakeMyTrip which has agreed to buy Ibibo Group's India travel business at a deal value of USD 720 million, thus creating India's largest online travel firm.

With increased consolidation and competition, the industry is likely to see innovative transformations and more partnerships in order to stay relevant in the market place. The recent tie up between your Company and Shangri La Hotels and Resorts for the loyalty program was one such movement.

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

STRATEGY

Your Company's strategic objective is to be a company of global repute, not only an organization with a global footprint. Our portfolio of iconic hotels will continue to be the differentiator, delighting our guests, consistently offering unmatched experiences, thereby enabling the desired economic returns to all our stakeholders.

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

Achieving excellence in service delivery

The experiences your Company will curate for the guests shall reflect "Tajness" in everything we do through a high level of personalized offerings unique to the Indian hospitality philosophy for which your Company is renowned. "Tajness" would be an all pervasive theme at every guest touch point, from the rooms, F&B outlets and service quality. This transcends into the digital world through a continuous enrichment of our website by way of destination content, better navigation experience and direct visibility on the stay experience. The digital journey continues to build on the mobile platform with the introduction of an app to better engage with loyalty members and new customers. Your company also intends to launch the website in multiple languages enabling us to reach more International markets. In addition, your Company has launched a new social media command centre called Taj.Live which helps to listen to the social media chatter about the Taj brand in real time. This has improved the response time to our guests and patrons and also increased sales by converting leads. Further, applying business intelligence and analytics, your Company can increase its personalization and customer need anticipation manifolds to achieve even higher degrees of service excellence.

Growth in Development Pipeline

The hospitality industry is a long term growth business but which is affected by cyclicality. Your Company plans to continue to grow through a judicious mixture of owned and leased hotels, a de-risked model along with its ability to attract management contracts. Your Company's established and durable strengths such as the Taj brand, the premium rates over competition your Company commands and your Company's long and successful track record in operating hotels for third party owners will facilitate growth for the future.

Brand positioning and performance

"Tajness" defines everything that your Company does and is the common philosophy which exists across all hotels and helps in further differentiating your Company from the competition. To meet the ever evolving need of your Company's guests, your Company plans to continuously refine its brand standards to keep on reflecting Tajness and create a distinction in the guest experience through a mono brand approach to reinforce the strong legacy and equity of the Taj brand across the group. This would be done through ongoing monitoring of guest needs, feedback received and benchmarking best-in-class practices to enable swift and effective response.

For over a century, The Taj Mahal Palace, Mumbai, the iconic flagship hotel of the Company, has been synonymous with "Tajness", setting a benchmark for the hospitality industry. In a pioneering initiative, and to further protect and bring forth its distinctiveness, your Company has secured trademark registration for the images of the elegant hotel building of The Taj Mahal Palace, Mumbai and its characteristic dome from the Government of India. This is a very unusual and unconventional trademark, and The Taj Mahal Palace, Mumbai becomes the first ever hotel building in the country to secure such unique protection. The hotel now joins an elite group of iconic structures around the world that have been able to secure such a unique protection for their Intellectual Property rights.

Improved Return on Invested Capital

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

KEY DEVELOPMENTS IN 2016-17

Hotel Launches

The Taj Group continued on its expansion path in India as well as in international markets in 2016. Your Company ended the year with a portfolio of 31 Taj Hotels, 40 Vivanta by Taj Hotels & Resorts and 29 Gateway Hotels. New hotel launches and re-launches for renovated properties were ably supported through a high-visibility marketing and PR campaign and a formal launch event. A 360 degree stakeholder outreach is implemented to support the launch of the hotel including print, digital and social campaigns, targeting all relevant customer segments.

- Taj Swarna, Amritsar: strategically located approximately 30 minutes from both the international airport and the sacred Sikh shrine of Sri Harmandir Sahib. The design draws inspiration from the local Amritsar culture, craft and traditional weaves called Phulkari as well as the magnificence of the Golden Temple.
- The Gateway Resort Corbett National Park - located on the banks of River Kosi close to the renowned Corbett National Park. Guests can experience nature up close at this picturesque 62 room hotel surrounded by lush green forests.
- Launch of Taj Safaris' Meghauli Serai, Chitwan National Park, Nepal: The Company announced the opening of its first lodge outside India: Meghauli Serai at UNESCO World Heritage listed Chitwan National Park, Nepal.

New Management Contracts

Your Company succeeded in signing three new management contracts and is in active discussions for many more opportunities. At Taj Exotica Resort and Spa, Havelock Island in the Andamans, construction has progressed during the year and the resort is scheduled to open in late 2017.

Management contracts signed this year were for four properties – two Taj Resorts, one in Darjeeling and the other in Gangtok, Taj Serviced Apartments in Chennai and the Sawai Man Mahal Hotel in Jaipur. Your Company also extended the management contracts for Rambagh Palace Jaipur, Sawai Madhopur Lodge and the Ramgarh Lodge.

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

Product Upgrade/Renovation

With a view to keep your hotels updated and in line with the other competition hotels in the market and the upcoming hotels your Company has put together a detailed 5 year plan focused on renovations. Substantial monies have been set aside for renovation of key properties.

The renovation progress during the year has been as follows:

- At the flagship hotel Taj Mahal Palace, Mumbai, the guestrooms in the tower wing and the All Day Dining restaurant Shamiana have reopened this year with positive reviews.
- Taj Exotica Goa completed its renovation for the rooms in the main block of the Hotel. At Vivanta by Taj, Fort Aguada the lobby and all the Hermitage Villas have been renovated and both have been well received. As part of the ongoing renovation master plan, renovation and redesigning works continue at Taj Exotica Goa and Vivanta by Taj, Fort Aguada
- In New Delhi, Cafe Fontana, the All Day Dining restaurant at Taj Palace has been redesigned and launched as Capital Kitchen. The new restaurant boasts of a confluence of cuisines from across the globe - signature dishes from our iconic Taj properties. Select guestrooms and suites have also been renovated at the Hotel
- At Taj West End Bangalore renovation of select guestrooms has been completed
- At Taj Bengal Kolkata renovation process has commenced and will be rolled out in 2017
- Major repairs of all services and structural work at Vivanta by Taj – Connemara, Chennai was commenced and shall be completed in 2017

Renovation at your associate and subsidiary companies include works at various stages of design and execution at Vivanta by Taj – President, Vivanta by Taj – Lucknow, Vivanta by Taj - MG Road, Gateway Hotel - Varanasi and Taj Samudra, Colombo. The various areas include guestrooms and suites, F&B areas and other associated areas of the Hotel.

With the new Brand Architecture being taken forward your Company has put in place a detailed execution plan for its hotels. Select hotels have been identified to migrate as is or with certain up upgrades. For those that do not fit within our new Brand Architecture an exit strategy has been put in place which can be implemented amicably with the owners of such properties.

Sales & Marketing Initiatives

Driving Demand Growth

- **"Best of Taj" Campaign:** Based on the success and learnings from the new "Room For More" promotions launched in April, 2014, your Company continued the thrust of providing compelling value proposition to the consumers across hotels worldwide for the period April to September 2016 with an objective to increase the revenue per available room (''RevPAR'') during the low demand period and reward loyalty. The focus is on boosting demand, enhancing capacity utilization and ancillary revenues with unique value propositions for the customers. The various initiatives undertaken for this campaign are Staycations, Suite Celebrations and Stay a Bit Longer. The promotions were supported by comprehensive marketing campaigns across all key markets.
- **"Taj Holidays":** Your Company continued to drive focus for the resort destinations for domestic travelers through the Taj Holidays platform in line with the strategy to drive domestic dominance. Summer, Monsoon and Winter campaigns were launched to target the domestic leisure segment which has been growing consistently since last year. This was promoted aggressively through a 360 degree sales and marketing plan along with roadshows. Given the importance of the leisure market, your Company launched a dedicated mini site for Taj holidays in early 2017 which has been received well by the guests and website visitors.
- **Taj Experiences Gift Card:** Your Company continued to promote the Taj Experiences Gift Card, the new experience gifting option valid at any Taj hotel across India. A global sea-change in consumer behavior has seen personal experiences move ahead of material items in terms of what gives the receiver the most joy. The anticipation of an experience is the most thrilling part, and even more so when it is a gifted experience tailored to the receiver. Gifting an experience with the Taj Experiences Gift Card allows a flexibility for those giving and receiving; the experiences are specially curated to offer a degree of personalisation for the recipient.
- **Taj.Live:** Taj's Social Media Command Centre monitors all our guest conversations on social media in real-time and helps to address them instantly. Your Company has seen significant improvement in the response rate to guest's feedback on these platforms resulting in a superior guest experience. Taj.Live helps us address complaints, amplify positive messages, book hotel rooms, engage with influencers and tap into user generated content.

Heads of State and Prominent Personalities

Taj hotels continues its legacy of hosting the world's premier leaders, royalty and celebrities. Some of the Heads of State welcomed during 2016-17 were as under:

- Ms. Theresa May, Prime Minister of UK at Taj Palace Hotel, New Delhi & Taj West End, Bangalore – November 2016
- Ms. Angela Merkel, Chancellor of Germany at Taj West End, Bangalore – October 2016
- Mr. Li Keqiang, Premier of the State Council of the People's Republic of China at Taj Falaknuma Palace, Hyderabad – November 2016
- Mr. Vladimir Putin, President of the Russian Federation at Taj Exotica Goa – October 2016
- Mr. Lee Hsien Loong, Prime Minister of Singapore at Taj Palace Hotel, New Delhi – October 2016
- Prince William, Duke of Cambridge, and Catherine, Duchess of Cambridge at Taj Mahal Palace, Mumbai & Taj Tashi, Bhutan – April 2016
- His Majesty King Carl XVI Gustaf & Queen Silvia of Sweden at Taj Tashi, Bhutan – June 2016
- Sheikha Al Saud, Royal family, Kingdom of Saudi Arabia at Taj Mahal Palace, Mumbai – December 2016
- Mr. Ranil Wickremesinghe, Prime Minister of Sri Lanka at Taj Palace Hotel, New Delhi – October 2016
- Mr. Tim Cook, CEO – Apple at Taj Mahal Palace, Mumbai & Vivanta by Taj - Gomti Nagar, Lucknow – May 2016
- Mr. Jamie Dimon, Chairman, President & CEO - JP Morgan Chase at Taj Palace Hotel, New Delhi – September 2016
- Mr. Sunder Pichai, CEO – Google at Rambagh Palace, Jaipur – February 2017
- Mr. Jeff Weiner, Global CEO, Linkedin at Taj Palace Hotel, New Delhi – September 2016
- Mr. John Slosar, Chairman - Cathay Pacific at Taj 51 Buckingham Gate Suites and Residences, London – May 2016

Events

Some of the prestigious events hosted at Taj Hotels were as under:

- Fairfax Board of Directors Meet at Rambagh Palace, Jaipur – January 2017
- World Economic Forum - India Economic Summit 2016 at Taj Palace Hotel, New Delhi – October 2016
- JP Morgan India Equities Conference at Taj Palace Hotel, New Delhi – September 2016
- BRICS Summit 2016 at Taj Exotica, Goa – October 2016
- Heart Of Asia Foundation - Prime Minister, Mr. Narendra Modi at Taj Swarna, Amritsar – December 2016
- 5th Cartier Concours d'Elegance - International Vintage Car show Event at Taj Falaknuma Palace, Hyderabad – February 2017

Tata Business Excellence Model

A driving factor that has helped Tata companies grow and establish themselves on the global stage is the strong business excellence movement in the group. Excellence is a continuous quest at the Tata group. Tata companies are supported in their efforts to achieve world-class standards in all aspects of operations through group-level processes and systems that encourage and enable business excellence.

Your Company has signed the Brand Equity and Business Promotion (BE-BP) undertaking and has adopted the Tata Business Excellence Model (''TBEM'') framework. Since its inception, the model has been instrumental in strengthening the strategic and operational capabilities of Tata companies.

This year, your Company has submitted entries for and received recognition for its promising practices on New employee orientation (Taj Swagat), Managing vendor relationships and the Customer Loyalty Programme – Taj Inner Circle. Additionally, your Company participated in two global benchmarking studies through the American Productivity and Quality Council (APQC) – Procurement and Human Capital processes.

As part of its process excellence journey, a company-wide process standardization such as Taj Swagat, Cross-Exposure Training and Hotels Reservations processes has been carried out.

GUEST EXPERIENCE AND BRANDS

Taj Hotels Palaces Resorts Safaris

Taj Hotels Palaces Resorts Safaris continued to focus on honing service offerings for high levels of customer satisfaction.

- **Launch of Tajness and New Brand Architecture**: Your Company unveiled one unified proposition for a world class hospitality brand under the aegis of ''Tajness'' This was supported by a high visibility campaign across media, including innovations such as the first ever scripted virtual reality films to immerse the customer in experiences across the various properties. This was followed by the unveiling of the new architecture, where the earlier House of Brands architecture was replaced by a Mono-brand structure as Taj Hotels Palaces Resorts Safaris.
- **Mobile App (application) and Booking Engine:** As a part of the Taj's continued focus on the digital space, your Company launched its new hybrid mobile application to provide ease of exploration and link to booking on the mobile smartphone itself. In the short period of its launch, traffic has exponentially grown in this channel. Your Company also introduced a new booking engine including unbiased guest reviews and a rate check mechanism compared to online travel agencies like Expedia and Booking.com in order to drive direct bookings on the Brand website with an improved experience for the guest.
- **Warmer Welcomes**: In a first for Indian Hospitality, your Hotel launched and promoted a Loyalty Partnership program with Shangri-La Hotels. The partnership program, offers members of Shangri-La Golden Circle and Taj InnerCircle loyalty programmes, reciprocal benefits and the opportunity to earn their preferred loyalty currency when staying at any Shangri-La or Taj hotel located in 131 destinations in China, India, South East Asia, the Middle East, United Kingdom, Europe and The Americas. In addition to enjoying personal recognition, guests can instantly convert points to redeem awards and benefits from either programme at the dedicated microsite www.warmerwelcomes.com – a highly visual platform that responds digitally across all devices.
- **Relaunch of Epicure:** In November 2016, your Company's Epicure loyalty program was re-launched to include a wider range of Taj Experiences and promoted widely. The card benefits now extend to all restaurants of Taj globally.

- **Timeless Weddings**: Taj Hotels Palaces Resorts Safaris make fairy tale weddings nothing less than a heavenly experience. A legendary wedding is a legacy of mindfulness, absolute detailing, magical settings, inspired cuisine and attentive service. Your Company showcased the wedding product and partnered with the Vogue Wedding Show to reach out to HNIs.
- **Participation by Taj at Davos:** Taj Hotels Palaces Resorts Safaris partnered with Indian Brand Equity Foundation (IBEF) this year to become the Hospitality Partner for the India Lounge to showcase its range of services at Davos. Attended by over 400 people every day, the India lounge provided a great branding opportunity for the Taj.
- **New Destinations:** Taj Hotels Palaces Resorts Safaris launched hotels in three new destinations at Corbett, Chitwan and Amritsar. This was accompanied by a robust promotional campaign including print media, social and digital as well as a formal launch event. As of March 31, 2017, Taj Amritsar was rated as the Best Hotel in Amritsar on the popular Travel website Tripadvisor.com

Ginger Hotels

Your Company's Subsidiary, Roots Corporation Limited, which operates hotels under the "Ginger" brand, has 35 operational hotels. Two hotels have been added in Noida and Vapi during the financial year. Further projects are at various stages of execution in Andheri East, Ahmedabad (two hotels), Gurgaon, Corbett, Aurangabad and Surat. As of March 31, 2017, Ginger Hotels has 30 owned/leased hotels with an inventory of 2,902 rooms, 5 hotels under management contract with an inventory of 419 rooms and manages two transit guest houses with an inventory of 130 rooms.

Taj Safaris

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

Jiva Spa

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

In the year 2016 – 17, your Company launched five new Jiva Spas at The Gateway Resort Corbett National Park, The Gateway Hotels Residency Road, Bangalore, Taj Swarna, Amritsar, Jai Mahal Palace, Jaipur and Taj Pamodzi, Lusaka.

As on March 31, 2017, there are 43 Jiva Spas operational across the Group. Jiva Spa also runs non-branded spas i.e. "The Spa" and is operating 14 such spas in various hotels across the Taj Group.

Unique Brand Experiences, Events and Communication

- **Advertising and Promotions:** Your Company continued high visibility media campaigns in India as well as International markets in 2016- 17. The communication was suited towards the targeted segment, eg. Launch of new hotels/ destinations brand campaign and the Taj Holidays Campaign.
- **Launch of Tajness and New Brand Architecture:** Your Company unveiled one unified architecture for a world class hospitality brand under the aegis of ''Tajness''. This was supported by a high visibility campaign, including the first ever scripted virtual reality films to immerse the customer in experiences across the various properties.
- **Digital Transformation:** As a part of the Taj's digital transformation exercise, your Company spent more marketing money than previous years on online and paid search advertising. The Company saw encouraging results as the increased spend converted well due to the improved website, mobile application and an improved booking engine.
- **Public Relations:** Public Relations supported in communicating the positive narrative about the organization including key branding initiatives i.e. Tajness and Brand Architecture, digital enhancements, Taj and Shangri-La alliance by generating enormous amounts of positive coverage throughout the year. Your Company also facilitated intensive global media engagement that helped generate positive articles across print, online and broadcast thereby effectively showcasing the best of Taj Hotels Palaces Resorts Safaris to an international audience. Highlights include coverage across key "A" list media outlets in India and overseas, such as Economic Times, Times of India, Mint, Condé Nast India, Vogue India, Condé Nast UK, Wall Street Journal, New York Times, Tatler, Vanity Fair, Robb Report and Discovery Channel.

Brand Standards and Mystery Shopper Audits

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

Guest Feedback

Your Company greatly values guest feedback not only during and post stay but also from online agents and social media. All avenues where there is a guest touch point is covered to assimilate if all the needs of the guest have satisfactorily been met. The Net Promoter Scores an important parameter to rate the hotels performance, is carefully monitored and improvement opportunities identified to ensure positive guest experience at all times. Our measurement and analysis of guest feedback given directly to us and captured on social review sites have shown continued improvement on these metrics in 2016/17 over previous year. Your Company continues to delight guests at all times to ensure a higher brand recall.

ENVIRONMENTAL INITIATIVES

Your Company has strengthened and refined its EARTH vision over the last year, in line with the Tata Group commitment to the environment. As a part of efforts to ensure a constant focus on sustainability, the Board-level CSR committee expanded its scope into a Sustainability Committee and provides strategic direction, insight and guidance on the entire sustainability programme. Environmental consciousness and design for sustainability are incorporated into daily operations through your Company's brand promise 'We Sincerely Care for You'. This reflects your Company's commitment to the environment and the community. Environmentally responsible hotel operations is the articulation of how the brand promise translates on the ground.

To support the deployment of this promise, objectives have been articulated for the year that lay out improvement targets and performance expectations on key indicators of energy, emissions, waste and water. The objectives also call out expectations around EarthCheck certification levels, and building competence and sensitivity in managing natural resources.

The EarthCheck partnership has been strengthened and leveraged to bring in expertise and insights from across the globe. EarthCheck also works closely with your Company to support strong action plans and initiatives that achieve the defined performance targets. 76 of the 102 properties operated and/or managed by the Company are now covered under this program. Of these, 60 have achieved Gold certification and 16 Silver certification in the annual assessment.

Awards and certifications

Your Company's hotel Taj Palace New Delhi was awarded the National Energy Conservation Award 1st Prize in the category ''Hotels: 5 Star and Above'' by the Bureau of Energy Efficiency, Ministry of Power, Government of India. The hotel was recognized for optimizing its heating, ventilation and air-conditioning (''HVAC'') system, and also implementing energy efficient lighting, thermal efficient methodology and operational optimization of ancillaries, resulting in considerable energy savings.

Your Company achieved LEED Gold certification in Taj Swarna Amritsar, in the category of 'New Construction'.

In the CDP India Climate Change Report 2016, at an overall level, your Company has achieved score band C, which is at par with the sector (Consumer Discretionary Sector) and industry average (Tourism Services Sector), ranking among the top 200 companies across 9 sectors in India.

Energy Management

In 2016/17, your Company set an internal target of 5% reduction in energy consumption over a 3-year baseline. This target was surpassed, with the 76 EarthCheck hotels achieving a total reduction of 8% in the overall energy consumption. This was achieved by switching to LED lighting and upgrading to energy saving equipment wherever possible, regular equipment maintenance, constant monitoring and training of associates to adopt simple energy saving practices. Even small measures such as more efficient temperature setting led to a ripple effect, generating considerable overall reductions. The 76 Taj properties participating in the EarthCheck program together used a total of 259,064,973 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. The amount used from renewable energy is equivalent to the use of 10,875 typical four person households. Thereby, the Taj Group avoided 55,603,013 kg of CO2 emissions, which is comparable to taking 18,659 cars off the road.

Waste Management

All the hotels operated and managed by your Company implement practices for safe disposal of hazardous waste. Your Company actively fosters initiatives for recycling of dry waste through certified recyclers and composting of organic waste. All 76 EarthCheck certified hotels implemented various measures for reducing and recycling waste. This included use of organic composting units, bulk ordering of supplies to reduce packaging waste and training of associates to ensure improved waste segregation. Other initiatives for waste reduction include adopting operational best practices such as tighter control over quantities used in food production, reduced printing, optimizing quantities in banquets and training of associates. 90% of your Company's EarthCheck certified properties are currently recycling/composting/reusing some proportion of their organic waste, with 36 hotels achieving this for 100% of their organic waste.

Water management

Your Company achieved an overall reduction of 1.75% in the total water consumption over a 3-year baseline, with the 76 EarthCheck certified hotels adopting practices to optimize and track their water usage. Several of these hotels upgraded and/or replaced existing elements of their systems in favor of water saving equipment and fixtures. Other measures included addressing leakages, optimizing water pressure in certain system elements, increased reuse of STP water and monitoring through sub-meters. The 76 Taj properties participating in the EarthCheck program together recycled and reused a total of 2,328,434 KL of water through rain water harvesting or recycling of grey water through onsite waste water treatment plants. The amount of recycled and reused water is equivalent to 931 Olympic sized Swimming Pools.

Sustainable sourcing

Your Company has always been conscious of the need for responsible sourcing and has been systematically removing/replacing endangered species on its menu. Moving towards locally sourced products is also a priority. For e.g., all our hotels now serve local varieties of fish wherever possible. To build on this, a project has been initiated with WWF, focused on sustainable seafood sourcing.

Culture Building

Your Company took steps towards integrating environmental sustainability into the daily operational practices of all employees through various culture-building and education initiatives. Your Company set up a practice of bringing in external experts to conduct webinars for our colleagues, on various themes related to natural resource management and sustainability.

To build engagement and enthusiasm among our colleagues, contests are run such as the Water Smart contest, where 119 hotels came up with 625 innovative ideas to save water.

Another practice towards engagement is to encourage participation in landmark days such as the Earth Hour, where 71 hotels participated in the world-wide switch off. Umaid Bhawan Palace Jaipur was featured by global organizer WWF among the prominent Indian monuments to switch off for Earth Hour. By implementing energy saving measures and education for associates, guests and the community on environment preservation, your Company used the occasion to consolidate its reputation as an environmentally responsible corporate citizen.

Safety

Fire and Life Safety

Your Company recognizes that safety is among the priorities for our guests, employees, assets and brand, and therefore, your Company is committed to building a safe environment for all its stakeholders.

Regional Safety Technical and Evaluation Committees comprising representatives from Hotel Operations, Engineering and Security have, together with external experts, co-created an integrated audit protocol that encompasses Fire Safety, Electrical Safety and General Safety. Additional elements include Risk Management and Leadership Governance. This protocol aims at going beyond non-compliance management and instead inculcating a culture of safety consciousness and sensitivity at all hotels. The audit protocol has been designed to enable self-audits by each hotel.

These audits are carried out by a two-member expert team from DNV GL. The findings are shared with hotels at the end of the two-day audit along with recommendations to close non-compliances. The audits are carried out at all hotels regardless of their size and complexity. The Corporate Business Excellence team is the process owner for these audits.

A team of internal Taj Safety Audit Champions has been created so that hotels can carry out more frequent audits of their facilities. Additionally, sessions for all hotels on Hazard Identification as well as Accident / Incident Management have been conducted. Your Company has also adopted and implemented the Tata Group Road Safety Guidelines.

At the corporate office, a Safety Advisory Committee headed by the Managing Director along with the Senior Vice Presidents and CHRO provide thought leadership and guidance to your Company's safety initiatives. At hotels, the General Manager heads the Safety Committee, which is actively involved in implementing safety standards and processes.

Food Safety, Hygiene and Cleanliness

Your Company has been the forerunner in the implementation of food safety practices such as HACCP and ISO 22000. Wanting to continuously raise the bar on food safety standards, your Company has partnered with SealedAir to carry out unannounced food safety audits for over a decade.

The journey of food from "farm to fork" encompasses several stages, each of which can pose a potential risk to the health of the consumer. The food safety audits cover all stages of food production – from receipt of raw material to the serving of food and subsequent disposal of waste.

High risks such as cross-contamination, chemical storage and pests are audited thoroughly. Extending its scope to the larger environment in which food is prepared and consumed, the hygiene and cleanliness of the entire hotel including guest rooms, the periphery as well as heart-of-the-house are also audited. In keeping with your Company's commitment to society as part of its Responsible Neighbour programme, cleanliness audits have been extended to cover the perimeter of the hotel as well as public spaces adopted.

Periodic microbiological tests are carried out on food samples (raw and cooked), linen, water, air and equipment to ensure the highest levels of sanitation and hygiene are maintained.

Food safety, cleanliness and hygiene audits of vendors supplying raw material are also carried out at their premises. The vendor audit protocol has been refined to include parameters related to vehicle safety and human rights.

HUMAN CAPITAL INITIATIVES

In the past year, the key focus of Human Capital initiatives has been on building capability and creating a culture which is performance oriented in order to accelerate business performance. Some key initiatives which your Company has undertaken in the past year are:

Leadership Development

General Managers were provided specialised inputs over a 9 month General Manager Development Program to build their capability and groom them for the future. The program was co-designed with inputs from leading experts from the Indian Institute of Management, Ahmedabad and Nanyang Technological University. In addition to conceptual and practical knowledge, the participants had the benefit of working on Action Learning Projects to translate their understanding to application in their respective hotels.

Additionally, over 1000 managers in front line roles across all domestic and international hotels have been given access to world class online content portal with relevant courses including those on Mutual Respect, Listening & Empathy, Managing Diversity, Implementing Strategy, SWOT analysis, Value Creation, Customer Orientation, Giving Feedback, Coaching, etc.

Taj Leadership Assessment & Development Centres (TLADC)

With the change in the organisation structure, it has been imperative for us to build capability at the Hotel leadership level. This has been approached in a structured fashion with the participants assessed on the Taj Competency framework which include 6 major competencies, i.e. Attention to Detail, Business Acumen, Mutual Respect, Networking & Relationship Building, People Enablement & Development and Result Orientation. They were also assessed on whether they possess identified 'Hotelier Qualities' that have shown to have an impact on job performance. Participants also completed the Occupational Personality Questionnaire to provide additional feedback. Based on the Development Opportunities identified, a plan to bridge these were put in place.

Hotelier Development Program (HDP)

The Hotelier Development Program by means of a systematic scheme of recruitment aims to create a talent pipeline for hotels & build future leaders for the brand by selecting the right fit of the best available talent in the country in hotel operations and other areas like finance, sales & marketing, HR and also by identifying internal talent and creating bench strength for future requirement. This program redefines the erstwhile Taj Management Training Program by enhancing focus on building leadership capability and making it truly "The Best in Class". HDP is expected to make Taj the preferred employer on campus.

The HDP program is structured across 18 / 24 months and is focused into multiple phases which includes Personal Development, Inter-personal Development, Hotel exposure, Organisation need based projects, Action Learning Projects, Specialised exposure- area of interest and Leadership phases.

Your Company has also opened up the program for internal candidates to apply as well which underscores the Talent Strategy.

Career & Succession Planning Process

A comprehensive Career and Succession Planning process has been rolled out across your Company. This process ensures that development discussions pertaining to the associate's aspirations, strengths, development need are conducted in an open and positive manner, leading to a structured process of career and succession planning and creating a culture of continuous conversations where feed forward and incremental goals will help employees achieve organizational targets.

Taj Swagat

In line with the purpose statement of your Company which talks about the nobility of Indian hospitality and heritage, the on – boarding program has been reviewed, improved and launched as Taj Swagat in India and Taj Welcome internationally.

The revised process aims at creating a WOW welcome experience for our new joiners and leverages story telling as a training methodology to create a lasting impact of the heritage & legacy of the the Tata Group and the Taj brand. It also focuses on communicating with clarity & consistency the benefits and entitlements and the introduction to MyTaj, our employee portal. This has helped in increasing retention of new joiners.

Productivity Based Wage Settlements

In order to enhance productivity at shop floor levels, your organization has introduced productivity based wage agreements. In the last two years, there has been a continuous effort on creating awareness among managers and unions on the advantages of driving business results through wage settlements.

Through constant engagement with the employee unions, most of the wage agreements in the last two years have been linked to productivity parameters like cost and revenue, guest satisfaction, process audits, etc., and are linked to continuous improvement in these parameters.

COMPLIANCE

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

RISKS & CONCERNS

Industry Risk

General economic conditions

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

Socio-political risks

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

Company specific Risks

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

Overseas Investments

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

Geographical concentration

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

Competition from Global Hotel Chains

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

High Operating Leverage

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

Hotels on lease / licence

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

Foreign exchange fluctuation risks

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

Impact of digitisation

With the advent of online transactions and increasing use of the same, the share of your Company's revenues from Online Travel Agents is also proportionately increasing.

Risk Mitigation Initiatives

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

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

- Your Company has taken adequate measures to educate customers on the benefits of booking directly on the Taj website. The website has also been developed to enhance the customer experience. Additionally, mobile platforms have been developed for customers, specially targeted at the loyalty and "on-the-go" segments.
- Your Company has further emphasised upon developing the Human Resource capital with the help of various measures.

Internal control systems and their adequacy

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

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

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

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

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

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

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

OTHER INITIATIVES

Taj Public Service Welfare Trust

Your Company established the Taj Public Service Welfare Trust (''Trust'') in December 2008 in the aftermath of the 26/11 terrorist attack, to provide relief to individuals and families affected by terror attacks, natural calamities and other tragic events in the future. During this period, the Trust has reached out to a large number of individuals, families and communities supporting those affected by natural and manmade calamities. In addition to working with disaster-affected individuals, families and communities, the Trust has a special mandate to support members of the country's uniformed forces who have shown bravery and sustained injuries in the line of duty.

In 2016/17, through the Taj Public Service Welfare Trust, your Company has enabled

- 148 children from terror-affected families to continue their education
- 25 survivors of terror attacks to access life-saving medical care
- 107 widows, senior citizens and persons in severe poverty to live with dignity after surviving the 26/11 and 13/7 attacks
- 93 disabled soldiers to learn skills that will secure their livelihood outside the armed forces, through the Unsung Heroes Programme
- 1217 flood-affected families in Assam and J&K to access emergency relief and rehabilitation support

Management Discussion and Analysis of Operating Results and Financial Positions

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

Migration to the new accounting standard – Ind AS from the erstwhile Indian GAAP

In accordance with the notification issued by the Ministry of Corporate Affairs, your Company has adopted Indian Accounting Standards ("IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous period have been restated to Ind AS.

In accordance with Ind AS 101 – "First-time Adoption of Indian Accounting Standard", your Company presented a reconciliation of equity from previous GAAP to Ind AS as at March 31, 2016 and April 1, 2015, of the total comprehensive income for the year ended March 31, 2016 and of the cash flows for the year ended March 31, 2016 and the same is appropriately presented in the Financial Statements.

Results of Operations for the year ended March 31, 2017

Standalone Financial Results

The following table sets forth financial information for your Company for the year ended March 31, 2017

₹ crores

Particulars	Year ended	
	March 31, 2017	March 31, 2016*
Income		
Revenue from Operations	**2,391.25**	2,267.85
Other Income	**53.86**	106.27
Total Income	**2,445.11**	2,374.12
Expenditure		
Food and Beverages Consumed	**219.99**	209.82
Employee Benefits Expenses	**633.22**	615.01
Depreciation and Amortisation expense	**151.29**	126.02
Other Expenditure	**1017.41**	1020.71
Total Expenditure	**2,021.91**	1,971.56
Profit before Finance Cost and Tax	**423.20**	402.56
Finance Costs	**197.86**	242.78
Profit before Tax and Exceptional Items	**225.34**	159.78
Exceptional Items	**33.51**	(6.89)
Profit/(Loss) before Tax	**258.85**	152.89
Provision for Tax (including for earlier years)	**116.91**	68.74
Profit/(Loss) after Tax	**141.94**	84.15

***Previous year figures have been restated to Ind AS**

Revenues

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

₹ crores

Particulars	Year Ended		% Change
	March 31, 2017	March 31, 2016	
Room Income	**1,058.18**	983.28	8
Food, Beverage & Banqueting Income	**931.87**	918.20	1
Other Operating Income	**401.20**	366.37	10
Non-Operating Income	**53.86**	106.27	(49)
Total Income	**2,445.11**	2,374.12	**3**
Statistical Information			
Average Room Rate (₹)	10213	9308	10
Occupancy (%)	66	65	1%

- Room sales increased by 8% compared to the previous year mainly driven by improved average rate per room (''ARR'') across hotels.
- Food & Beverage (''F&B'') income increased by 1% over the previous year, driven by increase in restaurant sales and banqueting business by ₹ 5.8 crores ₹ 7.9 crores, respectively.
- Other Operating Income primarily comprises income from Management Fees, Laundry, Spa & Health Club, Telephone, Business Centre Rents, etc. Other Operating Income increased by 10% over the previous year driven by increases in Chamber Membership and Initiation Fees (₹ 12.7 crores), Spa and health club income (₹ 5.3 crores), Epicure Membership fee (₹ 10.4 crores) and Management & operating fee (₹ 9.9 crores). Such increase was however partially offset by a decline in in Telephone/ Internet income of (₹ 2.6 crores).
- Non-Operating Income decreased by ₹ 52.4 crores as compared to the previous year as the Company had used surplus cash to redeem Non-Convertible Debentures of ₹ 521 crores along with premium on redemption in the latter half of the previous year, which has resulted in lower treasury income during this current year.

Operating Expenses

The operating expenses increased by 3% from ₹ 1,971.56 crores in 2015-16 to ₹ 2,021.91 crores to 2016-17.

The increase in variable operating costs was primarily on account of increase in business volumes and the incremental impact of the full year of operations for Taj Guwahati. There was, however, a saving in Power and Fuel costs due to various energy saving initiatives undertaken during the year and lower electricity tariff in select cities.

Employee benefit expenses was higher than the previous year due to annual increments and the incremental impact of the full year of operations for Taj Guwahati.

Depreciation was higher than the previous year due to planned renovations mainly in Mumbai and Goa hotels and the incremental impact of the full year of operations for Taj Guwahati.

Other Expenditure was higher due to higher Repairs and Maintenance expenses arising out of increased preventive maintenance, adherence to safety and security measures and upkeep undertaken at the hotels. Also License Fees, being linked to revenues, was commensurate with the increase in underlying revenues of the relevant properties.

Finance Costs

Finance costs for the year ended March 31, 2017, at ₹ 197.86 crores were lower than the preceding year by ₹ 44.92 crores mainly due to retirement of high cost debt out of available liquidity, in the latter part of the previous year.

PROFIT BEFORE TAX & EXCEPTIONAL ITEM

Profit before Tax & Exceptional Item at ₹ 225.34 crores were 41% higher than the previous year primarily due to improved EBIDTA from operations.

EXCEPTIONAL ITEMS

Exceptional Items includes items as under:

₹ crores

Particulars	Year Ended	
	March 31, 2017	March 31, 2016
Exceptional Items-Exchange Gain		
Exchange Gain/(Loss) on long term borrowings/assets	**1.90**	27.70
Exceptional Items- Derivative Contracts		
Change in fair value of Derivative contracts	**65.45**	(24.41)
Exceptional Items-Investment		
Provision for impairment of investment in a subsidiary/ joint venture that incurred losses	**(64.33)**	(0.35)
Exceptional Items- Others		
Recovery of costs including interest on a surrendered project	**24.33**	-
Refund of Municipal Tax including interest	**6.16**	-
Expenditure on a project written off	**-**	(9.83)
Total	**33.51**	(6.89)

Profit before Tax

The Profit before Tax for the year was at ₹ 258.85 crores, as compared to the previous year's profit of ₹ 152.89 crores.

Profit / (Loss) after Tax

The Profit after Tax for the year was at ₹ 141.94 crores, as compared to the previous year's profit of ₹ 84.15 crores.

Cash Flow Data

₹ crores

Particulars	Year Ended	
	March 31, 2017	March 31, 2016
Net Cash from operating activities	**457.15**	469.35
Net Cash from (used in) investing activities	**(97.08)**	311.30
Net Cash used in financing activities	**(367.12)**	(1042.97)
Net (Decrease) in cash and cash equivalents	**(7.05)**	(262.32)

Operating Activities

Net cash generated from operating activities was lower at ₹ 457.15 crores compared to ₹ 469.35 crores in the previous year, mainly due to higher taxes paid in the current year.

Investing Activities

During the year under review, your Company incurred ₹ 255.24 crores towards capital expenditure, a majority of which was towards the Taj Andaman and Guwahati projects as well as the new IT initiatives and ongoing renovations at certain hotels.

This was largely funded by your Company from cash generated from operating activities, sale of current investments and long term deposits repaid by a subsidiary.

As at March 31, 2017, ₹ 53.10 crores were invested in Liquid Mutual Funds.

Financing Activities

During the year, your Company repaid long term borrowings of ₹ 708 crores through a combination of cash generated from operating activities and fresh borrowings.

₹ crores

Particulars Financial Ratios for Standalone Financials	Year Ended	
	March 31, 2017	March 31, 2016
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	**0.44**	0.47
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	**0.78**	0.90

Consolidated Financials

The Consolidated Financial Statements comprise of the Company and its subsidiaries (referred collectively as the "Group") and the Group's interest in associates and joint ventures prepared in accordance with IndAS as applicable to your Company. The Consolidated Statements include the financial position of subsidiaries on line by line basis and for joint ventures and associates by applying equity method of accounting.

Divestment of Taj Boston

During the year, United Overseas Holding Inc., a wholly owned overseas subsidiary of the Company divested the entire LLC interests in IHMS (Boston) LLC which owned the 'Taj Boston' hotel. The divestment was completed on July 12, 2016 in accordance with the terms specified by the 'LLC Interest Purchase Agreement' executed in favour of AS Holding LLC, Boston (the "Buyer") for USD 125 million. It may, therefore, be noted that a comparison of results with the previous year may not result . The key financial indicators of the IHMS (Boston) LLC are as follows:

₹ crores

Particulars	Year Ended	
	March 31, 2017*	March 31, 2016
Income from operations	**76.37**	222.95
Total Expenditure	**81.52**	270.50
Profit/(Loss) before tax	**(5.15)**	(47.55)
Exceptional item – Loss on divestment of IHMS (Boston) LLC	**(103.25)**	-
Profit/(Loss) before /after tax and exceptional items	**(108.40)**	(47.55)

* Results are only upto the date of divestment i.e. July 12, 2016.

Consolidated Results

The following table sets forth the Consolidated Financial results for the year ended March 31, 2017:

₹ crores

Particulars	Year Ended	
	March 31, 2017	March 31, 2016
Income		
Revenue from Operations	4,010.26	4,023.02
Other Income	54.94	99.76
Total Income	4,065.20	4,122.78
Expenditure		
Food and Beverages Consumed	363.95	366.93
Employee Benefits Expenses	1,364.65	1,423.26
Depreciation and Amortisation Expense	299.37	284.82
Other Expenditure	1,672.04	1,680.67
Total Expenditure	3,700.01	3,755.68
Profit before Finance Cost and Tax	365.19	367.10
Finance Costs	323.83	375.59
Profit/(Loss) before Tax and Exceptional Items	41.36	(8.49)
Exceptional Items	(10.78)	(82.68)
Profit/(Loss) before Tax	30.58	(91.17)
Provision for Taxes	113.74	90.63
Loss after Tax before Minority Interest and Share of Associates and Joint Ventures	(83.16)	(181.80)
Add : Share of Profit/(Loss) of Associates and Joint Venture	37.56	(21.41)
Less : Non-controlling Interest in Subsidiaries	(17.60)	(27.87)
Loss after Tax, Non-controlling Interest and Share of Associates and Joint Ventures	(63.20)	(231.08)

Income:

The revenue from operations increased by 4% (on a same store basis, without Taj Boston as explained earlier) from ₹ 3,800.29 crores to ₹ 3,933.89 crores primarily driven by improved performance in the domestic portfolio.

Operating Expenses

The operating expenses were commensurate to the increase in the scale and size of the business and increased capacity due to expansions and addition of new hotels during the year. There has been an increase (without considering Taj Boston) in staff cost commensurate to industry trends as also an increase in other expenses linked to business activities. The depreciation charge for the year was higher in the current year due to new hotel opened in domestic portfolio and renovations, etc.

Finance Costs

Finance costs for the year ended March 31, 2017, at ₹ 323.83 crores were lower than the preceding year by ₹ 51.76 crores mainly due to retirement of high cost debt out of available liquidity, in the latter part of the previous year.

Exceptional Items:

Exceptional Items includes the following:

₹ crores

Particulars	Year Ended	
	March 31, 2017	March 31, 2016
Exchange Gain/(Loss) on long term borrowings/assets	**0.44**	(33.20)
Recovery of costs including interest on a surrendered project	**24.33**	-
Refund of Municipal Tax including interest	**6.16**	-
Change in fair value of Derivative contracts	**65.45**	(24.41)
Provision of financial exposure in an Associate	**(5.05)**	-
Net Loss on disposal of subsidiary	**(103.08)**	-
Project written off for commercial reason	**-**	(25.07)
Profits on compulsory acquisition of land by government	**0.97**	-
Total	**(10.78)**	(82.68)

Loss after Tax, Non-controlling Interest and Share of Associates and Joint Ventures:

Loss after tax, Non-controlling Interest and Share of Associates and Joint Venture for the year was lower at ₹ (63.20) crores as compared to ₹ (231.08) crores for the preceding year.

Cash Flow Data:

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

₹ crores

Particulars	Year Ended	
	March 31, 2017	March 31, 2016
Net Cash from operating activities	**534.51**	618.75
Net Cash used in investing activities	**854.98**	338.10
Net Cash from financing activities	**(1,381.36)**	(1,196.46)
Net Increase/(decrease) in cash and cash equivalents	**8.13**	(239.61)

Operating Activities:

Net Cash from operating activities was reduced from ₹ 618.75 crores in the previous year to ₹ 534.51 crores in the current year, mainly due to mute operating performance and increase in working capital during the year.

Investing Activities:

Cash from investing activities has increased to ₹ 854.98 crores as compared to ₹ 338.10 crores in the previous year mainly on account of divestment of the Group's entire stake in Belmond Ltd as also the sale proceeds from the sale of Taj Boston (effected through the divestment of IHMS (Boston) LLC).

Financing Activities:

Your company at a consolidated level has repaid long term borrowings of ₹ 1,954 crores mainly out of proceeds from divestment of Belmond Ltd shares and sale of Taj Boston as also a combination of cash generated from operating activities and fresh borrowings.

Financial Ratios for Consolidated Financials:

Particulars	Year Ended	
	March 31, 2017	March 31, 2016
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	**0.50**	0.57
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Other Equity)	**1.00**	1.32

AWARDS AND ACCOLADES

Taj Hotels Palaces Resorts Safaris

- CNBC – TV18 India Risk Management Awards - IHCL was awarded 'Firm of the Year' in the hospitality industry
- Travel + Leisure India's Best Awards – Voted Best Hotel Group in India
- Business Traveller Awards - Rated Best Business Hotel Chain in India

The Taj Mahal Palace, Mumbai

- TripAdvisor Travellers' Choice Awards – ranked 18th in the list of 'Top Hotels in India'
- Condé Nast Traveller Readers' Travel Awards UK - Listed among the top 20 Overseas Business Hotels
- Condé Nast Traveller Readers' Choice Awards US – ranked 7th in the list of Top Hotels in India
- Condé Nast Traveller US Gold List 2016 and 2017 - Featured on the Condé Nast Traveler US Gold List 2016 and 2017
- Business Traveller Asia-Pacific Awards - Named Best Business Hotel in Mumbai

Taj West End, Bangalore

- Karnataka Tourism Awards - FKCCI Conferred Taj West End, Bangalore with the 'The Best in Luxury Hotel Award' at Karnataka Tourism Awards 2016

Umaid Bhawan Palace, Jodhpur

- TripAdvisor Travellers' Choice Awards 2016 - Best Hotel in the World, Asia and India
- TripAdvisor Travellers' Choice Awards 2017 - Ranked 21st in the list of 'Top 25 Hotels in the World'; 8th in the list of Top 25 Hotels in Asia'; 2nd in the list of 'Top Hotels in India
- Condé Nast Traveller Readers' Choice Awards US - named Best Hotel in India and ranked 4th in the Top 50 hotels in the World list
- Condé Nast Traveller US Gold List - Featured on the Condé Nast Traveller US Gold List

Taj Lake Palace, Udaipur

- Condé Nast Traveller Readers' Travel Awards UK - Named Best Hotel in Asia and the Indian Sub-Continent
- Condé Nast Traveller Readers' Choice Awards US – ranked 3rd in the list of 'Top Hotels in India'
- Condé Nast Traveller US Gold List - Featured on the Condé Nast Traveller US Gold List 2016
- Travel+Leisure USA World's Best Awards – ranked 4th in in list of 'The Best Resort Hotels in India'
- TripAdvisor Travellers' Choice Awards – ranked 15th in the list of 'Top 25 Hotels in Asia'
- TripAdvisor Travellers' Choice Awards – ranked 3rd in the list of 'Top Hotels in India'

Rambagh Palace, Jaipur

- TripAdvisor Travellers' Choice Awards - Ranked 16th in the list of 'Top Hotels in India'
- Condé Nast Traveller Readers' Travel Awards UK - Ranked 13th on the Condé Nast Traveller Readers' Travel Awards UK 2016
- Condé Nast Traveller Readers' Choice Awards US - Ranked 8th in the list of Top Hotels in India

Taj Exotica Resort & Spa, Goa

- TripAdvisor Travellers' Choice Awards 2017 – ranked 20th in the list of 'Top Hotels in India'

Taj Falaknuma Palace, Hyderabad

- Travel + Leisure India's Best Awards – Voted Best Heritage Hotel
- Condé Nast Traveller Readers' Choice Awards US - Ranked 11th in the list of Top Hotels in India
- Condé Nast Traveller Readers' Travel Awards UK - Ranked 16th on the Condé Nast Traveller Readers' Travel Awards UK 2016
- Condé Nast Traveller US Gold List - Featured on the Condé Nast Traveller US Gold List

Taj Exotica Resort & Spa Maldives

- Condé Nast Traveller Readers' Travel Awards – Voted Favorite Overseas Leisure Hotel

Taj Campton Place, San Francisco

- Forbes Travel Guide Star Ratings - Awarded a four-star rating on the 2016 Forbes Travel Guide Star Ratings
- Michelin Guide - Awarded second Michelin Star in the Michelin Guide 2016

Taj 51 Buckingham Gate Suites and Residences, London

- Forbes Travel Guide Star Ratings - Awarded a four-star rating on the 2016 Forbes Travel Guide Star Ratings

Jai Mahal Palace, Jaipur

- TripAdvisor Travellers' Choice Awards – ranked 19th in the list of 'Top Hotels in India'

Vivanta by Taj – Madikeri, Coorg

- TripAdvisor Travellers' Choice Awards – ranked 24th in the list of 'Top Hotels in India'

Taj Tashi, Bhutan

- Condé Nast Traveller US Gold List - Featured on the Condé Nast Traveller US Gold List 2016

Meghauli Serai, A Taj Safari Lodge, Chitwan National Park

- Travel + Leisure US It List 2017 - Featured on the list of Best New Hotels in the World

Taj Boston

- Forbes Travel Guide Star Ratings - Awarded a four-star rating on the 2016 Forbes Travel Guide Star Ratings

The Pierre, A Taj Hotel, New York

- Forbes Travel Guide Star Ratings - Awarded a five-star rating on the 2016 Forbes Travel Guide Star Ratings

REPORT ON CORPORATE GOVERNANCE

Philosophy on code of Corporate Governance

As a Tata Company, your Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, which have been in practice since its inception. At your Company, good corporate governance is a way of life which is enshrined in the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation.

The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence for tracking progress on long term strategic objective as also the Tata Code of Conduct (''TCOC''), and the Tata Code for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

This has resulted in your Company winning the **'Best All India Investor Relations Award 2017'** in the category of large-cap companies at the recently held Investor Relations Awards ceremony at the BSE International Convention Hall, which was attended by corporate leaders and the Investor Relations community. The IR Awards, instituted by the Investor Relations Society India in association with KPMG in India, Bloomberg and BSE, recognizes best practice in investor relations and aims to advance the awareness of and encourage leading best practices within the IR community.

Governance Guidelines

Your Company has adopted the Governance Guidelines to help fulfil its corporate responsibility towards its stakeholders. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Directors' remuneration, subsidiary oversight, Code of Conduct, Board effectiveness review and mandates of Board Committees. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations when required. Further, these guidelines allow the Board to make decisions that are independent of the management.

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 (''Listing Regulations''), as applicable, with regard to corporate governance, the disclosure requirements of which are given below:

The Board of Directors:

1. As on May 26, 2017 the Company's Board of Directors comprises eight members, two of whom are Executive Directors and six are Non-Executive Directors (''NEDs''). Out of these six NEDs, five are Independent Directors of which two are Woman Directors. The Board's composition is in compliance with the requirements of Regulation 17(1) of the Listing Regulations read with Section 149 of the Companies Act, 2013 (''the Act''). The Directors possess experience in diverse fields including banking, finance, real estate, marketing, consumer industry and hoteliering to social service. The skill and knowledge of the Directors have proved to be of immense value to the Company. The details of Directors seeking re-appointment have been attached along with the Notice of the Annual General Meeting (''AGM'').

2. "Independent Directors" i.e. Directors who apart from receiving Directors' remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its holding company, its subsidiaries and associates, which may affect the independence of the Director.

3. The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Act. The terms and conditions of appointment are disclosed on the website of the Company. All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and the Listing Regulations.

4. None of the Directors hold directorships in more than 20 Indian Companies including 10 public limited companies. Further, none of them serve as Members of more than 10 Committees nor are any of them serving as Chairperson of more than five Committees, across all the companies in which they are Directors. "Committees" for this purpose include the Audit Committee and the Stakeholders Relationship Committee as per the Listing Regulations.

5. None of the Independent Directors of the Company serve as Independent Directors in more than seven listed companies and none of the Whole-time Directors of any listed company serve as Independent Directors in more than three listed companies.

6. The Board Meeting calendar for the ensuing year is decided in advance and circulated to all Directors. With a view to leverage technology and move towards green initiative, the Company has adopted a digital platform for transmitting Board/Committee agendas and notes which is accessible through iPad.
7. During the year under review, the Board of Directors of the Company met six times and the period between any two meetings did not exceed 120 days. The Board Meeting dates were: May 18, 2016, August 10, 2016, November 4, 2016, November 21, 2016, February 3, 2017 and March 17, 2017. The necessary quorum was present for all the meetings. A detailed explanation, in the form of a table illustrating the above matters is given on page no. 81 for ready reference.

   As required under the Listing Regulations all the necessary information was placed before the Board from time to time.
8. During the year, Mr. Cyrus P. Mistry and Mr. Shapoor P. Mistry were related to each other, being brothers. Presently, none of the Directors are related to each other.
9. Video / tele conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.
10. During the year, a separate meeting of Independent Directors was held on March 17, 2017 to review the performance of Non-Independent Directors and the Board as a whole. The process for evaluation of Board performance, Non-Independent Non-Executive Directors and the Board Chairman is detailed in the Board's Report.
11. The Company has an appropriate induction programme for new Directors and an ongoing familiarisation programme, with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of the familiarisation programme are disclosed on the Company's website under the weblink: https://www.tajhotels.com/content/dam/thrp/investors/FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf
12. The NEDs of the Company are paid, in addition to commission, sitting fees at the rate of ₹ 30,000 per meeting for attending meetings of the Board of Directors, Audit Committee, Independent Directors, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. Besides the aforesaid, none of the NEDs had any other pecuniary relationship or transaction with the Company.
13. The Company has adopted a Code of Conduct for its NEDs (''Code'') and also adopted the TCOC for all its employees including the Managing Director and Executive Directors. All NED's and Independent Directors have affirmed compliance with the said Code for the financial year ended March 31, 2017 and all Senior Management of the Company have affirmed compliance with the TCOC. The Codes of Conduct are also displayed on the Company's web site under the weblink https://www.tajhotels.com/en-in/about-taj-group/investors/policies/. The Annual Report of the Company contains a Certificate duly signed by the Managing Director and CEO in this regard.
14. Other than the transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and / or relatives. The Executive Directors and Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

Committees of the Board:

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

1. Audit Committee:

As on May 26, 2017, the Company's Audit Committee comprises entirely of three Independent Directors, viz. Mr. Deepak Parekh - Chairman, Ms. Ireena Vittal and Mr. Nadir Godrej. Mr. K. B. Dadiseth, erstwhile Chairman of the Committee resigned as Director of the Company w.e.f. April 7, 2017. Each Member of the Committee has the relevant experience in the field of finance, banking and accounting, with the Chairman being a Chartered Accountant. The Committee has, inter alia, the following terms of reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Act
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report

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

Mr. Giridhar Sanjeevi, CFO was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Code w.e.f May 26, 2017.

The Committee met five times during the period under review on May 17, 2016, August 10, 2016, November 4, 2016, February 3, 2017 and March 17, 2017, the details of attendance are on page 81. The necessary quorum was present for all the meetings.

Audit Committee meetings are attended by invitation by the Managing Director & Chief Executive Officer, CFO, Group Internal Audit and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee. The erstwhile Chairman of the Audit Committee, Mr. K. B. Dadiseth was present at the last Annual General Meeting.

2. Nomination and Remuneration Committee:

The Company has a Nomination and Remuneration Committee (''NRC'') required as per the Listing Regulations and the Act. As on May 26, 2017 the Committee consists of four NED's viz. Mr. N. Chandrasekaran, Mr. Nadir Godrej, Ms. Vibha Paul Rishi and Mr. Deepak Parekh who was appointed as the Member and Chairman of the Committee in place of Mr. K. B. Dadiseth who ceased to be the Chairman of the Committee w.e.f. April 7, 2017 pursuant to his resignation as Director of the Company. The Committee is governed by a NRC Charter which has been adopted by the Board. The broad terms of reference of the Committee interalia, include the following:

i. Recommend to the Board the set up and composition of the Board and its Committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a Director". The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.

ii. Recommend to the Board the appointment or reappointment of Directors.

iii. Devise a policy on Board diversity.

iv. Recommend to the board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee).

v. Carry out evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors. This shall include "formulation of criteria for evaluation of performance of Independent Directors and the Board".

vi. Recommend to the Board the remuneration policy for Directors, executive team or KMP as well as the rest of the employees.

vii. On an annual basis, recommend to the Board the remuneration payable to the Directors and oversee the remuneration to executive team or KMP of the Company.

viii. Oversee familiarisation programmes for Directors.

ix. Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, KMP and executive team).

x. Provide guidelines for remuneration of directors on material subsidiaries.

xi. Recommend to the Board on voting pattern for appointment and remuneration of Directors on the boards of its material subsidiary companies.

xii. Performing such other duties and responsibilities as may be consistent with the provisions of the Committee charter

During the year, the Committee met twice, the details of attendance are on page 81. The necessary quorum was present for all the meetings.

Remuneration Policy:

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

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

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

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

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

Mr. Rakesh Sarna had expressed his desire to step down as the Managing Director & Chief Executive Officer of the Company upon completion of his three year tenure due to personal reasons vide his letter dated May 26, 2017. The Board accepted the resignations of Mr. Sarna and requested him to continue as the MD & CEO of the Company until September 30, 2017 which he agreed and accepted. As such his contract with the Company and UOH Inc. shall cease with effect from the close of business hours on September 30, 2017.

Mr. Anil P. Goel's contract as Whole-time Director of the Company ceased to be in effect from October 15, 2016 pursuant to his premature retirement from the Company.

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

The Company has no scheme for stock options.

3. **Stakeholders' Relationship Committee :**

The Company's Stakeholders' Relationship Committee comprises of Mr. Rakesh Sarna and Mr. Nadir Godrej, Non- Executive Independent Director who was inducted as a Member and Chairman of the Committee w.e.f. May 26, 2017 in place of Mr. K. B. Dadiseth who ceased to be the Chairman of the Committee w.e.f. April 7, 2017 pursuant to his resignation as Director of the Company. The scope of the Stakeholders' Relationship Committee includes reporting of the status of shareholders, debenture holders, deposit-holders and any other security holders in addition to equity shareholders. The brief terms of reference of the Committee include resolving grievances of all the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.

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

Share transfers are processed weekly and approved by the Committee. Investor grievances are placed before the Committee. There were no pending investor complaints which remained unresolved. The Company has also cleared all complaints received through SEBI Complaints Redress System (''SCORES'') - a centralized web based complaints redress system which serves as a Centralised database of all complaints received, enables uploading of Action Taken Reports (''ATRs'') by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status. All valid share transfers lodged upto March 31, 2017, have been processed by the Committee. The status of the complaints received (inclusive of SCORES) from shareholders from April 1, 2016 to March 31, 2017 is as under:

Complaints received	Pending as on March 31, 2017
3	Nil

Transfer to the Investor Education and Protection Fund (''IEPF'')

Pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re-enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), the Company is required to transfer not only all unclaimed / unpaid dividend but also the equity shares in respect of which dividends are not claimed for the continuous period of seven years from the date they first became due for payment, by any shareholder, to the Demat Account of the IEPF.

Given below are the due dates by which the Members can claim the unpaid/unclaimed dividend declared by the Company:-

Financial Year	Date of declaration of Dividend	Last Date for claiming unpaid Dividend
2009-10	August 5, 2010	September 4, 2017
2010-11	August 5, 2011	September 4, 2018
2011-12	August 3, 2012	September 2, 2019
2012-13	August 3, 2013	September 1, 2020
2015-16	August 26, 2016	September 22, 2023

* Indicative dates, actual dates may vary

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

During the year the Company made renewed attempts to establish contact with those members who had not claimed dividend(s). Special mailer was sent to the Members. As a result, the Company did achieve limited success and was able to arrange payment of a sum of ₹ 4,06,753. The Company transferred the following amounts to IEPF of the Central Government during the financial year 2016-17.

Particulars		₹
Amounts transferred upto March 31, 2016	**(a)**	**4,40,88,685.67**
Amounts transferred during financial year 2016-17:		
- Unpaid / unclaimed dividend with the Company		33,89,519.00
- Unpaid / unclaimed application money with the Company		-
- Unpaid / unclaimed matured deposits with the Company		-
- Interest accrued on the unpaid matured deposits		1,27,853.00
- Interest accrued on the unpaid matured debentures		2,30,095.00
Total	**(b)**	**37,47,467.00**
Amount transferred upto March 31, 2017	**(a+b)**	**4,78,36,152.67**

Compliance Officer

Mr. Beejal Desai
Vice President - Legal & Company Secretary
The Indian Hotels Company Limited
Address: Mandlik House, Mandlik Road, Mumbai – 400 001
Phone : 022-6639 5515 ; Fax : 022-2202 7442
E-mail: investorrelations@tajhotels.com

4. **Other Committees:**

i. **Corporate Social Responsibility (CSR) & Sustainability Committee:**

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

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

During the year, the Committee met twice, the details of attendance are on page 81. The necessary quorum was present for all the meetings.

ii. **Risk Management Committee:**

The Board of Directors have constituted a Risk Management Committee to frame, implement and monitor the risk management plan of the Company. As on May 26, 2017, the Committee comprises entirely of Independent Directors, viz. Ms. Ireena Vittal, Mr. Nadir Godrej and Mr. Deepak Parekh who was appointed as Chairman of the Committee in place of Mr. K. B. Dadiseth. The Committee has formulated a Risk Management Policy, which lays down a vigorous and active process for identification and mitigation of risks. The Committee reviews and monitors the risk management and mitigation plan from time to time.

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

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

During the year, the Committee met once and was attended by all the Members, except for Ms. Ireena Vittal.

Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2017, are as under:

Mr. Deepak Parekh 2,561 Shares

Details on General Meetings:

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

Location	Date	Time	Special Resolutions passed
Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020	August 23, 2016 August 10, 2015 August 27, 2014	3.00 p.m.	• Private Placement of Non-Convertible Debentures • Creation of Charge • Authority to borrow in excess of the paid-up capital and free reserves • Commission to Directors other than the Managing Director and Whole-time Director(s) of the Company

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

Three Extra-ordinary General Meetings and two Court-convened Meetings were held during the previous year, the details of which are as under:

Extra-ordinary General Meetings:

Location	Date	Time	Resolutions passed
Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020	May 4, 2016	11.30 a.m.	Special Resolution Reduction of Share Capital of the Company pursuant to the Scheme of Arrangement between the Company and Lands End Properties Private Limited
		1.00 p.m.	Special Resolution Reduction of Share Capital of the Company pursuant to the Scheme of Arrangement between the Company and International Hotel Management Services LLC
Walchand Hirachand Hall, 4th Floor, Indian Merchant Chamber (IMC) Building, IMC Marg, Churchgate, Mumbai – 400020	December 20, 2016	11.00 a.m.	No resolution passed as the meeting turned infructuous.

Court-convened Meetings

Location	Date	Time	Resolution passed by Majority in number and 3/4th shareholding, present and voting
Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020	May 4, 2016	10.30 a.m.	Approval of Scheme of Arrangement between the Company and Lands End Properties Private Limited and their respective creditors and shareholders.
		12 noon	Approval of Scheme of Arrangement between the Company and International Hotel Management Services LLC and their respective creditors and shareholders.

Postal Ballot

During the financial year 2016-17, the Company had obtained members approval through Postal Ballots for the following Resolutions as stated in the table below. A snap shot of the voting results are as follows:

Postal Ballot - I

Name of the Resolution	Type of Resolution	Number of valid Postal Ballot forms received	Votes cast in favour of the Resolution		Votes against the Resolution	
			No. of votes cast	%	No. of votes cast	%
Approval for Scheme of Arrangement between Lands End Properties Private Limited, The Indian Hotels Company Limited and their respective shareholders and creditors.	Passed by Requisite Majority of public shareholders	35,49,29,191	35,49,00,761	99.992	28,430	0.008

Postal Ballot - II

Name of the Resolution	Type of Resolution	Number of valid Postal Ballot forms received	Votes cast in favour of the Resolution		Votes against the Resolution	
			No. of votes cast	%	No. of votes cast	%
Sale of the 100% of the issued and outstanding LLC interests in IHMS (Boston) LLC, a limited liability company, owned by United Overseas Holdings Inc. (an indirect wholly owned subsidiary of the Company)	Special	73,49,66,653	73,30,78,247	99.743	18,88,406	0.257

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

Procedure for Postal Ballot:

i. In compliance with Section 110 and other applicable provisions of the Act read with the related Rules, the Company provided e-voting facility to all its members. The Company had engaged the services of Central Depository Services (India) Limited (''CDSL'') for Postal Ballot – I and National Securities Depository Limited (''NSDL'') for Postal Ballot – II for providing the e-voting facility to the members.

ii. The Members had the option to vote electronically or through physical ballot forms.

iii. The Company dispatched the Postal Ballot notices and forms along with the self-addressed, postage pre-paid envelope to all the Members whose name appeared in the Register of members/ list of beneficiaries as on the cut-off date.

iv. The Company also published the notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.

v. The voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date.

vi. Members exercising their votes through Postal Ballot were requested to send the duly completed and signed Postal Ballot forms as per the details stated in the Notice.

vii. The Postal Ballot forms had been kept under the safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms.

viii. The Scrutinizer submitted his report to the Chairman after completion of the scrutiny and the consolidated results of the voting by Postal Ballot were announced by the Chairman at the Registered Office of the Company as per the Scrutinizer's Report. The result was also uploaded on the Company's website besides being communicated to the Stock Exchanges and the Depositories.

Disclosures

i. All transactions entered into with Related Parties as defined under the Listing Regulations during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Act. Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements.

   The Policy for dealing with Related Party Transactions has been uploaded on the Company's website at the following link: https://www.tajhotels.com/content/dam/thrp/investors/RPT%20Policy.pdf.

ii. The Company has followed the Accounting Standards laid down by the Ministry of Corporate Affairs in the preparation of its Financial Statements.

iii. The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India / Statutory Authorities on all matters relating to capital markets, during the last three years.

iv. In accordance with the requirement of the Act as well as the Listing Regulations, the Company has adopted the Whistle Blower Policy pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest by approaching the Ethics Counsellor or Chairman of the Audit Committee. No person has been denied access to the Chairman of the Audit Committee. The policy has been disclosed on the website of the Company under the link https://www.tajhotels.com/content/dam/thrp/investors/WHISTLE-BLOWER-POLICY-AND-VIGIL-MECHANISM.pdf

v. The Company has also adopted the policy on determination of Materiality for Disclosures (dhttps://www.tajhotels.com/content/dam/thrp/investors/Drfat%20IHCL%20Materiality%20Policy.pdf), Website Archival Policy (https://www.tajhotels.com/content/dam/thrp/investors/Archival%20Policy.pdf), Dividend Distribution Policy (https://www.tajhotels.com/content/dam/thrp/investors/IHCL_Dividend_Distribution_Policy.pdf) and the Policy for Preservation of Documents.

vi. In terms of Regulation 17(8) of the Listing Regulations, the Managing Director & CEO has issued a certificate to the Board, for the year ended March 31, 2017.

Subsidiary Companies

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

Besides ELEL, the Company has appointed its Independent Directors on the Board of the other material unlisted subsidiaries as per the requirements of the Listing Regulations. The Company is in the process of appointing the Independent Director on the Board of ELEL shortly. Mr. K. B. Dadiseth, who was appointed as an Independent Director on the Board of Piem, resigned w.e.f. April 7, 2017 pursuant to his resignation from the Board of the Company and the Company shall shortly fill this vacancy.

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

Names	Category	Remuneration paid ₹			No. of outside Directorships as at March 31, 2017		No. of outside Committee Positions Held**		No. of Board Meetings attended	No. of Audit Committee Meetings attended	No. of NRC Committee Meetings attended	No. of CSR Committee Meetings attended	Attendance at the last AGM
		Salary & Perks 2016-2017	Sitting Fees 2016-2017	Commission/ Bonus 2015–2016	Indian*	Foreign	as Member	as Chairman					
Mr. N. Chandrasekaran (Chairman) @	Promoter Non-Executive	-	60,000	-	6	1	-	-	1	-	1	-	N.A.
Mr. Cyrus P. Mistry (erstwhile Chairman) #	Promoter Non-Executive	-	1,50,000	-	N.A.	N.A.	N.A.	N.A.	4	-	1	-	Yes
Mr. K. B. Dadiseth $	Non-Executive Independent	-	4,80,000	69,16,000	7	1	5	2	5	4	2	-	Yes
Mr. Deepak Parekh	Non-Executive Independent	-	3,60,000	54,74,000	9	4	3	2	5	4	-	-	Yes
Mr. Shapoor Mistry ^	Non-Executive	-	90,000	14,44,000	5	1	-	-	3	-	-	-	Yes
Mr. Nadir Godrej	Non-Executive Independent	-	4,50,000	30,69,000	9	2	2	1	5	4	2	1	Yes
Mrs. Ireena Vittal	Non-Executive Independent	-	2,10,000	46,51,000	7	1	8	-	3	2	-	1	No
Mr. Gautam Banerjee	Non-Executive Independent	-	2,40,000	17,24,000	1	4	-	1	6	-	-	-	No
Ms. Vibha Paul Rishi	Non-Executive Independent	-	3,00,000	33,14,000	8	-	5	1	6	-	2	-	Yes
Dr Niddodi Subrao Rajan @@	Non-Executive	-	60,000	4,08,000	N.A.	N.A.	N.A.	N.A.	2	-	-	-	Yes
Mr. Rakesh Sarna***	Executive	4,81,78,942	-	3,11,78,110	7	7	1	1	6	-	-	2	Yes
Mr. Anil P. Goel ##	Executive	1,91,47,290	-	1,00,23,000	N.A.	N.A.	N.A.	N.A.	2	-	-	-	Yes
Mr. Mehernosh S. Kapadia	Executive	1,31,47,644	-	1,01,00,000	6	2	3	-	6	-	-	-	Yes

* Includes only Public Limited Companies &** Includes only Audit Committee and Stakeholders Relationship Committee

@ Appointed as Director on January 27, 2017

Resigned on December 19, 2016

$ Resigned on April 7, 2017

^ Resigned on April 25, 2017

@@ Resigned on October 28, 2016

Premature retirement with effect from October 15, 2016

***Mr. Sarna also received remuneration of $ 6,91,996 from UOH Inc.

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

Means of Communication:

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

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

NSE Electronic Application Processing System (''NEAPS'') and BSE Listing Centre

All communications, disclosures and periodic filings are made electronically on BSE's online portal viz. BSE Corporate Compliance and Listing Centre and on NSE's Electronic Application Processing System.

Extensive Business Reporting Language (''XBRL'')

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

Ministry of Corporate Affairs (''MCA'')

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

SEBI Complaints Redress System (''SCORES'')

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

Letters

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

Annual Report

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

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

Compliance with non-mandatory requirements

1. The Board : The Non-Executive Chairman has a separate office in his capacity as the Group Chairman at the Tata Group headquarters at Bombay House, 24, Homi Mody Street, Mumbai - 400 001 and hence a separate office is not maintained.
2. The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
3. For the financial year 2016-17, the Statutory Auditors have given an Unmodified Opinion on the Annual Audited Financial Results of the Company.
4. The Internal Auditor reports to the Chairman of the Audit Committee of the Board.

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

General Shareholder Information

Annual General Meeting

Date and Time	August 21, 2017 at 3 p.m.
Venue	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg Mumbai 400 020
Registered Office	Mandlik House, Mandlik Road, Mumbai 400 001
Telephone No.	91- 22- 6639 5515
Facsimile No.	91- 22- 2202 7442
Website	www.tajhotels.com
Dedicated E-mail	investorrelations@tajhotels.com
Book Closure	August 15, 2017 to August 21, 2017 (both days inclusive)

Financial Calendar

Financial reporting for:

• Quarter ending 30th June, 2017	August 2017
• Quarter ending 30th September, 2017	November 2017
• Quarter ending 31st December, 2017	February 2018
• Quarter ending 31st March, 2018	May 2018

Listing

Equity Shares	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400051
Share Transfer Agent	The Company has been granted Certificate of Permanent Registration as Category II Share Transfer Agent by SEBI
SEBI Registration No.	INR000003746

The Company has paid annual listing fees to each of the above Stock Exchanges in respect of the financial year 2016-2017.

Stock Codes

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

Particulars of Debenture Trustee

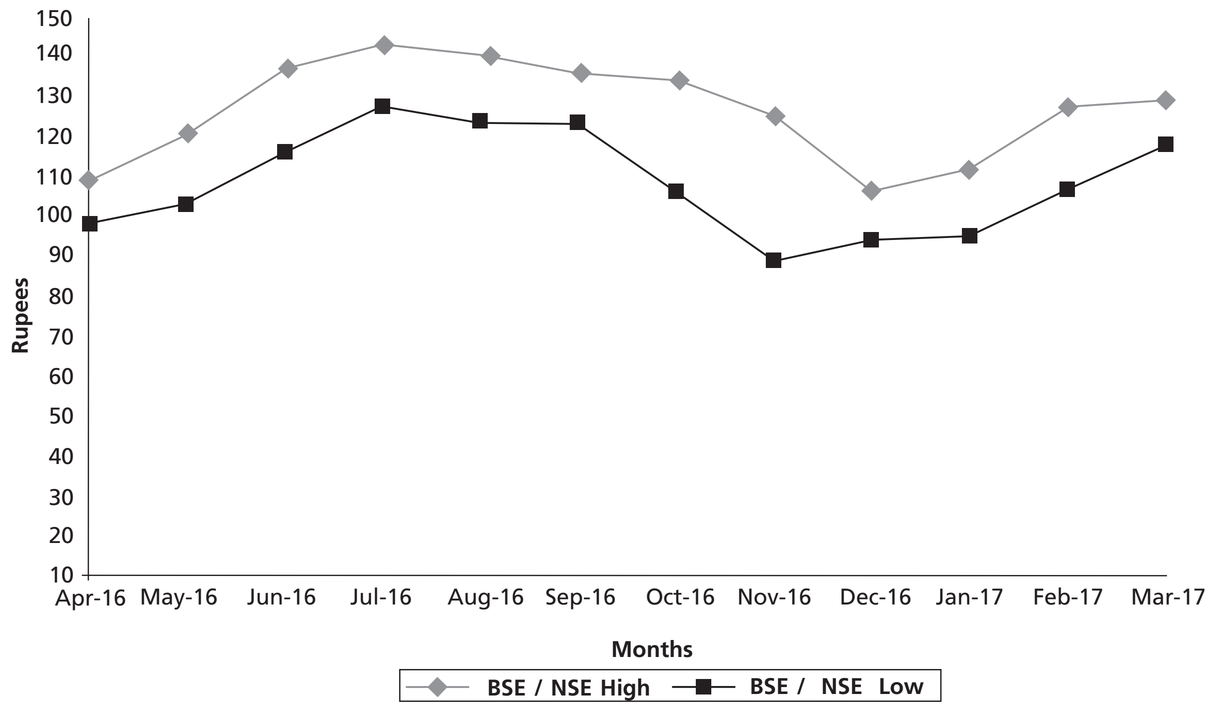
CENTBANK FINANCIAL SERVICES LIMITED
Regd. Office: Central Bank of India
MMO Building, 3rd floor (East Wing)
55 Mahatma Gandhi Road, Fort
Mumbai- 400001.
Tel: 022 22616217 Fax: 022 22616208
Email: info@cfsl.in Website: www.cfsl.in
CIN: U67110MH1929G01001484

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

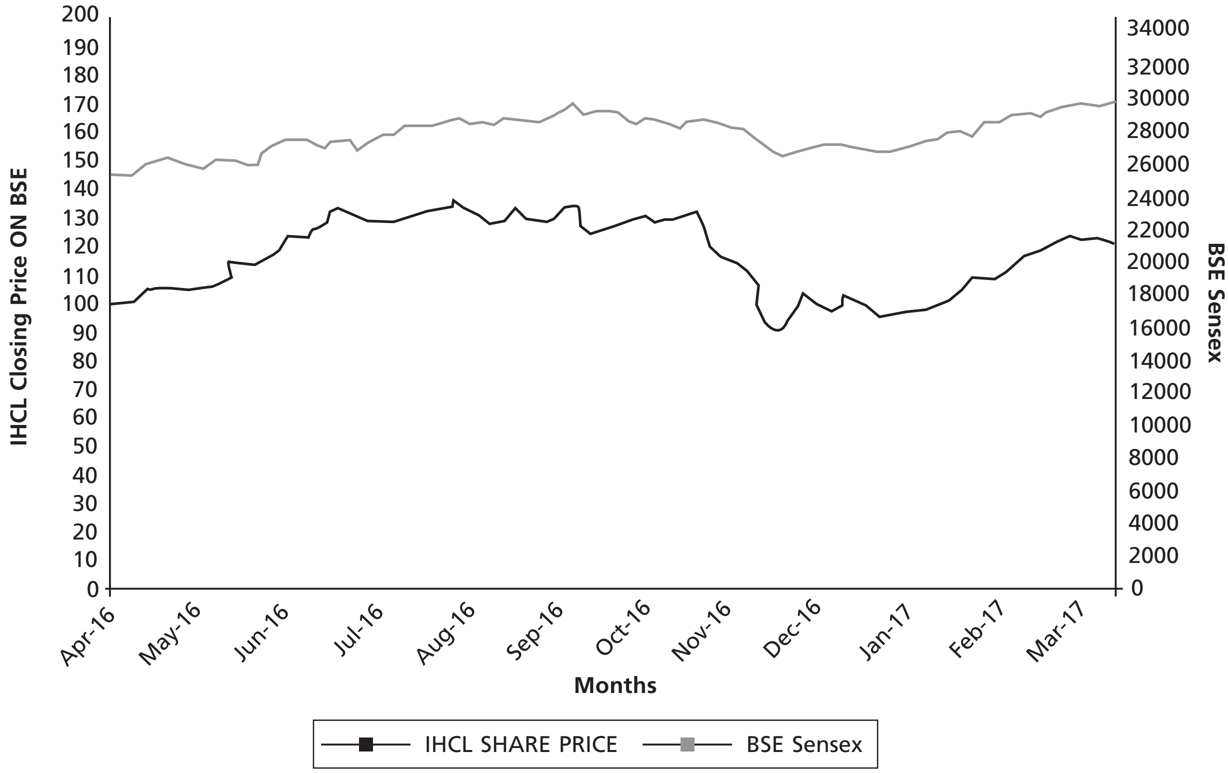
Months	BSE High	BSE Low	No. of Shares traded	NSE High	NSE Low	No. of Shares traded
Apr-16	108.90	98.15	9,69,739	109.40	98.15	56,13,424
May-16	120.40	102.85	15,54,672	120.50	103.30	1,70,27,027
Jun-16	137.00	116.10	25,18,934	137.10	115.80	1,74,24,464
Jul-16	143.00	127.35	22,10,289	143.00	127.00	2,46,05,829
Aug-16	139.95	123.50	42,24,526	139.90	123.50	2,05,91,142
Sep-16	136.00	123.10	14,19,908	135.95	123.00	1,55,41,926
Oct-16	133.90	106.00	16,36,830	134.00	106.00	2,30,25,716
Nov-16	125.00	88.80	22,31,883	118.25	88.70	2,61,49,858
Dec-16	106.50	94.00	11,78,188	106.75	93.90	1,57,76,511
Jan-17	111.90	95.10	27,09,808	112.35	94.90	2,15,27,768
Feb-17	127.60	106.55	13,75,532	127.70	107.55	1,61,92,054
Mar-17	128.80	118.00	57,14,905	128.65	117.90	1,94,98,052

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

IHCL Comparative High Low Price on BSE & NSE



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



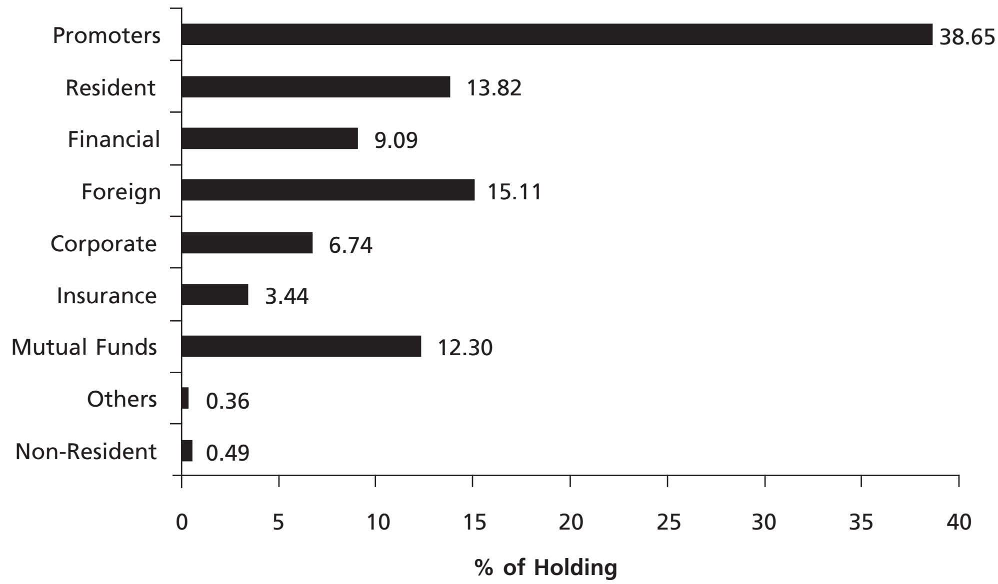
Share Transfer System

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

The Indian Hotels Company Limited - Distribution of Shareholding as on March 31, 2017

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	38,24,00,080	38.65
Resident Individuals & HUF	13,66,99,886	13.82
Financial Institutions / Banks	8,99,50,894	9.09
Foreign Institutional Investors	14,94,99,746	15.11
Corporate Bodies	6,66,45,071	6.74
Insurance Companies	3,40,18,838	3.44
Mutual Funds / UTI	12,16,62,400	12.30
Others	35,21,560	0.36
Non-Resident Indians	48,75,540	0.49
Total	**98,92,74,015**	**100.00**

Shareholding pattern of the Company as on March 31, 2017



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

Distribution Schedule of The Indian Hotels Company Limited as on March 31, 2017			
No. of Shares held	**Total Members**	**Total Shares**	**Total % to Paid up Capital**
Upto 100	59,496	25,81,150	0.26
101 to 1000	53,195	2,07,45,328	2.10
1001 to 2500	11,978	1,95,08,167	1.97
2501 to 5000	5,319	1,91,21,202	1.93
5001 to 10000	3,230	2,28,43,133	2.31
10001 to 20000	1,534	2,12,41,372	2.15
20001 to 30000	367	88,35,936	0.89
30001 to 40000	132	45,85,858	0.46
40001 to 50000	98	43,91,017	0.44
50001 to 100000	155	1,08,13,350	1.09
100001 & above	236	85,46,07,502	86.39
Total	**1,35,740**	**98,92,74,015**	**100.00**

Reconciliation of Share Capital Audit

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

Unclaimed Suspense Account maintained under Clause 39 of the Listing Regulations

As per the provisions of Clause 39 of the Listing Regulations, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly, unclaimed shares lying with the Company have been transferred and dematerialized in a `Unclaimed Suspense Account` of the Company. This Account is being held by the Company purely on behalf of the shareholders entitled for these shares.

It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc., if any, shall also be credited to the said `Unclaimed Suspense Account` and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares. Shareholders who have not yet claimed their shares are requested to immediately approach the Share Department of the Company by forwarding a request letter duly signed by all the shareholders furnishing their complete postal address along with PIN code, a copy of PAN card & proof of address, and for delivery in demat form, a copy of Demat Account - Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the Suspense Account as on March 31, 2017 is as under:

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

Dematerialisation of Shares & Liquidity

As at the end of March 31, 2017, shares comprising approximately 98.44% of the Company's Equity Share Capital have been dematerialised.

Status on Dematerialised shares (Equity ISIN No. INE053A01029)

Shares held through	Percentage of Holding
NSDL	96.36
CDSL	2.08
Physical	1.56
Total	**100.00**

Report on Corporate Governance

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

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

There are no outstanding GDRs of the Company as on March 31, 2017.

Investor Correspondance

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

DECLARATION BY THE MANAGING DIRECTOR & CEO UNDER THE LISTING REGULATIONS REGARDING ADHERENCE TO THE CODE OF CONDUCT

As provided under the Listing Regulations, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2017.

For The Indian Hotels Company Limited

Rakesh Sarna
Managing Director & CEO

Annexure

To,

The Members

The Indian Hotels Company Limited

1. We have examined the compliance of conditions of corporate governance by **The Indian Hotels Company Limited** (the ''Company'') for the year ended March 31, 2017, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (''LODR'').
2. We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries

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

Mumbai, May 26, 2017

COMPANY-WISE LIST OF HOTELS/UNITS

Company/ Hotel/ Unit	Rooms
The Indian Hotels Company Limited	
Taj Mahal Palace, Mumbai	543
Taj Lands End, Mumbai	493
Taj Wellington Mews, Mumbai	78
The Taj Mahal Hotel, New Delhi	292
Taj Palace, New Delhi	403
Taj Bengal, Kolkata	229
Taj West End, Bangalore	117
Taj Lake Palace, Udaipur	83
Taj Falaknuma Palace, Hyderabad	60
Taj Exotica, Goa	136
Vivanta by Taj - Aurangabad, Maharashtra	63
Vivanta by Taj - Connemara, Chennai	150
Vivanta by Taj - Dwarka, New Delhi	250
Vivanta by Taj - Fort Aguada, Goa	143
Vivanta by Taj - Holiday Village, Goa	142
Vivanta by Taj - Hari Mahal, Jodhpur	93
Vivanta by Taj - Whitefield, Bangalore	199
Vivanta by Taj - Yeshwantpur, Bangalore	327
Jai Mahal Palace, Jaipur	100
Usha Kiran Palace, Gwalior	40
Vivanta by Taj - Guwahati	150
The Gateway Hotel - Residency Road, Bangalore	98
The Gateway Hotel - Beach Road , Calicut	74
Hotel Savoy, Ooty	40
Managed Properties	
Taj Santacruz, Mumbai	279
Umaid Bhawan Palace, Jodhpur	64
Rambagh Palace, Jaipur	78
Imperial Club by Taj, Mumbai	9
Taj Bangalore	154
Vivanta by Taj - Bekal, Kerala	66
Vivanta by Taj - Dal View, Srinagar	83
Vivanta by Taj - Gurgaon, NCR	208
Vivanta by Taj - Kovalam, Kerala	59
Vivanta by Taj - Panaji, Goa	170
Vivanta by Taj - Sawai Madhopur	36
Vivanta by Taj - Surajkund	286
The Gateway Hotel - Akota Gardens, Vadodara	86
The Gateway Hotel - Athwalines, Surat	206
The Gateway Hotel - Damdama Lake, Gurgaon	78
The Gateway Hotel - EM Bypass, Kolkata	79
The Gateway Hotel - Gir Forest, Junagadh	28
The Gateway Hotel - Hinjawadi, Pune	150
The Gateway Hotel - IT Expressway, Chennai	200
The Gateway Hotel - M G Road, Vijayawada	108
The Gateway Hotel - Ramgarh Lodge, Jaipur	14
SMS Hotel, Jaipur	27
The Gateway Resort - Pushkar Bypass, Ajmer	81
The Gateway Resort - Corbett National Park	62
Taj Dubai	296
Taj Pamodzi - Zambia	193
Taj Tashi, Thimphu, Bhutan	66
Vivanta by Taj - Rebak Island, Langkawi	94
The Gateway Hotel - Airport Garden, Colombo	208
Taj Boston	273

Company/ Hotel/ Unit	Rooms
Subsidiary Companies	
Roots Corporation Limited	
Ginger Hotel - Agartala	100
Ginger Hotel - Ahmedabad	93
Ginger Hotel - Bangalore (Whitefield)	101
Ginger Hotel - Bangalore (Inner Ring Road)	88
Ginger Hotel - Bhubaneshwar	161
Ginger Hotel - Chennai (Vadapalani)	79
Ginger Hotel - Chennai (IITM)	85
Ginger Hotel - Faridabad	91
Ginger Hotel - Goa	135
Ginger Hotel - Guwahati	70
Ginger Hotel - Indore	95
Ginger Hotel - Jaipur	103
Ginger Hotel - Jamshedpur	94
Ginger Hotel - Mangalore	79
Ginger Hotel - Mumbai (Andheri East)	116
Ginger Hotel - Mysore	98
Ginger Hotel - Nashik	92
Ginger Hotel - Delhi (Rail Yatri Niwas)	109
Ginger Hotel - East Delhi	82
Ginger Hotel - Noida	83
Ginger Hotel - Pantnagar	98
Ginger Hotel - Pondicherry	94
Ginger Hotel - Pune (Wakad)	128
Ginger Hotel - Pune (Pimpri)	97
Ginger Hotel - Surat	98
Ginger Hotel - Thane	46
Ginger Hotel - Trivandrum	101
Ginger Hotel - Vadodara	99
Ginger Hotel - Noida Extension	96
Ginger Hotel - Vapi	90
Managed Properties - Ginger	
Ginger Hotel - Gurgaon (Manesar)	61
Ginger Hotel - Katra, Jammu	80
Ginger Hotel - Tirupati	119
Ginger Hotel - Tirupur	91
Ginger Hotel - Vizag	72
Ginger Hotel - Ahmedabad (Silver Leaf)	36
Ginger Hotel - Ahmedabad (White Leaf)	44
Ginger Hotel - Gurgaon	77
Piem Hotels Limited	
Taj Swarna, Amritsar	157
Vivanta by Taj - President, Mumbai	287
Vivanta by Taj - Blue Diamond, Pune	110
Vivanta by Taj - Gomti Nagar, Lucknow	110
Vivanta by Taj - M G Road, Bangalore	167
The Gateway Hotel - Ambad, Nashik	148
The Gateway Hotel - Fatehabad Road, Agra	100
United Hotels Limited	
Vivanta by Taj - Ambassador, New Delhi	88
Beneras Hotels Limited	
Nadesar Palace - Varanasi	10
The Gateway Hotel - Ganges, Varanasi	130
The Gateway Hotel - Balaghat Road, Gondia	34
Taj SATS Air Catering Limited	
Amritsar	-
Bangalore	-
Delhi	-
Goa	-
Kolkata	-
Mumbai	-
United Overseas Holdings Inc	
The Pierre, New York	189
Taj Campton Place, San Francisco	110
St James Court Hotels Limited	
Taj 51 Buckingham Gate Suites, London	85
St. James' Court, A Taj Hotel, London	338
Taj International Hotels Limited	
Bombay Brasserie Restaurant	-
Quilon Restaurant	-

Company/ Hotel/ Unit	Rooms
Joint Venture Companies	
Taj GVK Hotels & Resorts Limited	
Taj Krishna, Hyderabad	260
Vivanta by Taj - Begumpet, Hyderabad	181
Taj Banjara - Hyderabad	122
Taj Deccan, Hyderabad	151
Taj Club House, Chennai	220
Taj Chandigarh, Chandigarh	149
Taj Kerala Hotels & Resorts Limited	
Vivanta by Taj - Kumarakom, Kerala	28
The Gateway Hotel - Marine Drive, Ernakulam	108
The Gateway Hotel - Janardhanapuram, Varkala	30
Kaveri Retreats and Resorts Limited	
Vivanta by Taj - Madikeri, Coorg	63
Taj Karnataka Hotels & Resorts	
The Gateway Hotel - KM Road, Chikmagalur	29
Taj Safaris Limited	
Mahua Kothi - Bandhavgarh	12
Banjaar Tola - Kanha	18
Pashan Garh - Panna	12
Baghvan - Pench	12
Managed Properties	
Meghauli Serai - Chitwan National Park	30
Taj Madras Flight Kitchen	
Chennai	-
IHMS (SA) Pty Limited	
Taj Cape Town, South Africa	166
TAL Maldives Resorts Private Limited	
Taj Exotica, Maldives	64
Vivanta by Taj - Coral Reef, Maldives	62
Associate Companies	
Oriental Hotels Limited	
Taj Coromandel, Chennai	212
Vivanta by Taj - Fisherman's Cove, Chennai	152
Vivanta by Taj - Malabar, Cochin	95
Vivanta by Taj - Surya, Coimbatore	178
Vivanta by Taj - Trivandrum, Kerala	137
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The Gateway Hotel - Church Road, Coonoor	32
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BUSINESS RESPONSIBILITY REPORT 2016-17

(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:** www.tajhotels.com
5. **E-mail id:** investorrelations@tajhotels.com
6. **Financial Year reported:** April 1, 2016 to March 31, 2017
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:**

   Number of International Locations: 16

   Number of National Locations: 83
10. **Markets served by the Company - Local / State / National / International:**

    International:

    US: New York, San Francisco and Boston
    UK: London
    United Arab Emirates (UAE): Dubai
    Africa: South Africa and Zambia
    Sri Lanka: Colombo and Bentota
    Bhutan, Nepal, Maldives and Malaysia (Langkawi)

    National: Mumbai, Delhi, Hyderabad, Chennai, Kolkata, Bangalore, Goa, Rajasthan, Bengal

Section B: Financial Details of the Company as on March 31, 2017

(₹) Crores

Sr. No	Particulars	FY 16-17
1.	Paid up capital (₹)	98.93
2.	Total turnover (net of excise) (₹)	2,445.11
3.	Total profit after taxes, share of loss of associate and minority interest (₹)	141.94
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	3%
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 institutions including for welfare initiatives	

Section C: Other Details

1. **Does the Company have any Subsidiary company / companies?**

   Yes. The Company has 25 Subsidiaries, 8 Joint Ventures and 6 Associates as at March 31, 2017.

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. Some of the major subsidiaries like PIEM Hotels Limited, Benaras Hotels Limited and Oriental Hotels Limited, amongst others, participated.

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 & Sustainability (''CSR'') 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
01875340	Mr. Rakesh Sarna	Managing Director & CEO and Chairman of CSR Committee
00066195	Mr. Nadir B. Godrej	Independent Director
05195656	Ms. Ireena Vittal	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:	Sr. Vice President – Global Head Human Resources
4.	Telephone Number	022-61371637
5.	Email	PV.Murthy@tajhotels.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
4.	Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	N	Y	Y
	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 - https://www.tajhotels.com/en-in/about-taj-group/investors/policies/								
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 Committee headed by the MD & CEO and two independent directors. This Committee meets bi-annually to assess the CSR initiatives and on a need basis. Additionally, an internal Sustainability Advisory Committee led by the Sr. Vice President – Global Head Human Resources, has been constituted. This Committee meets quarterly to review and assess the BR performance of the Company.

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 publishes its Sustainability Report based on the United Nations Global Compact and GRI-G3 guidelines. The hyperlink to the last published report is as follows - https://www.unglobalcompact.org/participation/report/cop/create-and-submit/learner/179671

Section E: Principle-wise Performance

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company?

No, the policy relating to ethics, bribery and corruption are 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 –

Total 48 complaints received in FY 2016-17 and have been resolved satisfactorily.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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 water conservation, 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. As part of guests staying at Taj Safaris the experience creates an awareness and appreciation of nature and wildlife among guests.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Detailed Information is available on Company website www.tajhotels.com and sustainability report available at https://www.unglobalcompact.org/participation/report/cop/create-and-submit/learner/179671

Being a service-oriented business, 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 2016-17, the Taj properties participating in the EarthCheck program together used a total of 259,064,973 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. The amount used from renewable energy is equivalent to the use of 10,875 typical four person households. Thereby, the Taj Group avoided 55,603,013 kg of CO_2 emissions, which is comparable to taking 18,659 cars off the road.

The Taj properties participating in the EarthCheck program in 2016-17 together recycled and reused a total of 2,328,434 KL of water through rain water harvesting or recycling of grey water through onsite waste water treatment plants. The amount of recycled and reused water is equivalent to 931 Olympic sized Swimming Pools.

i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

We have recently achieved LEED Gold rating for our hotel Taj Swarna, Amritsar. We are also aiming for all our upcoming projects in the future to be LEED certified. The steps implemented to reduce material inputs and strengthen sustainability in the development and operation of our hotels include sourcing LED lights for increased energy efficiency, installing low-flow fixtures in toilets and other areas of high water consumption, and the use of solar hot water systems to reduce energy demand. 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 landfill, and is instead sent to certified recycling agencies.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Energy and water usage per room night trends are monitored through our EarthCheck™ assessments and UNGC reporting.

In 2016-17, the Taj properties participating in the EarthCheck program together used a total of 259,064,973 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. The amount used from renewable energy is equivalent to the use of 10,875 typical four person households. Thereby, the Taj Group avoided 55,603,013 kg of CO_2 emissions, which is comparable to taking 18,659 cars off the road.

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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 endeavours 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 40 vendors and 600 stock keeping units.

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?

The Company encourages its hotels to locally source products from small scale farmers, marginalized vendors and women self-help groups. Some of the products sourced by our hotels include fresh fish, vegetables, laundry bags, honey, candles, gift items for guests, table napkins, dusters, dry snacks and pickles. Additionally, local art and culture troupes, artists and artisans 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. Some of the Company's key NGO partners include Cancer Patients Aid Association and Tata Tea Wives Association. In 2016-17, hotels sourced ₹ 659 lakhs amount of products and services from farmers, less privileged vendor's, women self-help groups and NGOs that support local communities in earning a livelihood.

This initiative is facilitated by the Materials team at the corporate and hotel level along with the CSR team. In the initial stages, the Company volunteers help build the capacities of small scale vendors by handholding them. The Company's team helps 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. The Company's Corporate Materials Team has initiated a quarterly regional vendor meet providing such vendors with inputs and a platform to meet with others in their region as well as an avenue to address any grievances.

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 forms an integral part of our environment management endeavours. Organic waste such as kitchen and horticulture waste constitute a significant portion of waste generated by the hotels. In 2016-17, 36 properties achieved 100% recycling/composting/reusing of their organic waste. Hotels safely dispose hazardous waste like burnt oil and waste lubricant oil by giving it to Government 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.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the Total number of employees:**

Permanent	Contractual	Total
5391	3004	8395

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:**

   Total hiring on temporary/contractual/casual basis done in 2016-17: 1636

3. **Please indicate the Number of permanent women employees**

   846

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 5 employees who have declared having disabilities.

5. **Do you have an employee association that is recognized by management?**

   There are 18 employee associations in the Company hotels that are recognized by the management.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Out of the total number of permanent employees, 42.23% are part of these recognized employee associations.

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	19	NIL
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.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders. Based on this identification, the Company has mapped its target beneficiary groups for its CSR programs. These include rural, less-privileged, school dropout, differently abled, marginalized youth and women; indigenous artisans, disaster victims and other such groups. 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.**

   Giving back to the local community is an integral part of the way the Company does business. This philosophy stems from the Tata legacy of recognizing communities as a key stakeholder in the way business is conducted. The Tata Sustainability Group and Tata Affirmative Action Program guide the Company's CSR approach and strategy.

In the last year, your Company implemented its renewed CSR strategy to focus on the thematic areas of 'Livelihoods, Neighbourhoods and Welfare'. Under its thematic area of 'Livelihood', the Company's Taj Tata Strive Hospitality Skill Building program has set up high quality training facilities and delivered skill building courses to underprivileged youth. Through sustained efforts to preserve and promote art forms such as Banarasi handloom weaving and Goan Fado music, the Company works with local artists and artisans to keep traditional arts alive and enhance livelihood opportunities.

The Company's commitment to the destinations in which it operates is articulated in the programme for preserving and developing heritage sites of touristic and historical significance. Additionally, hotels also implement projects for cleanliness, greening and waste management in their neighbourhoods. Welfare activities encompassing food donations, engagement with local charity homes, educational support to deserving families and other allied initiatives are also implemented. These programmes are undertaken in association with local partners including communities, Self Help Groups, NGOs and government bodies in and around the regions of our operations.

The Company has been actively involved in activities for the betterment of the community, long before the CSR norms in the Companies Act, 2013 were instituted. Tata legacy of giving back to society and making a sustainable difference in the lives & livelihoods of our target communities goes beyond the nature of financial contribution reportable under the Companies Act framework. Our hotels are involved in various skilling and livelihoods promotion initiatives which involve volunteering, knowledge contribution, pro bono sharing of hotel venues for promotion of arts, crafts and cultures, and sourcing products and services directly from target communities, social enterprises.

More information on the CSR programmes is available in the Annual report on page nos. 31-34

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 / 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 2016-17	Sum of No. of complaints pending as on end of the Financial Year 2016-17
10	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 internal EARTH 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 EARTH 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 is trying to identify opportunities to reduce its environment footprint and therefore reduce impact on climate where it operates its business. https://www.unglobalcompact.org/participation/report/cop/create-and-submit/learner/179671

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 13% 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.**

   Nil.

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, the Company is part of a number of associations as noted below:

   1. Hotel Association of India
   2. World Travel Tourism Council India Initiative-WTTC II
   3. Experience India Society
   4. World Tourism organisation-UNWTO
   5. The Federation of Hotel & Restaurant Association of India-FHRAI
   6. All India Association of Industries
   7. Indo-German Chamber of Commerce
   8. Indian Merchant Chambers
   9. Travel Agents Association of India
   10. Travel Agent Federation of India
   11. The Confederation of Indian Industry
   12. Federation of Indian Chambers of Commerce and Industry
   13. U.S.-India Business Council
   14. Society for Incentive Travel Excellence
   15. International Convention Promotion Bureau

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No. If yes specify the broad areas**

   Your Company is a part of a number of associations and partners with the Governments to promote key policy and strategic initiatives for the industry. Some of these are noted below:

- **International Convention Promotion Bureau (ICPB):** Taj was one of the founding members, set up to promote India as a competent and credible MICE destination. The Company plays a crucial role in highlighting ways to improve India as a destination in this segment.
- **Hotel Association of India:** One of the Apex organization of the Indian Hospitality industry, it is represented on all major policy making bodies concerned with the industry. The Company highlights areas that could translate into improved opportunities in the sector resulting in increasing foreign arrivals, avenue that could lead to increased employment in the sector as well as other key aspects.
- **Experience India Society (EIS):** EIS works to realize the true potential of tourism in India and to capture a larger market share of world tourism. It is a private public partnership formed to position India and build brand salience in key markets. Your Company is a key member of EIS & played a key role in developing the Incredible India Campaign.

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 thereof.**

   Yes. Your Company has programmes that reach out to remote, interior areas with communities and target groups on the peripheries of the development journey of India. This is largely driven through the Tata Affirmative Action agenda.

   Your Company's Hospitality Skill training Program trains and certifies underprivileged youth from various parts of India and also endeavours to promote an inclusive value chain by embedding Affirmative Action for relevant vendors.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   Your Company’s CSR programs are implemented by in-house CSR and HR teams, volunteers, 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 in the last year and modified processes for others, impact assessment will be initiated in the coming years.

4. **What is your company's direct contribution to community development projects? Amount in ₹ and the details of the projects undertaken.**

   ₹ 4.34 crore was spent in various CSR programs on livelihood and neighbourhood during the year. Details of CSR projects is available in Annexure II of the Director's Report on page no. 31-34.

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.**

   Interventions are conceptualized in partnership with key stakeholders from the community, based on initial studies of the location and community carried out by in-house teams and partners. Implementation partners are identified after a rigorous due diligence process, which assesses their expertise, integration with the local community and efficiency in program delivery. Efforts are made at every stage to directly involve community stakeholders such as the parents of youth enrolled in skill training, the families of artisans, village leaders, and community elders. The neighbourhood and heritage preservation programs are deployed in collaboration with residents' associations and local businesses. For direct engagements, relevant need assessments and house hold surveys using participatory techniques are carried out.

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. –**

   Approximately 10% of the guest complaints are pending resolution.

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?**

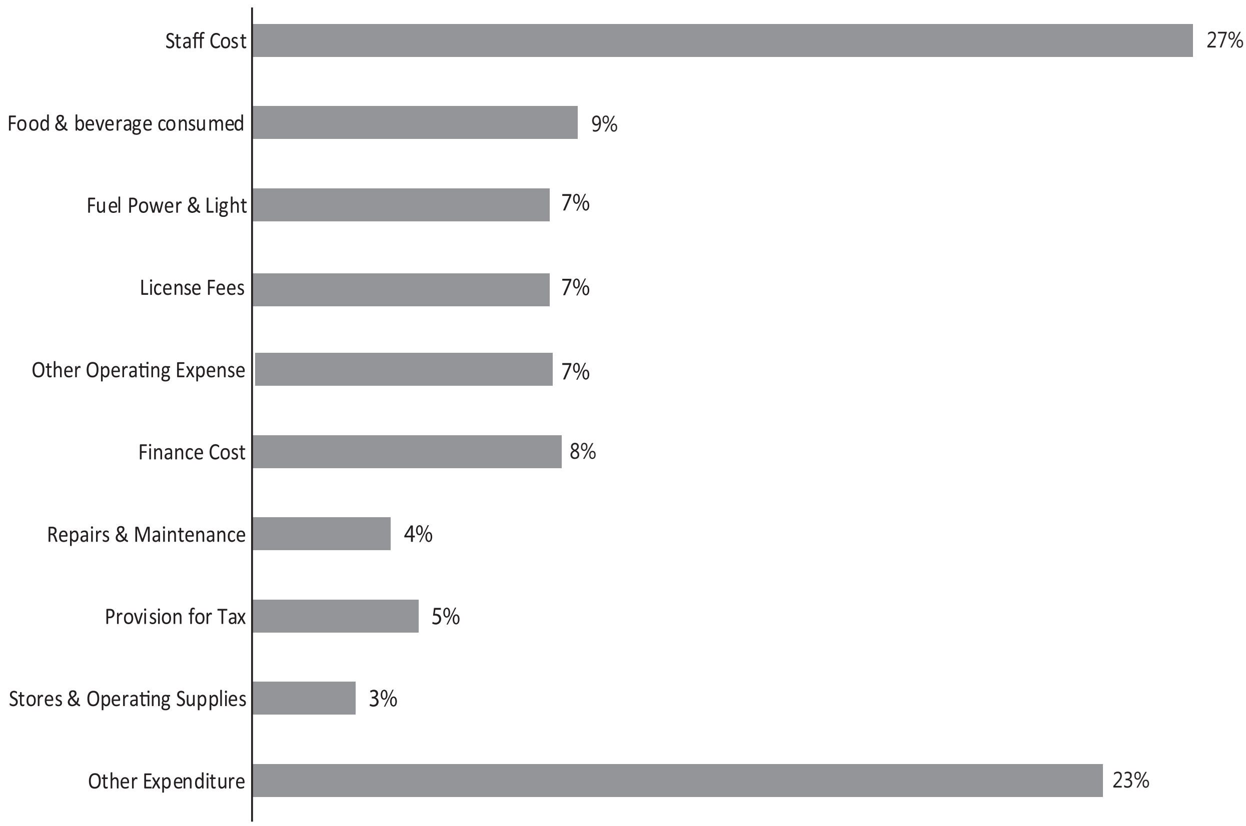
   Brand Equity Track by Gallup – Gallup's proprietary research, it measures the consumer engagement of guests with the brand as well as each hotel individually. Customer Engagement measured represents the degree to which a meaningful bond, both rational and emotional, has been established between an organization and its customers. This data is competitively benchmarked, brand-wise. This is an annual study.

   Brand Asset Value (BAV) – The Brand Asset Valuator is Y&R proprietary research tool and is the world's largest study of consumer sentiments related to brands. It is present in over 50 countries and has evolved over the last 20 years. At the global level there are 50000+ brands covered being responded by over a Million consumers.

   In India, it is conducted across 16 centers, with 10,000+ respondents. This measures Brand Health along the 4 pillars of Differentiation, Relevance, Esteem and Knowledge. This data is competitively benchmarked, brand-wise. This study is conducted once in 2 years and is a syndicated study.

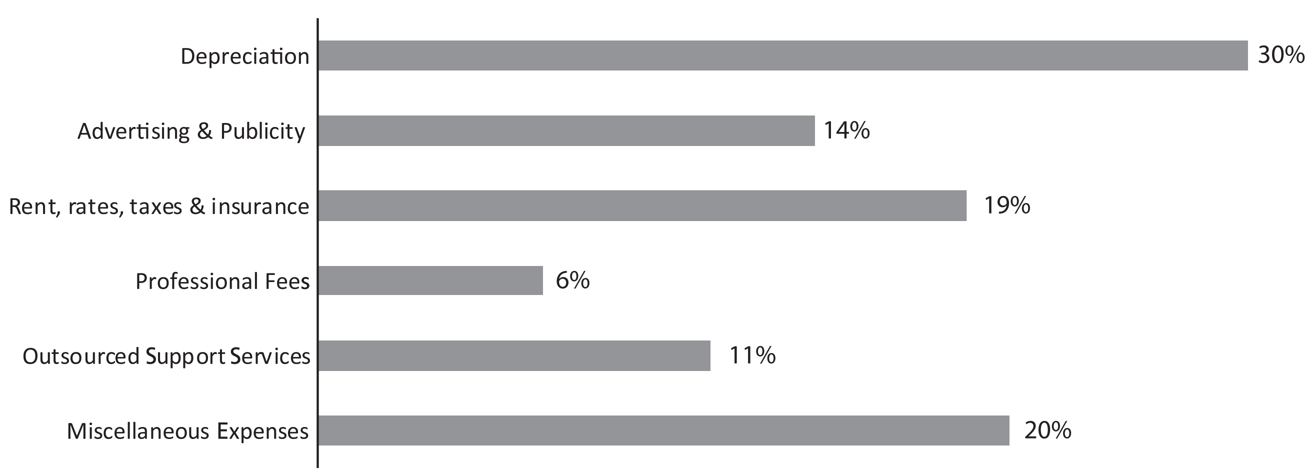
   Guest Engagement Response-Customer feedback through multiple channels are captured and assessed to find areas to improve. Using Medallia' s guest feedback tool, a formal feedback is requested from guests in the form of a survey to highlight areas where the hotel has performed well as well as areas of improvement. This helps the hotels to prepare and improve areas critical for business, especially the service levels. Senior management of the hotels also closely monitors the performance as well as any key improvements areas highlighted by the guests.

BREAK UP OF TOTAL EXPENSES



Footnote : Excludes Exceptional Items of ₹ 33.51 crores.

BREAK UP OF OTHER EXPENDITURE



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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **THE INDIAN HOTELS COMPANY LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:

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

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

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

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS 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 and as at the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

      iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us. However, as stated in note 36, Page 171 to the financial statements amounts aggregating to ₹ 0.12 crore as represented to us by the Management have been received against transactions which are not permitted.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

MUMBAI, May 26, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **THE INDIAN HOTELS COMPANY LIMITED** (''the Company'') as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

MUMBAI, May 26, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except in respect of one plot of leasehold land carried at ₹ 1.91 crore which is in physical possession of the Company and the settlement of the lease deed in favour of the Company is being processed.

The Company also holds immovable properties ("buildings") that have been built on land taken on lease which are disclosed as a part of the property, plant and equipment of the Company in the financial statements. The lease agreements in these cases are in the name of the Company except in one instance where the lease agreement has expired but the Company has been permitted to carry out its operations until the process of auction and handover of the premises to the winning bidder is completed.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

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

(a) The Company has been generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (₹ In crore)	Amount Unpaid (₹ In crore)
Central Sales Tax Act, 1956 and Sales Tax / Value Added Tax Act of various states	VAT and Sales Tax	Assessing Officer	Financial Year 2003-2004 to 2004-2005	0.08	0.06
		Assistant Commissioner, Commercial Taxes Department- Udaipur, Rajasthan	Financial Year 2011-2012 to 2015-2016	0.44	0.40
		Deputy Commissioner of commercial taxes	Financial Year 1997-2005, 2011-2012 to 2012-2013	6.15	4.85
		Joint Commissioner (Commercial Taxes)	Financial Year 2012-2013 to 2013-2014	0.23	0.19
		Tribunal, Appellate and Revision Board	Financial Year 1992-1993, 2005-2006 to 2012-2013	0.65	0.63
		Joint Commissioner of Sales Tax (Appeal)	Financial Year 2005-2006, 2007-2008, 2010-2011, 2013-2014 to 2016-2017	10.31	9.54
		High Court	Financial Year 1997-1998, 2003-2004, 2007-2008 to 2008-2009, 2013-2014	0.83	0.42
Finance Act , 1994 and Service Tax Laws	Service Tax	Assistant Commissioner of Service Tax	Financial Year 2007-2008	0.12	0.11
		Central Excise and Service Taxes Appellate Tribunal	Financial Year 2004-2005 to 2013-2014	1.19	1.09
		Commissioner of Service Tax (Additional / Assistant / Joint)	Financial Year 2002-2003 to 2012-2013, 2015-2016	7.19	2.05
		Commissioner of Service Tax Appeals	Financial Year 2005-2006 to 2012-2013, 2014-2015	0.26	0.11
		The Deputy Commissioner of Service Tax Audit, Service Tax Commissionarate	Financial Year 2013-2014 to 2014-2015	0.11	0.11
		Service Tax Appellate Tribunal	Financial Year 2004-2005 to 2015-2016	0.39	0.39
		Supreme Court	Financial Year 2005-2006 to 2012-2013	1.05	1.05
		The Additional Commissioner, Central Excise	Financial Year 2002-2003 to 2012-2013	0.37	0.37
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Financial Year 2002-2004, 2005-2006 to 2007-2008 and 2012-2013	126.76	126.76
		Income Tax Appellate Tribunal	Financial Year 2009-2010 and 2011-2012	51.72	34.96

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and 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 year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

MUMBAI, May 26, 2017

Balance Sheet as at March 31, 2017

	Note	**March 31, 2017** ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Assets				
Non-current assets				
Property, plant and equipment	3	**2,148.57**	2,100.91	1,972.29
Capital work-in-progress		**107.88**	55.23	141.99
Intangible assets	4	**38.12**	41.36	23.20
Intangible assets under development		**0.03**	0.35	1.40
Financial assets				
Investments	5 (a)	**2,875.09**	1,818.84	1,579.30
Loans	6 (a)	**37.78**	1,057.29	1,127.09
Other financial assets	7 (a)	**58.60**	56.05	71.09
Advance income tax (net)		**65.35**	47.95	33.18
Other non-current assets	8 (a)	**255.94**	250.16	150.69
		5,587.36	5,428.14	5,100.23
Current assets				
Inventories	9	**47.56**	45.08	43.16
Financial assets				
Investments	5 (b)	**53.10**	135.87	431.82
Trade receivables	10	**213.74**	161.83	139.56
Cash and cash equivalents	11	**14.07**	21.12	283.44
Other Balances with Banks	12	**7.63**	8.09	74.01
Loans	6 (b)	**1.47**	1.47	4.96
Other financial assets	7 (b)	**119.82**	123.26	152.62
Other current assets	8 (b)	**48.84**	42.36	39.90
		506.23	539.08	1,169.47
Total		**6,093.59**	5,967.22	6,269.70
Equity and Liabilities				
Equity				
Equity share capital	13	**98.93**	98.93	80.75
Other equity	14	**2,516.97**	2,276.65	2,068.02
		2,615.90	2,375.58	2,148.77
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	15 (a)	**1,494.54**	1,569.37	1,929.60
Other financial liabilities	16 (a)	**253.46**	298.36	298.29
Provisions	17 (a)	**48.78**	48.65	27.31
Deferred tax liabilities (net)	18	**288.32**	228.80	213.32
		2,085.10	2,145.18	2,468.52
Current Liabilities				
Financial liabilities				
Borrowings	15 (b)	**7.31**	7.45	0.99
Trade payables	19	**177.14**	172.85	138.73
Other financial liabilities	16 (b)	**883.13**	921.42	1,302.03
Provisions	17 (b)	**85.72**	78.14	62.47
Other current liabilities	20	**239.29**	266.60	148.19
		1,392.59	1,446.46	1,652.41
Total		**6,093.59**	5,967.22	6,269.70
The accompanying notes form an integral part of the standalone financial statements	1 - 46			

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman
Rakesh Sarna — Managing Director & CEO
Rajeev Newar — Vice President - Finance
Beejal Desai — Vice President - Legal & Company Secretary

Statement of Profit and Loss for the year ended March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Income			
Revenue from operations	21	**2,391.25**	2,267.85
Other income	22	**53.86**	106.27
Total		**2,445.11**	2,374.12
Expenses			
Food and beverages consumed	23	**219.99**	209.82
Employee benefit expenses and payment to contractors	24	**633.22**	615.01
Finance costs	25	**197.86**	242.78
Depreciation and amortisation expenses		**151.29**	126.02
Other operating and general expenses	26	**1,017.41**	1,020.71
Total		**2,219.77**	2,214.34
Profit before exceptional items and tax		**225.34**	159.78
Exceptional items	27	**33.51**	(6.89)
Profit before tax		**258.85**	152.89
Tax expense			
Current tax		**109.24**	46.72
Deferred tax		**7.67**	22.02
Total		**116.91**	68.74
Profit after tax		**141.94**	84.15
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**7.58**	(6.86)
Change in fair value of equity instruments designated irrevocably as Fair Value Through Other Comprehensive Income		**127.79**	75.76
Less/(Add):- income tax expense/ (credit)		**2.93**	(2.50)
Other comprehensive income for the year, net of tax		**132.44**	71.40
Total comprehensive Income for the year		**274.38**	155.55
Earnings per share:			
Basic and Diluted - (₹)		**1.43**	0.85
Face value per equity share - (₹)		**1.00**	1.00
The accompanying notes form an integral part of the standalone financial statements	1 - 46		

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman
Rakesh Sarna — Managing Director & CEO
Rajeev Newar — Vice President - Finance
Beejal Desai — Vice President - Legal & Company Secretary

Statement of Cash Flows for the year ended March 31, 2017

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Cash Flow From Operating Activities		
Profit Before Tax	**258.85**	152.89
Adjustments to reconcile net profit to net cash provided by operating activities:		
Gain on sale of current investments	**(4.73)**	-
Expenditure on project written off	**-**	9.83
Provision for impairment of investment in a subsidiary	**64.33**	0.35
Exchange Gain on Long Term Borrowing/Assets (net)	**(1.90)**	(27.70)
Fair valuation (Gains)/Loss on derivative contracts	**(65.45)**	24.41
Depreciation and amortisation expenses	**151.29**	126.02
Net (gain)/loss on disposal of Property, Plant and Equipment	**(2.09)**	1.41
Assets written off	**9.85**	-
Allowance for Doubtful Debts and Advances	**0.95**	5.29
Dividend Income	**(24.13)**	(55.25)
Interest Income	**(9.26)**	(34.78)
Interest expense	**197.86**	242.78
Provision for Contingent Claims	**5.54**	18.48
Provision for Employee Benefits	**1.89**	18.53
	324.15	329.37
Cash Operating Profit before working capital changes	**583.00**	482.26
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**(2.48)**	(1.92)
Trade Receivables	**(53.48)**	(26.65)
Other financial assets	**(0.37)**	35.70
Other Assets	**(29.06)**	(35.55)
	(85.39)	(28.42)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**4.29**	34.12
Other financial liabilities	**34.97**	(6.44)
Other liabilities	**(2.00)**	53.36
	37.26	81.04
Cash Generated from Operating Activities	**534.87**	534.88
Income taxes paid	**(77.72)**	(65.53)
Net Cash Generated From Operating Activities (A)	**457.15**	469.35
Cash Flow From Investing Activities		
Payment for purchase of property, plant and equipment	**(255.24)**	(191.87)
Proceeds from disposal of property, plant and equipment	**3.83**	1.03
Purchase of current Investments	**(2,051.05)**	(2,072.24)
Sale of current Investments	**2,138.55**	2,368.19
Purchase of non-current Investments	**-**	(266.40)
Sale of Investment in Joint Venture	**-**	72.29
Sale of Investment in an Associate	**-**	39.44
Carried over	**(163.91)**	(49.56)

Statement of Cash Flows for the year ended March 31, 2017 (Contd.)

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Brought over	**163.91**	49.56
Sale of Investment in Other Companies	**-**	56.71
Interest Received	**9.54**	38.65
Dividend Received	**24.13**	55.25
Long-term Deposits placed with a Subsidiary (Refer Note 5, Footnote (iv), Page 127)	**(135.19)**	(844.80)
Long-term Deposits repaid by Subsidiary	**167.93**	974.41
Short-term Deposits placed with a Subsidiary	**-**	(4.00)
Short-term Deposits repaid by a Subsidiary	**-**	4.00
Short-term Deposits repaid by a related party	**10.00**	-
Short-term Deposits placed with a related party	**(10.00)**	-
Long-term Deposits repaid by a Joint Venture	**-**	9.81
Bank Balances not considered as Cash and Cash Equivalents	**0.42**	70.83
Net Cash Generated/(Used) In Investing Activities (B)	**(97.08)**	311.30
Cash Flow From Financing Activities		
Dividend & Tax on Dividends (including unclaimed dividend)	**(33.97)**	(0.08)
Cost of conversion compulsorily convertible debentures into equity share	**-**	(1.00)
Interest & other borrowing costs paid	**(117.74)**	(113.79)
Settlement of Cross currency Interest rate swap (net)	**(26.96)**	(3.63)
Repayment of long-term borrowings	**(708.08)**	(1,049.01)
Proceeds from short-term borrowings	**160.00**	-
Short-term loans repaid	**(160.00)**	-
Proceeds from long-term borrowings	**520.00**	125.00
Unclaimed Dividend/ Deposits/ Interest transferred to Investors Education and Protection Fund	**(0.37)**	(0.46)
Net Cash Generated/ (Used) In Financing Activities (C)	**(367.12)**	(1,042.97)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(7.05)**	(262.32)
Cash and Cash Equivalents - Opening	**21.12**	283.44
Cash and Cash Equivalents - Closing	**14.07**	21.12

Footnote: The Purchase of long-term investments in the previous year includes the acquisition of the balance stake in Lands End Properties Private Limited (''LEPPL'') of 80.10% from Taida Trading & Industries Ltd, Oriental Hotels Ltd. and Tata Capital Ltd. for ₹ 15.10 crores. LEPPL has got amalgamated into the Company w.e.f. April 1, 2015 (being the beginning of the preceding period) - Refer Note 29, Page 148 for details.

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 46).

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman
Rakesh Sarna — Managing Director & CEO
Rajeev Newar — Vice President - Finance
Beejal Desai — Vice President - Legal & Company Secretary

Statement of Changes in Equity for the year ended March 31, 2017

₹ crores

	a) Equity Share Capital	b) Other Equity								
	Equity Share Capital Subscribed	Equity Component of other financial instruments	Reserves and Surplus					Items of other comprehensive income	Other Equity	Total Equity
Particulars			Capital Reserve	Securities Premium Account	General Reserve	Other reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income		
Balance as at April 1, 2015	**80.75**	**999.91**	**43.91**	**2,270.28**	**494.05**	**307.09**	**(536.23)**	**79.70**	**3,658.71**	**3,739.46**
Accumulated losses of IHMS LLC and LEPPL on amalgamation (Refer Note 29, Page 148	-	-	-	-	-	-	(1,590.69)	-	(1,590.69)	(1,590.69)
Restated balance at the beginning of the reporting period (April 1, 2015)	**80.75**	**999.91**	**43.91**	**2,270.28**	**494.05**	**307.09**	**(2,126.92)**	**79.70**	**2,068.02**	**2,148.77**
Profit for the year ended March 31, 2016	-	-	-	-	-	-	84.15	-	84.15	84.15
Other Comprehensive Income for the year ended March 31, 2016, net of taxes	-	-	-	-	-	-	(4.36)	75.76	71.40	71.40
Total Comprehensive Income for the year ended March 31, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**79.79**	**75.76**	**155.55**	**155.55**
Realised gain on sale of Tata Projects transferred from Other Comprehensive Income to Retained Earnings (net of tax of ₹ 12.99 crores)	-	-	-	-	-	-	43.53	(43.53)	-	-
CCDs converted to Equity shares during the year (Refer Note 13, Footnote (ii), Page 132)	18.18	(999.91)	-	981.73	-	-	-	-	(18.18)	-
Profit on transfer of Shares to Subsidiary (Refer Note 14, Footnote (i), Page 135)		-	-	-	-	79.38	-	-	79.38	79.38
Deficit on cancellation of carrying amount of investment in LEPPL against equity share capital of LEPPL on amalgamation (Refer Note 29, Page 148)		-	(7.12)	-	-	-	-	-	(7.12)	(7.12)
Issue expenses written off against Securities Premium		-	-	(1.00)	-	-	-	-	(1.00)	(1.00)
Adjustments of accumulated losses on Schemes of Arrangements becoming effective (Refer Note 29, Page 148 & Note 14, Footnote (ii), Page 135)		-	7.12	(2,020.36)	-	-	2,013.24	-	(0.00)	-
Balance as at March 31, 2016	**98.93**	**-**	**43.91**	**1,230.65**	**494.05**	**386.47**	**9.64**	**111.93**	**2,276.65**	**2,375.58**
Profit for the year ended March 31, 2017	-	-	-	-	-	-	141.94	-	141.94	141.94
Other Comprehensive Income for the year ended March 31, 2017, net of taxes	-	-	-	-	-	-	4.65	127.79	132.44	132.44
Total Comprehensive Income for the year ended March 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**146.59**	**127.79**	**274.38**	**274.38**
Dividends (Refer Note 46, Page 186)		-	-	-	(29.68)	-	-	-	(29.68)	(29.68)
Tax on Dividend		-	-	-	(4.38)	-	-	-	(4.38)	(4.38)
Balance as at March 31, 2017	**98.93**	**-**	**43.91**	**1,230.65**	**459.99**	**386.47**	**156.23**	**239.72**	**2,516.97**	**2,615.90**

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 46).

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman
Rakesh Sarna — Managing Director & CEO
Rajeev Newar — Vice President - Finance
Beejal Desai — Vice President - Legal & Company Secretary

Notes to Financial Statements for the year ended March 31, 2017

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 Limited, which holds a significant stake in the Company.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 26, 2017.

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

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

(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. 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 recognized 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.

Notes to Financial Statements for the year ended March 31, 2017

- **Impairment testing:** Property, plant and equipment 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 Company reviews its carrying value of investments carried at cost or amortised cost 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 recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. 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 or 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 therefore the tax charge in the Statement of Profit or 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.
- **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 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.

Significant Accounting Policies

(d) Revenue recognition :

Income from operations

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management fees for the management of the hotels.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Notes to Financial Statements for the year ended March 31, 2017

The Company operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues allocated to award points is deferred and on redemption of the award points, the revenue is recognised. Membership fees received from the loyalty program is recognised as revenue on time-proportion basis.

Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

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

(e) Employee Benefits

i. Provident Fund

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

ii. 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 assets as of the reporting date. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

iii. Post-Retirement Pension Scheme and Medical Benefits

a) 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 recognized immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

b) 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 recognized immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

iv. 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.

Notes to Financial Statements for the year ended March 31, 2017

v. Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

vi. Short Term Obligations

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 services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' 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.

(f) 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(o), Page 117). 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 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.

Class of Assets	Estimated Useful Life
Buildings	60 to 80 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Other Miscellaneous Hotel Assets	4 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.

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.

Notes to Financial Statements for the year ended March 31, 2017

An item of property, plant and equipment is derecognized 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 recognized in the Statement of Profit and Loss.

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

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.

(g) 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 amortized 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 intangible assets are as under:

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

An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

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

(h) Impairment of assets:

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 recognized 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 exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

Notes to Financial Statements for the year ended March 31, 2017

(i) 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.

(j) Assets taken on lease:

Operating Lease

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

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

(k) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost includes the 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.

(l) 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.

(m) 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 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 Financial Statements for the year ended March 31, 2017

(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.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income 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 income 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 are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with 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.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at 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 recognized as an asset only when and to the extent there is reasonable certainty 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.

(n) 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.

Notes to Financial Statements for the year ended March 31, 2017

(o) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use 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 capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(p) 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.

(q) 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 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.

(r) 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 trading 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.

(s) 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.

Notes to Financial Statements for the year ended March 31, 2017

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 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.

  At the date of transition to Ind AS, 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.

Notes to Financial Statements for the year ended March 31, 2017

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.

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. 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.

Notes to Financial Statements for the year ended March 31, 2017

(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.

(t) 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.

(u) Business combinations

Business combinations of entities under common 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.

(v) Recent accounting pronouncements

Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of cash flows’. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, ‘Statement of cash flows’. The amendments are applicable to the Company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company shall be including the above disclosure in the financial statements from the date that this amendment is applicable i.e., for periods starting from April 1, 2017 and onwards.

Notes to Financial Statements for the year ended March 31, 2017

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

	Freehold Land	Buildings (Refer Footnote (i))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Cost							
At April 1, 2015 (Refer Footnote (ii))	134.18	1,141.45	524.57	143.78	22.03	6.28	1,972.29
Additions	0.07	113.57	102.70	21.36	11.05	0.29	249.04
Disposals	-	0.88	1.34	0.05	0.05	-	2.32
At March 31, 2016	**134.25**	**1,254.14**	**625.93**	**165.09**	**33.03**	**6.57**	**2,219.01**
Additions	-	91.60	73.10	27.45	5.74	0.53	198.42
Disposals	-	8.90	7.48	1.23	0.50	0.59	18.70
At March 31, 2017	**134.25**	**1,336.84**	**691.55**	**191.31**	**38.27**	**6.51**	**2,398.73**
Depreciation							
At April 1, 2015 (Refer Footnote (ii))							
Charge for the year	-	35.27	55.26	19.52	7.32	1.15	118.52
Disposals	-	0.25	0.13	0.02	0.02	-	0.42
At March 31, 2016	**-**	**35.02**	**55.13**	**19.50**	**7.30**	**1.15**	**118.10**
Charge for the year	-	48.80	61.30	20.85	7.56	0.80	139.31
Disposals	-	2.99	2.93	0.51	0.71	0.11	7.25
At March 31, 2017	**-**	**80.83**	**113.50**	**39.84**	**14.15**	**1.84**	**250.16**
Net Block							
At April 1, 2015	**134.18**	**1,141.45**	**524.57**	**143.78**	**22.03**	**6.28**	**1,972.29**
At March 31, 2016	**134.25**	**1,219.12**	**570.80**	**145.59**	**25.73**	**5.42**	**2,100.91**
At March 31, 2017	**134.25**	**1,256.01**	**578.05**	**151.47**	**24.12**	**4.67**	**2,148.57**

Footnotes :

(i) Cost includes improvements to buildings constructed on leasehold land - ₹ 933.82 crores (March 31, 2016 - ₹ 875.54 crores, April 1, 2015 - ₹ 775.28 crores).

(ii) On transition to Ind AS, the carrying values of all the property, plant and equipment under the previous GAAP have been considered to be the deemed cost under Ind AS. Also refer Note 28, Page 145.

(iii) Addition includes ₹ Nil (March 31, 2016 - ₹ 1.91 crores) on account of interest cost on borrowings capitalised on certain qualifying assets (Refer Note 25, Page 143).

(iv) For details of Pledged assets refer Note 15, footnote (ii), Page 137.

Notes to Financial Statements for the year ended March 31, 2017

Note 4 : Intangible Assets (Acquired)

	Website Development Cost ₹ crores	Software (Refer Footnote (i)) ₹ crores	Service and Operating Rights ₹ crores	Total ₹ crores
Cost				
At April 1, 2015	1.54	18.98	2.68	23.20
(Refer Footnote (ii))				
Additions	13.41	12.36	0.41	26.18
Disposals	0.91	0.11	-	1.02
At March 31, 2016	**14.04**	**31.23**	**3.09**	**48.36**
Additions	4.23	4.63	-	8.86
Disposals	-	0.25	-	0.25
At March 31, 2017	**18.27**	**35.61**	**3.09**	**56.97**
Amortisation				
At April 1, 2015				
(Refer Footnote (ii))				
Charge for the year	0.85	6.06	0.59	7.50
Disposals	0.47	0.03	-	0.50
At March 31, 2016	**0.38**	**6.03**	**0.59**	**7.00**
Charge for the year	3.64	6.37	1.97	11.98
Disposals	-	0.13	-	0.13
At March 31, 2017	**4.02**	**12.27**	**2.56**	**18.85**
Net Block				
At April 1, 2015	**1.54**	**18.98**	**2.68**	**23.20**
At March 31, 2016	**13.66**	**25.20**	**2.50**	**41.36**
At March 31, 2017	**14.25**	**23.34**	**0.53**	**38.12**

Footnotes :

i) Software includes Customer Reservation System and other licensed software.

ii) On transition to Ind AS, carrying value of all the intangible assets under the previous GAAP is considered as the deemed cost under Ind AS. Also refer Note 28, Page 145.

Notes to Financial Statements for the year ended March 31, 2017

Note 5 : Investments

	Face Value		March 31, 2017		March 31, 2016		April 1, 2015	
			Holdings As at	**₹ crores**	Holdings As at	₹ crores	Holdings As at	₹ crores
(a) Non Current Investments								
Fully Paid Unquoted Equity Investments								
Investments in Subsidiary Companies (at cost)								
International Hotel Management Services LLC.(amalgamated during the year, Refer Note 29, Page 148)			**-**	**-**	-	-	-	-
KTC Hotels Ltd.	₹	10	**6,04,000**	**0.70**	6,04,000	0.70	6,04,000	0.70
Roots Corporation Ltd.	₹	10	**5,10,00,000**	**51.00**	5,10,00,000	51.00	5,10,00,000	51.00
Taj International Hotels (H.K.) Ltd.	US $	1	**23,00,00,000**	**1,111.98**	23,00,00,000	1,111.82	23,00,00,000	1,111.05
IHOCO BV (111,32,324 Shares alloted during the year) (Refer footnote (iv))	US $	1	**20,962,324**	**1,912.60**	9,830,000	919.97	7,730,000	667.56
TIFCO Holdings Ltd.	₹	10	**8,15,00,000**	**81.50**	8,15,00,000	81.50	8,15,00,000	81.50
United Hotels Ltd.	₹	10	**25,18,320**	**1.11**	25,18,320	1.11	25,18,320	1.11
Piem Hotels Ltd.	₹	10	**9,86,760**	**61.12**	9,86,760	61.12	9,86,760	61.12
Inditravel Ltd.	₹	10	**2,40,004**	**0.24**	2,40,004	0.24	2,40,004	0.24
Taj Enterprises Ltd.	₹	100	**7,000**	**0.07**	7,000	0.07	7,000	0.07
Taj Trade & Transport Co. Ltd.	₹	10	**12,54,000**	**2.67**	12,54,000	2.67	12,54,000	2.67
Lands End Properties Private Ltd. (amalgamated during the year, Refer Note 29, Page 148)			**-**	**-**	-	-	-	-
Skydeck Properties and Developers Private Ltd. (Refer footnote (v))	₹	10	**98,288**	**275.94**	98,288	275.94	98,288	275.94
				3,498.93		2,506.14		2,252.96
Investments in Joint Ventures (at cost)								
IHMS Hotels (SA) (Proprietary) Ltd. (₹ 3,052)	ZAR	1	**-**	**-**	-	-	500	-
Share application money with IHMS Hotels (SA) (Proprietary) Ltd.				**-**		-		57.09
Taj Karnataka Hotels & Resorts Ltd.	₹	10	**5,00,000**	**0.50**	5,00,000	0.50	5,00,000	0.50
Taj Kerala Hotels & Resorts Ltd.	₹	10	**1,41,51,663**	**15.67**	1,41,51,663	15.67	1,41,51,663	15.67
Taj SATS Air Catering Ltd.	₹	10	**88,74,000**	**61.82**	88,74,000	61.82	88,74,000	61.82
Taj Madras Flight Kitchen Private Ltd.	₹	10	**79,44,112**	**8.56**	79,44,112	8.56	79,44,112	8.56
Carried over				**3,585.48**		2,592.69		2,396.60

Notes to Financial Statements for the year ended March 31, 2017

	Face Value		March 31, 2017		March 31, 2016		April 1, 2015	
			Holdings As at	**₹ crores**	Holdings As at	₹ crores	Holdings As at	₹ crores
Brought over				**3,585.48**		2,592.69		2,396.60
Taj Safaris Ltd.	₹	10	**59,16,667**	**7.92**	59,16,667	7.92	59,16,667	7.92
TAL Hotels & Resorts Ltd. (Refer Note 14, Footnote (i), Page 135)	US$	1	**-**	**-**	-	-	1,329,778	13.63
Kaveri Retreats and Resorts Ltd.	₹	10	**20,00,000**	**6.80**	20,00,000	6.80	20,00,000	6.80
				101.27		101.27		171.99
Investments in Associate Companies (at cost)								
BJETS Pte Ltd.	US$	1	**2,00,00,000**	**102.59**	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	26,912	0.27
Taj Madurai Ltd.	₹	10	**9,12,000**	**0.95**	9,12,000	0.95	9,12,000	0.95
				103.81		103.81		103.81
Fully Paid Quoted Equity Investments :								
Investments in Subsidiary Company (at cost)								
Benares Hotels Ltd.	₹	10	**2,93,000**	**0.69**	2,93,000	0.69	2,93,000	0.69
				0.69		0.69		0.69
Investments in Joint Ventures (at cost)								
Taj GVK Hotels & Resorts Ltd.	₹	2	**1,60,00,000**	**40.34**	1,60,00,000	40.34	1,60,00,000	40.34
				40.34		40.34		40.34
Investments in Associate Companies (at cost)								
TAL Lanka Hotels PLC	Sri Lankan Rupees	10	**-**	**-**	-	-	34,375,640	18.72
Oriental Hotels Ltd.	₹	1	**3,37,64,550**	**28.73**	3,37,64,550	28.73	3,37,64,550	28.73
				28.73		28.73		47.45
Gross Investment in Subsidiaries, Joint Ventures and Associates				**3,773.77**		2,780.98		2,617.24
Less : Provision for Impairment in value of Investments (Refer Footnote (vii))				**1,281.28**		1,216.95		1,273.69
Net Investment in Subsidiaries, Joint Ventures and Associates				**2,492.49**		1,564.03		1,343.55
Carried over				**2,492.49**		1,564.03		1,343.55

Notes to Financial Statements for the year ended March 31, 2017

			March 31, 2017		March 31, 2016		April 1, 2015	
	Face Value		Holdings As at	₹ crores	Holdings As at	₹ crores	Holdings As at	₹ crores
Brought over				**2,492.49**		**1,564.03**		**1,343.55**
Investments in Other Companies (Refer Footnote (viii))								
Carried at fair value through Other Comprehensive Income:								
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000/-)	₹	50	**20**	**-**	20	-	20	-
Tata Services Ltd.	₹	1,000	**421**	**0.03**	421	0.03	421	0.03
Tata Sons Ltd. (Refer Footnote (x))	₹	1,000	**4,500**	**25.00**	4,500	25.00	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote (vi) and (x))	₹	10	**7,11,00,000**	**71.10**	7,11,00,000	71.10	7,11,00,000	71.10
Kumarakruppa Frontier Hotels Private Ltd.	₹	10	**96,432**	**6.03**	96,432	5.51	96,432	5.51
Taj Air Ltd.	₹	10	**1,47,060**	**-**	1,47,060	-	1,47,060	-
Tata Projects Ltd. (Refer Footnote (ix))	₹	100	**-**	**-**	-	-	90,000	56.69
				102.16		101.64		158.33
Fully Paid Quoted Equity Investments :								
Investments in Other Companies (Refer Footnote (viii))								
Carried at fair value through Other Comprehensive Income:								
Tourism Finance Corporation of India Ltd.	₹	10	**50,000**	**0.41**	50,000	0.21	50,000	0.34
HDFC Bank Ltd.	₹	2	**2,500**	**0.36**	2,500	0.27	2,500	0.26
India Tourism Development Corporation Ltd.	₹	10	**67,50,275**	**279.67**	67,50,275	152.69	67,50,275	76.82
				280.44		153.17		77.42
Total Investment in Equity instruments				**2,875.09**		1,818.84		1,579.30
Investment in Preference Shares (carried at amortised costs)								
Central India Spinning Weaving & Manufacturing Co. Ltd.	₹	500	**50**	**-**	50	-	50	-
(10% unquoted Cumulative Preference Shares) (₹ 27,888/-)				**-**		-		
Investment in Others (carried at amortised costs)								
National Savings Certificate (₹ 45,000)				**-**		-		-
Total Non-current Investments - Net				**2,875.09**		1,818.84		1,579.30

Notes to Financial Statements for the year ended March 31, 2017

		Face Value	**March 31, 2017** Holdings As at	**₹ crores**	March 31, 2016 Holdings As at	₹ crores	April 1, 2015 Holdings As at	₹ crores
Footnotes:								
i)	Aggregate amount of Quoted Investments			**350.20**		222.93		165.90
	Market value of Quoted Investments			**683.77**		367.53		333.39
ii)	Aggregate amount of Unquoted Investments			**3,806.17**		2,812.86		2,687.09
iii)	Aggregate amount of impairment in value of investments			**1,281.28**		1,216.95		1,273.69

iv) During the year the Company has converted its Shareholders' Deposit given to a wholly owned subsidiary, IHOCO BV into equivalent equity in that company at fair value as on the date of conversion. Arising out of amalgamation of IHMS LLC with the Company (Refer Note 29, Page 148), 77,30,000 shares of IHOCO BV have vested in the Company on April 1, 2015 at their carrying value of US$ 141.22 million equivalent to ₹ 667.56 crores. Although the above shares were actually issued on October 16, 2015, the same have been accounted as on April 1, 2015 to harmonise the accounting of the amalgamation required under the approved Scheme with the provisions of Appendix C of Ind AS 103 (Refer Note 29, Page 148).

v) As a result of the amalgamation of Lands End Properties Private Ltd. with the Company, 98,288 shares of Skydeck Properties and Developers Private Ltd. have vested in the Company on April 1, 2015 at their carrying value of ₹ 275.94 crores. These shares were held by LEPPL as on April 1, 2015 and were vested in the Company with effect from that date as a result of the application of Appendix C of Ind AS 103 used in accounting for the said amalgamation (refer Note 29, Page 148).

vi) 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, 2016 ₹ 71.10 crores, April 1, 2015 ₹ 71.10 crores) as Option Deposit (Refer Note 16(b), Page 138), which shall be adjusted upon exercise of the option or refunded.

vii) The continuing losses at 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 ₹ 64.33 crores (previous year ₹ Nil) in the Statement of Profit and Loss which has been classified under "Exceptional items" (Refer Note 27, Page 145).

viii) For these investments, the Company has elected the fair value through Other Comprehensive Income irrevocable option since these investments are not held for trading.

ix) During the previous year, the Company has divested 90,000 shares in Tata Projects Ltd. (fair valued through Other Comprehensive Income) to unlock the value in existing assets. The fair value of the investment at the date of derecognition was ₹ 56.69 crores and the cumulative gain on disposal was ₹ 56.53 crores.

x) For this investment, 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.

xi) The fair value hierarchy and classification are disclosed in Note 33, Page 151.

Notes to Financial Statements for the year ended March 31, 2017

Note 5 : Investments

	March 31, 2017		March 31, 2016		April 1, 2015	
	Units As at	**₹ crores**	Units As at	₹ crores	Units As at	₹ crores
(b) Current Investments						
Carried at fair value through profit and loss:						
Investments in Mutual Fund Units (Unquoted)						
Tata Money Market Fund - Growth	**207,184**	**53.10**	-	-	-	-
Tata Money Market Fund - Daily Dividend	-	-	1,356,679	135.87	125,837	12.60
Franklin India TMA - Daily Dividend	-	-	-	-	957,763	95.95
Franklin India TMA - Super Institutional Plan - Daily Dividend	-	-	-	-	384,693	38.50
IDFC Cash Fund - Daily Dividend	-	-	-	-	351,699	35.19
JM High Liquidity - Daily Dividend	-	-	-	-	21,388,157	22.31
JM High Liquidity - Daily Dividend	-	-	-	-	25,023,711	26.10
Kotak Floater - ST - Daily Dividend	-	-	-	-	84,180	8.51
LIC Nomura MF Liquid Fund - Daily Dividend	-	-	-	-	571,094	62.71
HDFC Cash Mgmt Fund - Savings Plan - Daily Dividend	-	-	-	-	17,871,081	19.01
ICICI Prudential Liquid - Daily Dividend	-	-	-	-	4,349,927	43.52
ICICI Prudential Money Market Fund - Daily Dividend	-	-	-	-	3,800,558	38.06
Religare Invesco Liquid Fund - Daily Dividend	-	-	-	-	293,358	29.36
		53.10		135.87		431.82

Footnote:

(i) Aggregate amount of Unquoted Investments:	53.10	135.87	431.82

Notes to Financial Statements for the year ended March 31, 2017

Note 6 : Loans

		March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a)	**Non Current Loans**			
	(Unsecured, considered good unless stated otherwise)			
	Loans to related parties at fair value through profit and loss			
	Subsidiary companies (Refer Note 40, Page 175)	**32.43**	1,051.94	1,112.39
	Loans to related parties at amortised cost			
	Considered good			
	Joint Ventures (Refer Note 40, Page 175)	**5.35**	5.35	14.70
	Considered Doubtful			
	Associate (Refer Note 40, Page 175)	**3.17**	3.17	3.17
		8.52	8.52	17.87
	Less: Allowance for doubtful Loans	**3.17**	3.17	3.17
		5.35	5.35	14.70
		37.78	1,057.29	1,127.09
(b)	**Current Loans**			
	(Unsecured, considered good unless stated otherwise)			
	Related Parties (Refer Note 40, Page 175)	**1.37**	1.37	4.87
	Others	**0.10**	0.10	0.09
		1.47	1.47	4.96

Footnote:

Loans to subsidiary companies comprise of shareholders' deposits placed by the Company. During the year, the Company has converted its shareholders' deposit into equivalent equity in the subsidiary at fair value as on the date of conversion (Refer Note 5, Footnote (iv), Page 127).

Note 7 : Other Financial Assets

		March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a)	**Non Current Financial Assets**			
	Long-term security deposits placed for Hotel Properties at amortised costs			
	Related Parties (Refer Note 40, Page 175)	**0.08**	0.07	0.07
	External Parties	**32.88**	29.48	29.13
		32.96	29.55	29.20
	Less: Allowance for doubtful deposits	**2.00**	-	-
		30.96	29.55	29.20
	Deposits with Public Bodies and Others at amortised costs			
	Related parties (Refer Note 40, Page 175)	**0.57**	1.80	1.71
	Public Bodies and Others	**23.78**	21.27	36.20
		24.35	23.07	37.91
	Less: Allowance for doubtful deposits	**0.10**	0.02	-
		24.25	23.05	37.91
	Deposits with Banks (Refer Note 12, Page 132)	**1.04**	1.00	1.13
	Others	**2.35**	2.45	2.85
		58.60	56.05	71.09

Notes to Financial Statements for the year ended March 31, 2017

Note 7 : Other Financial Assets

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(b) Current Financial Assets			
Deposit with public bodies and others			
Related Parties (Refer Note 40, Page 175)	**1.23**	-	-
Others	**7.91**	14.48	8.16
	9.14	14.48	8.16
Other advances			
Considered good	**8.31**	5.22	4.97
Considered doubtful	**2.23**	4.93	4.04
	10.54	10.15	9.01
Less: Allowance for doubtful advances	**2.23**	4.93	4.04
	8.31	5.22	4.97
Interest receivable			
Related Parties (Refer Note 40, Page 175)	**0.94**	0.94	2.80
Others	**0.37**	0.65	2.95
	1.31	1.59	5.75
Other receivables			
Related Parties (Refer Note 40, Page 175)	**86.52**	91.45	129.68
Others	**14.54**	10.52	4.06
	101.06	101.97	133.74
	119.82	123.26	152.62

Note 8 : Other Assets

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Other Non Current Assets			
Capital Advances	**20.36**	11.76	12.18
Prepaid Expenses	**71.09**	63.34	65.53
Deposits adjustable against future rent payments	**7.88**	8.86	9.75
Incentive receivable	**103.08**	118.09	38.69
Deposits with Government Authoritites	**53.53**	48.11	24.54
	255.94	250.16	150.69
(b) Other Current Assets			
Prepaid Expenses	**22.97**	24.52	23.53
Indirect tax recoverable	**12.63**	6.98	5.89
Advance to Suppliers	**11.39**	8.06	8.93
Advance to Employees	**1.60**	1.89	1.30
Deposits adjustable against future rent payments	**0.25**	0.91	0.25
	48.84	42.36	39.90

Notes to Financial Statements for the year ended March 31, 2017

Note 9 : Inventories (At lower of cost and net realisable value)

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Food and Beverages	**24.12**	22.32	19.97
Stores and Operating Supplies	**23.44**	22.76	23.19
	47.56	45.08	43.16

Footnote:

i) The cost of inventories recognised as an expense amounted to ₹ 306.26 crores (Previous year ₹ 289.21 crores).

ii) The cost of inventories recognised as an expense includes ₹ 0.29 crore (Previous year ₹ 0.41 crore) in respect of write down of inventories to net realisable value.

Note 10 : Trade and other receivables

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Unsecured			
Considered good	**213.74**	161.83	139.56
Considered doubtful	**11.70**	11.05	7.55
	225.44	172.88	147.11
Less : Allowance for doubtful debts	**11.70**	11.05	7.55
	213.74	161.83	139.56

Footnote:

i) Allowance for doubtful debts

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Opening Balance	**11.05**	7.55	
Add: Allowance during the year	**1.97**	4.76	
	13.02	12.31	
Less: Bad Debts written off against past allowances	**0.77**	0.88	
Less: Reversal of allowances no longer required	**0.55**	0.38	
Closing Balance	**11.70**	11.05	7.55

(ii) Trade Receivables include debts due from Directors - ₹ Nil (March 31, 2016 - ₹ 2,79,161, April 1, 2015 - ₹ 2,26,884) in the ordinary course of business.

(iii) For related party balances refer Note 40, Page 175.

Note 11 : Cash and Cash Equivalents

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Cash on hand	**1.65**	1.75	1.79
Cheques, Drafts on hands	**3.25**	6.16	2.40
Balances with bank in current account	**9.17**	11.11	12.67
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	-	2.10	266.58
	14.07	21.12	283.44

Notes to Financial Statements for the year ended March 31, 2017

Note 12 : Other Balances with Banks

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Call and Short-term deposit accounts	**5.11**	5.21	70.33
Deposits pledged with others	**0.62**	0.64	0.62
Margin money deposits	**0.79**	0.70	0.99
Earmarked balances	**2.15**	2.54	3.20
	8.67	9.09	75.14
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 7 (a), Page 129)	**1.04**	1.00	1.13
	7.63	8.09	74.01

Note 13 : Equity Share Capital

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Authorised Share Capital			
200,00,00,000 Equity Shares of ₹ 1 each (March 31, 2016: 200,00,00,000 Equity Shares of ₹ 1 each) (April 1, 2015: 200,00,00,000 Equity Shares of ₹ 1 each)	**200.00**	200.00	200.00
	200.00	200.00	200.00
Issued Share Capital			
98,93,07,472 Equity Shares of ₹ 1 each (March 31, 2016: 98,93,07,472 Equity Shares of ₹ 1 each) (April 1, 2015: 80,74,89,291 Equity Shares of ₹ 1 each)	**98.93**	98.93	80.75
	98.93	98.93	80.75
Subscribed and Paid Up			
98,92,74,015 Equity Shares of ₹ 1 each, Fully Paid (March 31, 2016: 98,92,74,015 Equity Shares of ₹ 1 each) (April 1, 2015: 80,74,72,787 Equity Shares of ₹ 1 each)	**98.93**	98.93	80.75
(Refer Footnote (vi))	**98.93**	98.93	80.75

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

Notes to Financial Statements for the year ended March 31, 2017

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

	March 31, 2017		March 31, 2016	
	No. of shares	**₹ crores**	No. of shares	₹ crores
As at the beginning of the year	**98,92,74,015**	**98.93**	80,74,72,787	80.75
Add : CCDs converted to Equity shares	-	-	18,18,01,228	18.18
As at the end of the year	**98,92,74,015**	**98.93**	98,92,74,015	98.93

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

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**% of Holding**	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid						
Tata Sons Limited	**27,70,63,351**	**28.01**	27,70,63,351	28.01	20,20,52,004	25.02
Life Insurance Corporation of India	**8,90,22,722**	**9.00**	8,10,06,874	8.19	6,57,52,493	8.14
Sir Dorabji Tata Trust	**5,02,21,040**	**5.08**	5,02,21,040	5.08	5,02,21,040	6.22
Reliance Capital Trustee Company Limited	**7,02,36,948**	**7.10**		*		*

*less than 5%

(v) 33,457 (March 31, 2016 - 33,457 and April 1, 2015 - 16,504) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (March 31, 2016 - Nil and April 1, 2015 - Nil)

(vii) Equity Shares in the entity held by associates.

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**% of Holding**	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid						
Oriental Hotels Limited	**6,26,999**	**0.06**	6,26,999	0.06	5,11,836	0.06
Taida Trading and Industries Limited	**1,56,515**	**0.02**	1,56,515	0.02	1,27,768	0.02
Taj Madurai Limited	**9,37,828**	**0.09**	9,37,828	0.09	7,65,574	0.09

Notes to Financial Statements for the year ended March 31, 2017

Note 14 : Other Equity

		March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
a)	**Equity Component of Compulsorily Convertible Debentures ("CCDs") (Refer Note 13, footnote (iii),** Page 133**)**		
	Opening Balance	**-**	999.91
	Less: CCDs converted to Equity shares	**-**	(999.91)
	Closing Balance	**-**	-
b)	**Reserves & Surplus**		
	Capital Reserve		
	Opening Balance	**43.91**	43.91
	Less: Loss on Cancellation of investment in LEPPL on amalgamation	**-**	(7.12)
	Add: Adjustment against Security Premium on account of LEPPL Scheme (Refer footnote (ii))	**-**	7.12
	Closing Balance	**43.91**	43.91
	Reserve on Transfer of Equity to entities within common control		
	Opening Balance	**79.38**	-
	Add : Profit on Transfer of shares to subsidiary (Refer footnote (i))	**-**	79.38
	Closing Balance	**79.38**	79.38
	Capital Redemption Reserve		
	Opening and Closing Balance	**1.12**	1.12
	Securities Premium Account		
	Opening Balance	**1,230.65**	2,270.28
	Add : Premium on conversion of CCDs into shares	**-**	981.73
	Less : Adjustments of accumulated losses on Schemes of Arrangements becoming effective (Refer Note 29, Page 148 & Footnote (ii))	**-**	(2,020.36)
	Less : Issue expenses written off (net of tax - ₹ Nil, March 31, 2016 - ₹ 1.00 crore)	**-**	(1.00)
	Closing Balance	**1,230.65**	1,230.65
	Debenture Redemption Reserve		
	Opening and Closing Balance	**305.97**	305.97
	General Reserve		
	Opening Balance	**494.05**	494.05
	Less : Final Dividend	**(29.68)**	-
	Less : Tax on Dividend	**(4.38)**	-
	Closing Balance	**459.99**	494.05
	Carried over	**2,121.02**	2,155.08

Notes to Financial Statements for the year ended March 31, 2017

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Brought over	**2,121.02**	2,155.08
Retained Earnings		
Opening Balance	**9.64**	(2,126.92)
Add: Current year profits	**141.94**	84.15
Less: Adjustment against Security Premium on account of schemes of arrangement (Refer footnote (ii))	**-**	2,013.24
Add: Realised gain on sale of shares of Tata Projects transferred from Other Comprehensive Income (net of tax of ₹ 12.99 crores)	**-**	43.53
Add: Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings)	**4.65**	(4.36)
Closing Balance	**156.23**	9.64
Total	**2,277.25**	2,164.72
(c) Other Comprehensive Income		
Equity Instruments fair valued through Other Comprehensive Income		
Opening Balance	**111.93**	79.70
Add: Change in fair value of equity instruments designated irrevocably as fair value through Other Comprehensive Income	**127.79**	75.76
Less: Realised gain on sale of shares of Tata Projects transferred from Other Comprehensive Income (net of tax of ₹ 12.99 crores)	**-**	(43.53)
Closing Balance	**239.72**	111.93
	2,516.97	2,276.65

Footnotes:

(i) As a part of the Company's initiative to restructure and hold its investments in overseas assets through IHOCO BV ("IHOCO"), a wholly owned subsidiary of the Company, the Company had transferred 34,375,640 shares in TAL Lanka Hotels PLC ("TAL Lanka") and 1,329,778 shares in TAL Hotels & Resorts Ltd. ("TAL Hotels") to IHOCO in the previous year. The total consideration payable by IHOCO of ₹ 111.73 crores was based on market value of shares of TAL Lanka and the fair value of TAL Hotels as determined by an independent valuer. As the funds for the acquisition of the above shares were sourced from the Company, the gain on transfer of ₹ 79.38 crores was recorded within Reserve on Transfer of Equity to entities under common control.

(ii) During the year under review, the Honourable High Court of Bombay had approved the two separate Schemes of Arrangement of the Company which inter alia included the amalgamation of its wholly owned subsidiaries namely International Hotel Management Services LLC (through 'IHMS Scheme') and Lands End Properties Private Limited (through 'LEPPL Scheme') with the Company itself.

Consequent to the Order and subsequent approval of Securities and Exchange Board of India ("SEBI") and other regulatory filing the IHMS Scheme had become effective on September 29, 2016 with effect from the appointed date of January 1, 2016 and LEPPL Scheme had become effective on December 19, 2016 with effect from the appointed date of March 31, 2016.

As these are common control transactions, the amalgamation has been accounted using the 'pooling of interest' method and the figures for the previous year have been recast as if the amalgamation had occurred from the beginning of the preceding year to harmonise the accounting approved in the Scheme with the requirements of Appendix C of Ind AS 103 on Business Combinations. However, the effect of capital reduction has been given on the respective Appointed Dates. Consequently, an aggregate sum of ₹ 2020.36 crores has been reduced from the Securities Premium Account at the respective Appointed Dates (Refer Note 29, Page 148).

Notes to Financial Statements for the year ended March 31, 2017

Note 15 : Borrowings

(a) Long term borrowings

	Effective Rate of Interest (%)	Maturity	March 31, 2017 ₹ crores Face Value	March 31, 2017 ₹ crores Amortised cost	March 31, 2016 ₹ crores Face Value	March 31, 2016 ₹ crores Amortised cost	April 1, 2015 ₹ crores Face Value	April 1, 2015 ₹ crores Amortised cost
Non Convertible Debentures (NCDs)								
Secured								
a) 7.85% Non-Convertible Debentures	7.85	April 15, 2022	**495.00**	**493.65**	-	-	-	-
b) 10.10% Non-Convertible Debentures	10.10	November 18, 2021	**300.00**	**300.00**	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	250.00	250.00
d) 2% Non-Convertible Debentures	9.51	March 22, 2016					90.00	131.11
		March 22, 2017			150.00	236.32	150.00	218.51
e) Zero coupon Non-Convertible Debentures	10.00	February 12, 2016	-	-	-	-	521.00	642.28
			1,045.00	**1,043.65**	700.00	786.32	1,311.00	1,541.90
Unsecured								
a) 2% Non-Convertible Debentures	9.86	December 9, 2019	**250.00**	**446.87**	250.00	411.35	250.00	378.92
b) 2% Non-Convertible Debentures	9.76	April 23, 2017	**200.00**	**292.73**	200.00	270.38	200.00	249.95
c) 9.90% Non-Convertible Debentures	9.90	February 24, 2017	-	-	136.00	136.00	136.00	136.00
			450.00	**739.60**	586.00	817.73	586.00	764.87
			1,495.00	**1,783.25**	1,286.00	1,604.05	1,897.00	2,306.77
Term Loan from Banks								
Unsecured								
Foreign Currency Term Loan From Banks		November 22, 2017		**204.52**		208.98		196.19
		November 22, 2016		**-**		208.51		196.17
		January 22, 2016		**-**		-		195.94
Term Loan from Bank		August 9, 2017		**49.88**		124.55		-
				254.40		542.04		588.30
Loans (Unsecured)								
From Related Party (Refer Note 40, Page 175)				**4.02**		4.11		3.86
				4.02		4.11		3.86
				2,041.67				
						2,150.20		2,898.93
Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)				**547.13**		580.83		969.33
				1,494.54		1,569.37		1,929.60

(b) Short term borrowings

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Loans repayable on demand from Bank			
Secured	**7.31**	7.45	-
Unsecured	**-**	-	0.99
	7.31	7.45	0.99

Notes to Financial Statements for the year ended March 31, 2017

Footnotes:

(i) **Non Convertible Debentures - Secured include:**

a) 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 on April 15, 2022.

b) 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.

c) 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.

d) 3,000, 2% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on March 22, 2010 were repayable in 3 annual instalments commencing at the end of 5th, 6th & 7th year from the date of allotment along with redemption premium of ₹ 6.13 lakhs per debenture. The company had repaid the first instalment of ₹ 60 crores on March 23, 2015 and the second instalment of ₹ 90 crores on March 22, 2016. During the year, the Company has repaid the last instalment of ₹ 150 crores due on March 22, 2017.

e) 5210, Zero coupon Secured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on February 13, 2013 and repaid on February 12, 2016 at the end of 3 years from the date of allotment having a Yield to maturity of 10% p.a. The Debentures were secured by pledge of the Company's 100% investment in Skydeck Properties & Developers Private Limited (SPDPL), a wholly owned subsidiary of the Company and receivables of Lands End Properties Private Limited prior to amalgamation with the Company.

(ii) 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:**

a) 2,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on December 9, 2009 are repayable on December 9, 2019 i.e at the end of the 10th year from the date of allotment, along with redemption premium of ₹ 12.43 lakhs per debenture.

b) 2,000, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 23, 2012 are repayable on April 23, 2017, i.e at the end of the 5th year from the date of allotment along with redemption premium of ₹ 4.71 lakhs per debenture.

c) 1,360, 9.90% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 136 crores, allotted on February 24, 2012 were repayable on February 24, 2017 i.e at the end of the 5th year from the date of allotment. During the year, the Company has repaid these debentures on the due date.

(iv) **Term Loan from Banks (Unsecured) include:**

a) External commercial borrowing of US $ 95 million was taken on November 23, 2011. The loan is repayable at the end of 50th, 60th, and 72nd month from November 23, 2011 in equal instalments to achieve the average maturity of 5.05 years and carries an interest which is based on a spread over LIBOR. The first instalment of US $ 31.67 million and the second instalment of US $ 31.67 million has been repaid on January 25, 2016 and November 23, 2016 respectively. The last instalment of US $ 31.66 million (₹ 204.52 crores) is due on November 22, 2017 and has been classified under current maturities of long term borrowings.

b) Unsecured term loan from a bank of ₹ 125 crores carrying interest rate of 9.50% p.a. was taken during the previous year repayable at the end of 18 months from the date of first drawdown. The loan was drawn in 2 tranches of ₹ 60 crores and ₹ 65 crores on February 9, 2016 and March 21, 2016 respectively. Further, ₹ 25 crores was drawn on May 30, 2016. The Company has prepaid the loan of ₹ 100 crores on March 31, 2017. The net loan now stands at ₹ 49.88 crores. The interest rate has reduced to 8.25% p.a. as on March 31, 2017.

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

Notes to Financial Statements for the year ended March 31, 2017

Note 16: Other financial liabilities

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Other Non Current financial liabilities			
Liability on derivative contracts	**244.27**	289.71	294.24
Deposits from others			
Unsecured	**3.43**	3.47	2.33
Creditors for capital expenditure	**1.75**	0.59	0.03
Employee related liabilities	**4.01**	4.59	1.69
	253.46	298.36	298.29
(b) Other Current financial liabilities			
Current maturities of long term borrowings			
Debentures	**292.73**	372.32	773.39
Term Loan From Banks	**254.40**	208.51	195.94
	547.13	580.83	969.33
Liability on derivative contracts	**-**	48.39	24.42
Liability towards Loyalty Programmes	**35.28**	24.43	10.08
Other Payables			
Related Parties (Refer Note 40, Page 175)	**8.50**	6.43	7.86
Others	**5.83**	6.23	7.73
	14.33	12.66	15.59
Deposits from others			
Option Deposit received against purchase of shares (Secured) (Refer Note 5 Footnote (vi), Page 127)	**71.10**	71.10	71.10
Unsecured	**24.90**	24.02	24.35
	96.00	95.12	95.45
Interest accrued but not due on borrowings	**41.85**	37.32	37.06
Creditors for capital expenditure	**33.23**	21.40	18.85
Unclaimed dividend (Refer Footnote (ii))	**1.80**	2.07	2.57
Unclaimed Share Application Money (Refer Footnote (ii))	**-**	-	0.05
Unclaimed Matured Deposits and interest accrued thereon (Refer Footnote (ii))	**0.94**	1.10	1.35
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (March 31, 2016 - ₹ 25,153, April 1, 2015 - ₹ 25,153) (Refer Footnote (ii))	**-**	-	-
Employee related liabilities	**74.06**	63.58	66.39
Others	**38.51**	34.52	60.89
	883.13	921.42	1,302.03

Footnotes:

(i) The fair value hierarchy and classification are disclosed in Note 33, Page 151.

(ii) A sum of ₹ 0.37 crore (March 31, 2016 - ₹ 0.46 crore, April 1, 2015 - ₹ 0.34 crore) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.

Notes to Financial Statements for the year ended March 31, 2017

Note 17 : Provisions

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non Current provisions			
Employee Benefit Obligation			
Compensated absences	**25.53**	20.76	13.79
Gratuity (Refer Note 35, Page 163)	**-**	6.47	3.84
Post-employment medical benefits (Refer Note 35, Page 163)	**5.27**	4.51	2.83
Post-retirement pension (Refer Note 35, Page 163)	**17.98**	16.91	6.85
	48.78	48.65	27.31
(b) Current provisions			
Employee Benefit Obligation			
Compensated absences	**18.33**	17.22	19.80
Post-employment medical benefits (Refer Note 35, Page 163)	**0.28**	0.24	0.26
Post-retirement pension (Refer Note 35, Page 163)	**1.60**	0.71	0.92
	20.21	18.17	20.98
Provision for Contingencies (Refer Footnote (i))	**65.51**	59.97	41.49
	85.72	78.14	62.47

Footnote:

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

	Opening Balance ₹ crores	Addition/ (Deletion) ₹ crores	Closing Balance ₹ crores
Disputed claims for taxes, levies and duties	**59.29**	**5.81**	**65.10**
	39.91	*19.38*	*59.29*
Disputes on Contractual matters	**0.41**	**-**	**0.41**
	0.41	*-*	*0.41*
Disputes in respect of Employee benefits	**0.27**	**(0.27)**	**-**
	1.17	*(0.90)*	*0.27*
As at March 31, 2017	**59.97**	**5.54**	**65.51**
As at March 31, 2016	*41.49*	*18.48*	*59.97*

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

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

Notes to Financial Statements for the year ended March 31, 2017

Note 18 : Deferred Tax Liabilities (Net)

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Deferred Tax Liabilities:			
Property, Plant and equipment & Intangible Assets	**426.29**	442.77	396.37
Unamortised borrowing costs	**0.33**	0.90	1.20
Fair valuation changes of derivative contracts	**15.94**	0.21	-
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	**1.08**	0.99	13.98
	443.64	444.87	411.55
Deferred Tax Assets:			
Provision for Employee Benefits	**26.07**	23.08	14.26
MAT Credit Entitlement	**77.66**	126.57	74.69
Allowance for doubtful debts	**4.04**	3.82	2.61
Unused tax losses (Business)	**-**	21.74	71.04
Unused tax losses (Capital)	**-**	-	8.95
Fair valuation changes of derivative contracts	**-**	-	0.91
Reward Points	**17.90**	19.25	10.94
Provision for Contingencies	**21.12**	18.60	12.20
Others	**8.53**	3.01	2.63
	155.32	216.07	198.23
	288.32	228.80	213.32

Note 19: Trade Payables

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Micro and Small Enterprises (Refer Footnote (i) and (ii))	**1.31**	1.84	1.48
Vendor Payables	**92.09**	85.28	72.78
Accrued expenses and others	**83.74**	85.73	64.47
	177.14	172.85	138.73

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:

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	**1.22**	1.77	1.43
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	**0.09**	0.07	0.05

Notes to Financial Statements for the year ended March 31, 2017

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-	-
(d) The amount of interest due and payable for the year	0.02	0.02	0.02
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.09	0.07	0.05
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.02	0.02	0.02

(iii) For related party balances refer Note 40, Page 175.

Note 20 : Other Current Liabilities

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Income received in advance	21.71	26.14	17.98
Deferred Revenue	131.81	160.23	68.49
Advances collected from customers	45.78	39.23	31.42
Statutory dues	39.99	41.00	30.30
	239.29	266.60	148.19

Note 21 : Revenue from Operations

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Room Income, Food, Restaurants and Banquet Income	1,990.05	1,901.48
Shop rentals	30.46	29.86
Membership fees	95.15	71.01
Management and operating fees	158.81	148.95
Other Operating Income	116.78	116.55
	2,391.25	2,267.85

Notes to Financial Statements for the year ended March 31, 2017

Note 22 : Other Income

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Interest Income from financial assets at amortised cost		
Deposits with banks	**4.35**	27.85
Deposits with Related Parties (Refer Note 40, Page 175)	**1.11**	1.77
Amortisation of Interest on security deposits	**2.96**	3.89
Others	**0.90**	1.27
	9.32	34.78
Interest on Income Tax Refunds	**(0.06)**	-
	9.26	34.78
Dividend Income from Investments (Refer Footnote)		
- from Investments in Subsidiaries, Joint Ventures and Associates which are measured at cost	**15.97**	21.89
- from Investments that are fair valued through Other Comprehensive Income	**1.50**	13.04
- from Investments that are fair valued through Profit and Loss	**6.66**	20.32
Profit on disposal of Property, plant and equipment (Net)	**2.09**	-
Gain on investments carried at fair value through Statement of Profit and Loss	**4.73**	-
Exchange Gain (Net)	**-**	1.82
Others	**13.65**	14.42
	53.86	106.27

Footnote:

Previous year includes dividend income relating to one of the investment designated at FVOCI and derecognised during the previous year ₹ 0.45 crore.

Note 23 : Food and Beverages Consumed

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Opening Stock	**22.32**	19.97
Add : Purchases	**221.80**	212.17
	244.12	232.14
Less : Closing Stock	**24.13**	22.32
	219.99	209.82

Note 24 : Employee Benefit Expenses and Payment to Contractors

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Salaries, Wages, Bonus etc.	**463.98**	443.77
Company's Contribution to Provident and Other Funds (Refer Note 35, Page 163)	**34.40**	47.30
Reimbursement of Expenses on Personnel Deputed to the Company	**15.76**	16.57
Payment to Contractors	**44.04**	39.74
Staff Welfare Expenses	**75.04**	67.63
	633.22	615.01

Notes to Financial Statements for the year ended March 31, 2017

Note 25 : Finance costs

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	**194.99**	238.29
Add : Settlements on interest rate swap contracts	**(0.41)**	2.07
	194.58	240.36
On Tax Demands	**1.61**	1.14
Other borrowing costs	**1.67**	3.19
	197.86	244.69
Less : Interest Capitalised (Refer Footnote)	**-**	1.91
	197.86	242.78

Footnote:

The Company had capitalised the Interest cost on borrowings relating to certain qualifying assets in the previous year.

Note 26 : Other operating and general expenses

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
(i) Operating expenses consist of the following :		
Linen and Room Supplies	**41.99**	36.86
Catering Supplies	**20.75**	18.89
Other Supplies	**5.22**	4.70
Fuel, Power and Light	**166.87**	179.98
Repairs to Buildings	**40.36**	37.60
Repairs to Machinery	**45.02**	42.23
Repairs to Others	**11.37**	11.63
Linen and Uniform Washing and Laundry Expenses	**10.86**	11.54
Security charges and Others	**27.59**	26.59
Guest Transportation	**33.32**	34.62
Travel Agents' Commission	**37.26**	32.25
Discount to Collecting Agents	**20.03**	19.85
Other Operating Expenses	**42.86**	40.30
	503.50	497.04
(ii) General expenses consist of the following :		
Rent	**46.55**	44.38
Licence Fees (Refer Footnote (iv))	**158.13**	155.66
Rates and Taxes	**42.44**	49.52
Insurance	**6.53**	6.12
Advertising and Publicity	**70.64**	85.00
Carried over	**324.29**	340.68

Notes to Financial Statements for the year ended March 31, 2017

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Brought over	**324.29**	340.68
Printing and Stationery	**8.33**	8.37
Passage and Travelling	**10.83**	9.34
Provision for Doubtful Debts/ Bad debts written off	**1.57**	4.38
Expenditure on Corporate Social Responsibility (Refer Footnote (v))	**4.36**	0.92
Professional Fees	**32.65**	35.77
Outsourced Support Services	**53.65**	49.16
Exchange Loss (Net)	**0.22**	-
Loss on Sale of Property, plant and equipment (Net)	**-**	1.41
Payment made to Statutory Auditors (Refer Footnote (iii))	**3.91**	4.25
Directors' Fees and Commission	**3.32**	2.65
Other Expenses (Refer Footnote (ii))	**70.78**	66.74
	513.91	523.67
	1,017.41	1,020.71

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:

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Employee benefits expense	**2.69**	0.55
Fuel, power and light	**0.11**	0.03
Depreciation	**0.05**	-
Other expenses (Net)	**11.14**	10.52
	13.99	11.10

(ii) Other expenses include Assets written off - ₹ 9.85 crores (Previous year - ₹ Nil) and Advances written off ₹ 2.95 crores (Previous year - ₹ Nil).

(iii) Payment made to Statutory Auditors:

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
As auditors	**2.72**	2.72
As tax auditors	**0.37**	0.30
For other services	**0.55**	1.12
For out-of pocket expenses	**0.17**	0.04
Service tax on above [Net of credit availed - ₹ 0.49 crores (Previous year - ₹ 0.47 crores)]	**0.10**	0.07
	3.91	4.25

(iv) Licence Fees includes ₹ 3.59 crores (Previous year ₹ 4.15 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 ₹ 4.26 crores (Previous year ₹ 3.59 crores). Against this sum, the Company has spent ₹ 4.36 crores (Previous year ₹ 0.92 crores) on projects other than construction/ acquisition of assets. The entire amount has been disbursed prior to the end of the financial year.

Notes to Financial Statements for the year ended March 31, 2017

Note 27 : Exceptional Items

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Exceptional Items comprises the following:		
Exchange Gain/ (Loss) on Long-term Borrowings/Assets (Net)	**1.90**	27.70
Change in fair value of derivative contracts	**65.45**	(24.41)
Recovery of costs alongwith interest (₹ 14.70 crores) on a surrendered project	**24.33**	-
Provision for impairment of investment in a subsidiary that incurred losses (Refer Note 5(a), Footnote (vii), Page 127)	**(64.33)**	(0.35)
Refund of Municipal tax (including interest ₹ 2.38 crores)	**6.16**	-
Expenditure on a project written off	**-**	(9.83)
	33.51	(6.89)

Note 28 : Transition to Ind AS

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (''previous GAAP''). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 *'First-time Adoption of Indian Accounting Standards'* along with the reconciliations of equity, total comprehensive income and statement of cash flows in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Company has applied the following exemptions:

i. **Business combinations exemption**

The Company has elected not to apply Ind AS 103, Business Combinations, to business combinations occurred before the transition date.

ii. **Property, plant and equipment and intangible assets – Deemed Cost**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (Para D7AA of Appendix D). This exemption can also be used for intangible assets covered by Ind AS 38 *'Intangible Assets'* and investment property covered by Ind AS 40 *'Investment Properties'*.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Notes to Financial Statements for the year ended March 31, 2017

Reconciliations between Previous GAAP and Ind AS:

i. **Equity Reconciliations**	Notes	**As at March 31, 2016** ₹ **crores**	As at April 1, 2015 ₹ crores
Equity under Previous GAAP		**3,885.60**	**2,615.15**
Adjustment on account of Schemes of Arrangement (Refer Note 29, Page 148)		(1,661.77)	(1,590.69)
Adjustment on account of transition			
Borrowings – low coupon bonds measured at amortised cost	(a)	192.27	273.32
Fair value of derivative contracts recognised	(b)	(80.22)	(91.60)
Deferred revenue on Customer Loyalty Programme	(c)	(40.38)	(21.33)
Financial assets at amortised cost	(d)	(21.81)	(21.54)
Fair valuation of Investments	(e)	112.93	93.70
Proposed dividend (including tax on dividend) reversed	(f)	35.72	-
Equity component of other financial instruments	(g)	-	999.91
Other adjustments		5.58	(11.21)
Tax adjustments	(h)	(52.34)	(96.94)
Equity under Ind AS		**2,375.58**	**2,148.77**

ii. **Total Comprehensive income reconciliation**

	Notes	**As at March 31, 2016** ₹ crores
Profit after tax under Previous GAAP		**201.04**
Adjustment on account of amalgamation (Refer Note 29, Page 148)		(63.96)
Adjustments on account of transition		
Borrowings – low coupon bonds measured at amortised cost	(a)	(81.05)
Change in fair value of derivative contracts	(b)	(38.61)
Deferred revenue on Customer Loyalty Programme	(c)	(19.05)
Exchange difference on revaluation of Long term borrowings/ assets	(i)	76.82
Reversal of gain on sale of long term investment	(e)	(56.53)
Others adjustments		23.39
Tax adjustments	(h)	42.10
Profit after tax under Ind AS		**84.15**
Other comprehensive income	(j)	71.40
Total comprehensive income as per Ind AS		**155.55**

Notes to Financial Statements for the year ended March 31, 2017

iii. Statement of Cash Flows reconciliation

Particulars	Notes	For the year ended March 31, 2016		
		As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS
		₹ crores	₹ crores	₹ crores
Net cash flows from operating activities		431.95	37.40	469.35
Net cash flows from investing activities		(345.09)	656.39	311.30
Net cash flows from financing activities	(k)	(349.69)	(693.28)	(1,042.97)
Net increase/ (decrease) in cash and cash equivalents		**(262.83)**	**0.51**	**(262.32)**
Cash and cash equivalents as at April 1, 2015		**281.82**	**1.62**	**283.44**
Cash and cash equivalents as at March 31, 2016		**18.99**	**2.13**	**21.12**

a. The back ended premium on redemption on low coupon bonds had been offset against the Securities Premium Account under previous GAAP, which is now recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying the effective interest rate method. The redemption premium for unexpired period as at the date of transition has been added back to Securities Premium Account.

b. The Company has entered into cross currency swap contracts. Under previous GAAP, at the each reporting date, the notional amounts are restated at the closing exchange rates and recognized as liability. Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with the resulting changes being recognised in the Statement of Profit and Loss.

c. The Company operates loyalty programme, which allows its members to earn, accumulate and redeem the points based on their spending at the Hotels. Under the previous GAAP, the company created a provision towards its liability under the programme.

Under Ind AS, the revenues have been allocated between the services rendered and points issued. The consideration allocated to the points has been deferred and will be recognized as revenue when the points are redeemed or lapse.

d. Interest free security deposits for leased premises (that are refundable in cash on completion of the lease term) were recorded at their transaction value under the previous GAAP. Under Ind AS, these deposits are recognized at fair value on the date of transaction, difference being taken to prepaid rent. Prepaid rent is amortised over the tenure of the deposit, which is partially set off by the notional interest income recognised on such deposit.

e. Under the previous GAAP, long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. Fair value changes with respect to investments in equity instruments designated as at fair value through Other Comprehensive Income (FVOCI) have been recognised in Equity through other comprehensive income as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2016. Also, profit on sale of investment recognised under previous GAAP is now reversed as the investment was fair valued on transition date.

f. Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as liability in the period to which it relates. This has resulted in an increase in equity by ₹ 35.72 crores and ₹ Nil as on March 31, 2016 and April 1, 2015 respectively.

g. Compulsorily Convertible Debentures ("CCDs") were considered as a liability under the Previous GAAP. Under Ind AS, CCDs are considered as other equity. These were converted in to Equity shares on March 1, 2016.

h. Deferred taxes have been recognised on the adjustments made on transition to Ind AS.

i. Exchange difference on revaluation of Long Term Borrowings/ assets is recognised in the Statement of Profit and Loss under Ind AS. Under the previous GAAP, these translation differences were previously being amortised over the tenure of the borrowing. Previously translation gain on Investment in Non-Integral Foreign Operations was taken to Foreign Currency Translation Reserve (FCTR).

Notes to Financial Statements for the year ended March 31, 2017

j. Under Ind AS, certain items of income and expense that are not recognised in profit or loss but in Other Comprehensive Income and these includes remeasurement of defined benefit plans and fair value gains or losses on equity instruments measured subsequently at FVOCI. The concept of Other Comprehensive Income did not exist under previous GAAP.

k. Under Ind AS, Lands End Properties Private Ltd. was amalgamated into the Company with effect from April 1, 2015 in line with Appendix C to Ind AS 103. Accordingly, the changes in cash flows reflect the impact on account of the aforesaid treatment (Refer Note 29, Page 148).

Note 29 : Accounting and Disclosures for Schemes of Arrangement

During the current year, the Honourable High Court of Bombay vide its Orders dated August 12, 2016 and October 13, 2016 respectively has approved the Schemes of Arrangement (the “IHMS Scheme” and the “LEPPL Scheme”) which inter alia includes the amalgamation of International Hotel Management Services LLC (“IHMS LLC”) and Lands End Properties Private Ltd (“LEPPL”) with the Company. Both these Schemes were approved by the Board and members on October 19, 2015 and May 4, 2016 respectively. Consequent to the said Orders and subsequent approval of SEBI and the filing of the final certified Orders with the Registrar of the Companies, Maharashtra and with the Secretary of the State of the Delaware, the IHMS Scheme has become effective on September 29, 2016 with effect from the Appointed Date of January 1, 2016 and the LEPPL Scheme has become effective on December 19, 2016 with effect from the Appointed Date of March 31, 2016.

Upon the coming into effect of the Schemes and with effect from the Appointed Dates, the undertaking of IHMS LLC and LEPPL have been transferred to and vested in the Company from the respective Appointed Dates. Further, in terms of the above referred Orders, the effect of the capital reduction aggregating to ₹ 2020.36 crores for both the Schemes has been given effect to on the respective Appointed Dates and adjusted against the Securities Premium Account.

As these are business combinations of entities under common control, the amalgamation has been accounted using the ‘pooling of interest’ method (in accordance with the approved Schemes). The figures for the previous period have been recast as if the amalgamation had occurred from the beginning of the preceding period to harmonise the accounting for the Scheme with the requirements of Appendix C of Ind AS 103 on Business Combinations and the following assets and liabilities were included (after eliminating the intercompany balances and adjusting the accumulated losses of the Company as on January 1, 2016 aggregating to ₹ 358.58 crores) in the financial statements of the Company as of April 1, 2015:

Particulars	In respect of the IHMS Scheme ₹ crores	In respect of the LEPPL Scheme ₹ crores
Assets		
Investments	667.56	275.94
Trade receivables	-	0.68
Cash and bank balances	-	1.62
Other Current financial assets	-	117.76
Other Current assets	-	0.16
	667.56	396.16
Liabilities		
Current financial liabilities	-	642.30
Provisions	-	0.08
Trade payables (under ₹ 0.01 crore)	-	-
	-	642.38
Debit balance in the profit and loss account transferred and adjusted against the Securities Premium Account	1334.47	256.22
Difference between the consideration and recorded amount of investment	-	7.12
	1334.47	263.34

Notes to Financial Statements for the year ended March 31, 2017

Further, the investments held by the Company in IHMS LLC. (₹ 2002.03 crores) and LEPPL (₹ 10.00 crores) have been eliminated.

The difference between the consideration and the recorded investment as of the Appointed Dates i.e. ₹ 7.12 crores has been transferred to Capital Reserve and shown separately in the Statement of Changes in Equity.

The effect of capital reduction has been given on the respective Appointed Dates. Consequently ₹ 2020.36 crores has been reduced from the Security Premium Account at the respective Appointed Dates.

Note 30 : 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	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Income tax	**109.25**	73.81	37.95
Entertainment tax	**2.21**	1.95	1.47
Sales tax / State Value added tax	**17.47**	16.29	9.07
Property tax	**55.95**	49.61	50.81
Service tax	**10.67**	9.33	9.00
Others	**16.99**	15.63	9.04

In respect of Income Tax matters, the Company's appeals are pending and the said amounts have been paid/ adjusted and will be recovered as refund if the matters are decided in favour of the Company.

(b) On account of lease agreements:

In respect of a plot of land provided to the Company under a license agreement, on which the Company has constructed a hotel, the licensor has made a claim of ₹ 344.50 crores to date, (13 times the previous annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the licensor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the existing license agreement as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch more than ₹ 86.36 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been issued by the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the licensor, pending a resolution of this dispute by the Honourable Bombay High Court. In view of this, and based on legal advice, the Company regards the likelihood of sustainability of the lessor's claim to be remote and the amount of any potential liability, if at all, is indeterminate.

(c) 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;

Notes to Financial Statements for the year ended March 31, 2017

(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) Litigation in respect of a property:

After expiry of the license period of Taj Mahal Hotel, New Delhi, there was an ongoing litigation between the Company and the licensor, New Delhi Municipal Council (NDMC). On April 20, 2017, the Supreme Court has permitted NDMC to conduct e-auction of license rights, and has also allowed the Company six months' time to handover the premises in case the Company is unsuccessful in the e-auction. The hotel at the premises shall continue to carry out its operations in the meantime. The Supreme Court has directed that at the time of conducting such e-auction, NDMC shall take into account the unblemished record of the Company as well as its capabilities. NDMC has been directed to take into account these facts while taking a final decision in the matter. Pending the announcement of terms and conditions of the e-auction, these financial statements do not include the impact of the possible outcome of the same.

(e) Claims filed by the company:

The Company has filed a claim for Government subsidy with the Department of Industrial Policy and Promotion for a new greenfield hotel project which has commenced operations. The claim is in the initial stage of verification and in the absence of reasonable certainity at this stage on the amount that may be ultimately approved. No deferred income has been recognised.

Note 31 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 63.07 crores (March 31, 2016 – ₹ 127.31 crores, April 1, 2015 – ₹ 83.77 crores).

Note 32 : Operating Lease

The Company has taken certain vehicles, land and immovable properties on operating lease. The lease of hotel properties are generally long term in nature with varying terms and renewal rights expiring within five years to one hunderd & ninety eight years. On renewal, the terms of the leases are renegotiated. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses (Refer note no 26, Footnote (iv), Page 144).

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

Particulars	**March 31, 2017** **₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Not later than one year	**54.69**	54.84	48.22
Later than one year but not later than five years	**201.18**	213.30	204.10
Later than five years	**1,178.37**	1,215.02	1,221.50
	1,434.24	1,483.16	1,473.82

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.

Notes to Financial Statements for the year ended March 31, 2017

Expenses recognised in the Statement of Profit and Loss:

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Minimum Lease Payments/ Fixed Rentals	**39.19**	37.14
Contingent rents *	**88.69**	89.50
	127.88	126.64

* contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased.

Note 33 : Financial Instruments measurements and disclosures

a) Financial instruments by category:

As on March 31, 2017

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote):				
Equity shares	-	382.60	-	382.60
Mutual fund units	53.10	-	-	53.10
Loans to Subsidiary Companies	32.43	-	-	**32.43**
Total	**85.53**	**382.60**	**-**	**468.13**
Not measured at fair value				
Trade Receivables	-	-	213.74	213.74
Cash and cash equivalents	-	-	14.07	14.07
Other Balances with Banks	-	-	7.63	7.63
Loans	-	-	6.82	6.82
Security Deposits	-	-	64.35	64.35
Other financial assets	-	-	114.07	114.07
	-	-	420.68	420.68
Total	**85.53**	**382.60**	**420.68**	**888.81**
Financial liabilities:				
Measured at fair value				
Derivative instruments	244.27	-	-	244.27
Not measured at fair value				
Borrowings	-	-	2,048.98	2,048.98
Trade Payables including creditors for capital expenditure	-	-	212.12	212.12
Deposits	-	-	99.43	99.43
Other financial liabilities	-	-	210.78	210.78
Total	**244.27**	**-**	**2,571.31**	**2,815.58**

Footnote:

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 2,492.49 crores.

Notes to Financial Statements for the year ended March 31, 2017

As on March 31, 2016

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote):				
Equity shares	-	254.81	-	**254.81**
Mutual fund units	135.87	-	-	**135.87**
Loans to Subsidiary Companies	1,051.94	-	-	**1,051.94**
Total	**1,187.81**	**254.81**	**-**	**1,442.62**
Not measured at fair value				
Trade Receivables	-	-	161.83	**161.83**
Cash and cash equivalents	-	-	21.12	**21.12**
Other Balances with Banks	-	-	8.09	**8.09**
Loans	-	-	6.82	**6.82**
Security Deposits	-	-	67.08	**67.08**
Other financial assets	-	-	112.23	**112.23**
	-	-	**377.17**	**377.17**
Total	**1,187.81**	**254.81**	**377.17**	**1,819.79**
Financial liabilities:				
Measured at fair value				
Derivative instruments	338.10	-	-	**338.10**
Not measured at fair value				
Borrowings	-	-	2,157.65	**2,157.65**
Trade Payables including capital creditors	-	-	194.84	**194.84**
Deposits	-	-	98.59	**98.59**
Other financial liabilities	-	-	180.27	**180.27**
Total	**338.10**	**-**	**2,631.35**	**2,969.45**

Footnote:

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 1,564.03 crores.

Notes to Financial Statements for the year ended March 31, 2017

As on April 1, 2015

	FVTPL	FVOCI	Amortised cost	Total carrying value
	₹ crores	₹ crores	₹ crores	₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote):				
Equity shares	-	235.75	-	**235.75**
Mutual fund units	431.82	-	-	**431.82**
Loans	1,112.39	-	-	**1,112.39**
Total	**1,544.21**	**235.75**	**-**	**1,779.96**
Not measured at fair value				
Trade Receivables	-	-	139.56	**139.56**
Cash and cash equivalents	-	-	283.44	**283.44**
Other Balances with Banks	-	-	74.01	**74.01**
Loans to Subsidiary Companies	-	-	19.66	**19.66**
Security Deposits	-	-	75.27	**75.27**
Other financial assets	-	-	148.44	**148.44**
	-	**-**	**740.38**	**740.38**
Total	**1,544.21**	**235.75**	**740.38**	**2,520.34**
Financial liabilities:				
Measured at fair value				
Derivative instruments	318.66	-	-	**318.66**
Not measured at fair value				
Borrowings	-	-	2,899.92	**2,899.92**
Trade Payables including creditors for capital expenditure	-	-	157.61	**157.61**
Deposits	-	-	97.78	**97.78**
Other financial liabilities	-	-	195.67	**195.67**
Total	**318.66**	**-**	**3,350.98**	**3,669.64**

Footnote:

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 1,343.55 crores.

Notes to Financial Statements for the year ended March 31, 2017

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, 2017

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	280.44	-	102.16	**382.60**
Mutual fund units	53.10	-	-	**53.10**
Loans to Subsidiary Companies	-	-	32.43	**32.43**
Total	**333.54**	**-**	**134.59**	**468.13**
Not measured at fair value (Refer Footnotes)				
Total	**333.54**	**-**	**134.59**	**468.13**
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	244.27	-	**244.27**
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non Convertible Debentures	-	1,848.50	-	**1,848.50**
Foreign Currency Term Loans	-	204.52	-	**204.52**
Term Loan from Banks	-	49.88	-	**49.88**
Total	**-**	**2,347.17**	**-**	**2,347.17**

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 for the year ended March 31, 2017

As on March 31, 2016

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	153.17	-	101.64	**254.81**
Mutual fund units	135.87	-	-	**135.87**
Loans to Subsidiary Companies	-	-	1,051.94	**1,051.94**
Total	**289.04**	**-**	**1,153.58**	**1,442.62**
Not measured at fair value (Refer Footnotes)				
Total	**289.04**	**-**	**1,153.58**	**1,442.62**
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	338.10	-	**338.10**
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non Convertible Debentures	-	1,641.99	-	**1,641.99**
Foreign Currency Term Loans	-	417.49	-	**417.49**
Term Loan from Banks	-	124.55	-	**124.55**
Total	**-**	**2,522.13**	**-**	**2,522.13**

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 for the year ended March 31, 2017

As on April 1, 2015

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	77.42	-	158.33	**235.75**
Mutual fund units	431.82	-	-	**431.82**
Loans to Subsidiary Companies	-	-	1,112.39	**1,112.39**
Total	**509.24**	**-**	**1,270.72**	**1,779.96**
Not measured at fair value (Refer Footnote)				
Total	**509.24**	**-**	**1,270.72**	**1,779.96**
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	318.66	-	318.66
Not measured at fair value (Refer Footnote)				
Borrowings				
Non Convertible Debentures	-	2,368.16	-	2,368.16
Foreign Currency Term Loans	-	588.30	-	588.30
Total	**-**	**3,275.12**	**-**	**3,275.12**

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.

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 included listed equity instruments, traded debentures and mutual funds that have quoted price. 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. The mutual funds are valued using the closing NAV.

(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 maximize 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

Notes to Financial Statements for the year ended March 31, 2017

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 the 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

f) Reconciliations of level 3 fair values

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

	Assets	
	Equity instruments	Loans
	₹ crores	₹ crores
Balance as at April 1, 2015	**158.33**	**1,112.39**
Changes on account of forex fluctuations	-	69.13
Loans given	-	844.82
Sale of Shares	(56.69)	-
Loans repaid	-	(974.40)
Balance as at March 31, 2016	**101.64**	**1,051.94**
Changes on account of forex fluctuations	-	4.37
Net change in fair value (unrealized)	0.52	-
Loans given		135.19
Loans repaid	-	(167.93)
Conversion into Equity (Refer Note 5, Footnote (iv), Page 127)		(991.14)
Balance as at March 31, 2017	**102.16**	**32.43**

Notes to Financial Statements for the year ended March 31, 2017

g) Valuation inputs and relationships to fair value

Description of significant unobservable inputs used in level 3 fair value measurements is enumerated in the table below:

Particulars	Fair value as at			Significant unobservable inputs	Probability-weightage range			Sensitivity
	31-Mar-17	31-Mar-16	01-Apr-15		31-Mar-17	31-Mar-16	01-Apr-15	
Unlisted equity instruments	102.16	101.64	158.33	Capitalisation rate	14.5%-15.5%	14.5%-15.5%	14.5%-15.5%	2017: Increase/ decrease in capitalisation rate change by 0.50 basis point would decrease/increase fair value by ₹ 0.11 crores 2015 & 2016: Increase/ decrease in capitalisation rate change by 0.50 basis point would decrease/increase fair value by ₹ 0.10 crores
Loans given	32.43	1,051.93	1,112.40	Exchange Rate	68.09-61.61	69.57-62.95	65.4-59.17	2017: Increase/ decrease in exchange rate by 5% would increase /decrease fair value by ₹ 1.63 crore. 2016 :Increase/ decrease in exchange rate change by 5% would increase/ decrease fair value by ₹ 52.60 crores 2015 :Increase/ decrease in exchange rate change by 5% would increase/ decrease fair value by ₹ 56.09 crores
	134.59	**1,153.57**	**1,270.73**					

Note 34 : Financial risk management

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the 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

Notes to Financial Statements for the year ended March 31, 2017

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 internal audit team. 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.

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. 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 company.

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.

i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	**March 31, 2017**	March 31, 2016	April 1, 2015
	₹ crores	₹ crores	₹ crores
Expiring within one year:			
Bank overdraft	**80.00**	80.00	80.00
Bank Loans	**100.00**	125.00	-
Expiring beyond one year	**-**	-	-
Total	**180.00**	205.00	80.00

The bank overdraft facilities may be drawn at any time by the company. The bank loan facilities are available upto July 31, 2017 and will have a maturity of 18 months from drawdown (March 31, 2016 - the bank loan facilities were available upto May 31, 2016 and had a maturity of 18 months from drawdown).

Notes to Financial Statements for the year ended March 31, 2017

The breakup of the borrowings into fixed and floating interest rates is as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	₹ crores	₹ crores	₹ crores
Fixed interest rate	**1,923.62**	1,886.49	2,702.83
Floating interest rate	**125.36**	271.16	197.09
Total	**2,048.98**	2,157.65	2,899.92

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.

March 31, 2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	555.83	-	1,110.84	499.02	2,165.69
Trade and other payables	177.14	-	-	-	177.14
Interest on the borrowings	107.17	99.03	257.68	1.60	465.48
Other financial liabilities	294.43	1.75	4.37	0.38	300.93
Total	**1,134.57**	**100.78**	**1,372.89**	**501.00**	**3,109.24**
Derivative financial liabilities	-	-	244.38	-	244.38
Financial guarantee contracts	40.46	8.02	108.27	141.24	297.99
Total financial liabilities	**1,175.03**	**108.80**	**1,725.54**	**642.24**	**3,651.61**

March 31, 2016	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	608.51	629.06	560.84	554.11	2,352.52
Trade and other payables	172.85	-	-	-	172.85
Interest on borrowings	106.36	68.31	173.98	27.30	375.95
Other financial liabilities	254.88	9.30	0.78	-	264.96
Total	**1,142.60**	**706.67**	**735.60**	**581.41**	**3,166.28**
Derivative financial liabilities	49.05	0.65	134.85	153.55	338.10
Financial guarantee contracts	125.42	8.19	355.99	795.12	1,284.72
Total financial liabilities	**1,317.07**	**715.51**	**1,226.44**	**1,530.08**	**4,789.10**

Notes to Financial Statements for the year ended March 31, 2017

April 1, 2015	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	1,033.01	588.49	1,052.33	553.86	3,227.69
Trade and other payables	138.73	-	-	-	138.73
Interest on the borrowings	106.05	94.92	185.65	55.18	441.80
Other financial liabilities	271.22	0.03	9.35	-	280.60
Total	**1,549.01**	**683.44**	**1,247.33**	**609.04**	**4,088.62**
Derivative financial liabilities	41.58	25.30	118.50	133.27	318.65
Financial guarantee contracts	140.22	-	311.45	672.73	1124.40
Total financial liabilities	**1,730.81**	**708.74**	**1,677.28**	**1,415.04**	**5,531.87**

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.

Particulars	Note	March 31, 2017	March 31, 2016	April 1, 2015
		₹ crores	₹ crores	₹ crores
Term loans	15	2,048.98	2,157.65	2,899.92
Less: Cash and cash equivalents	11	14.07	21.12	283.44
Less: Current Investments	5 (b)	53.10	135.87	431.82
Net debt		1,981.81	2,000.66	2,184.66
Equity	13/14	2,615.90	2,375.58	2,148.77
Gearing ratio		0.76	0.84	1.02

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, company has foreign currency exposure for its

Notes to Financial Statements for the year ended March 31, 2017

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, 2017**		March 31, 2016		April 1, 2015	
	Notional principal (US$ million)	**Fair values (₹ crores)**	Notional principal (US$ million)	Fair values (₹ crores)	Notional principal (US$ million)	Fair values (₹ crores)
Cross currency Interest rate Swap	**108.42**	**244.38**	130.53	336.79	143.80	316.10
Interest Rate Swap	**21.11**	**(0.11)**	42.23	1.31	63.34	2.56
Total	**129.53**	**244.27**	172.76	338.10	207.14	318.66

Sensitivity

For the year ended March 31, 2017 and March 31, 2016, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall affect the company's profit before tax by approximately 14.90% and 16.75% respectively and every 3% increase in the interest rate shall affect the company's profit before tax by approximately 5.89% and (2.20)% respectively.

For the year ended March 31, 2017 and March 31, 2016, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the company's profit before tax by approximately 4.01% and 22.48% respectively and every 3% decrease in the interest rate shall increase/(reduce) affect the company's profit before tax by approximately (5.00)% and 3.53% respectively.

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

Currency	**March 31, 2017**	March 31, 2016	April 1, 2015
United States Dollar (Million)	**(26.67)**	95.43	85.08

Sensitivity

For the year ended March 31, 2017 and March 31, 2016, 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 2.00% and 12.41% respectively.

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 ₹ 254.40 crores as at March 31, 2017 (March 31, 2016 - ₹ 542.04 crores, April 1, 2015 - ₹ 588.30 crores). The carrying value of the long term debt approximates fair value since the current interest rate approximates the market rate.

Notes to Financial Statements for the year ended March 31, 2017

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, 2017 would increase/ decrease by 6.35 % (for the year ended March 31, 2016: increase/ decrease by 6.44 %).

Note 35 : Employee Benefits

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds"(net of recoveries):

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Provident Fund	**18.91**	18.88
Superannuation Fund	**5.17**	4.24
Total	**24.08**	23.12

(b) The Company operates post retirement defined benefit plans as follows :-

a. Funded :

i. Post Retirement Gratuity

ii. Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

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) Pension Scheme for Employees:

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(d) The above defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Notes to Financial Statements for the year ended March 31, 2017

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.
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.
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.
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.

(e) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2017 :-

(i) Amount to be recognised in Balance Sheet and movement in net liability

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Present Value of Funded Obligations	**163.60**	**-**	**-**	**-**	**7.15**
	163.00	*-*	*-*	*-*	*6.49*
	157.56	*-*	*-*	*-*	*5.92*
Present Value of Unfunded Obligations	-	**5.55**	**4.25**	**15.33**	-
	-	*4.75*	*4.64*	*12.98*	-
	-	*3.09*	*4.95*	*2.82*	-
Fair Value of Plan Assets	**(167.49)**	**-**	**-**	**-**	**(8.95)**
	(156.53)	*-*	*-*	*-*	*(8.37)*
	(153.72)	*-*	*-*	*-*	*(7.78)*
Amount not recognised due to asset limit	**-**	**-**	**-**	**-**	**0.61**
	-	-	-	-	*0.64*
	-	-	-	-	*0.63*
Net (Asset) / Liability	**(3.89)**	**5.55**	**4.25**	**15.33**	**(1.19)**
	6.47	*4.75*	*4.64*	*12.98*	*(1.24)*
	3.84	*3.09*	*4.95*	*2.82*	*(1.23)*

Notes to Financial Statements for the year ended March 31, 2017

(ii) Expenses recognised in the Statement of Profit & Loss

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Current Service Cost	**9.00**	**0.10**	**0.32**	**0.33**	**0.14**
	8.78	*1.92*	*0.38*	*11.19*	*0.12*
Past service Cost	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	0.76
Interest Cost	**0.30**	**0.35**	**0.33**	**0.97**	**(0.09)**
	0.30	*0.24*	*0.37*	*0.21*	*(0.09)*
Total	**9.30**	**0.45**	**0.65**	**1.30**	**0.05**
	9.08	*2.16*	*0.75*	*11.40*	*0.79*

Footnote:

Amount taken to Statement of Profit and Loss in respect of gratuity is net of recovery ₹ 1.43 crores (Previous year ₹ 2.01 crores).

(iii) Expenses recognised in Other Comprehensive Income (OCI)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	**2.78**	**0.14**	**0.19**	**0.39**	**0.15**
	(2.55)	*0.08*	*(0.08)*	*0.04*	*0.15*
Experience adjustments	**(1.28)**	**0.53**	**(0.13)**	**1.01**	**0.21**
	6.70	*(0.40)*	*0.49*	*(1.00)*	*(0.04)*
Actual return on plan assets less interest on plan assets	**(11.16)**	-	-	-	**(0.33)**
	3.64	-	-	-	*(0.12)*
Adjustment to recognise the effect of asset ceiling	-	-	-	-	**(0.08)**
	-	-	-	-	*(0.04)*
Total	**(9.66)**	**0.67**	**0.06**	**1.40**	**(0.05)**
	7.79	*(0.32)*	*0.40*	*(0.96)*	*(0.05)*

Notes to Financial Statements for the year ended March 31, 2017

(iv) Reconciliation of Defined Benefit Obligation

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Opening Defined Benefit Obligation	**163.00**	**4.75**	**4.64**	**12.98**	**6.49**
	157.56	*3.09*	*4.95*	*2.82*	*5.92*
Current Service Cost	**9.00**	**0.10**	**0.32**	**0.33**	**0.14**
	8.78	*1.92*	*0.38*	*11.19*	*0.12*
Interest Cost	**11.36**	**0.35**	**0.33**	**0.97**	**0.48**
	11.85	*0.24*	*0.37*	*0.21*	*0.47*
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	**2.78**	**0.14**	**0.19**	**0.39**	**0.15**
	(2.55)	*0.08*	*(0.08)*	*0.05*	*0.15*
Changes in demographic assumptions	-	-	-	-	-
	-	-	-	-	-
Experience adjustments	**(1.28)**	**0.53**	**(0.13)**	**1.01**	**0.21**
	6.70	*(0.40)*	*0.49*	*(1.00)*	*(0.04)*
Benefits Paid	**(21.26)**	**(0.32)**	**(1.10)**	**(0.35)**	**(0.32)**
	(19.34)	*(0.18)*	*(1.47)*	*(0.29)*	*(0.13)*
Closing Defined Benefit Obligation	**163.60**	**5.55**	**4.25**	**15.33**	**7.15**
	163.00	*4.75*	*4.64*	*12.98*	*6.49*

(v) Reconciliation of Fair Value of Plan Assets

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Opening Fair Value of Plan Assets	**156.53**	-	-	-	**8.37**
	153.72	-	-	-	*7.78*
Interest on Plan Assets	**11.06**	-	-	-	**0.62**
	11.55	-	-	-	*0.60*
Remeasurements due to:					
Actual return on plan assets less interest on plan assets	**11.16**	-	-	-	**0.33**
	(3.64)	-	-	-	*0.12*
Contribution by Employer	**10.00**	**0.32**	**1.10**	**0.35**	**(0.05)**
	14.24	*0.18*	*1.47*	*0.29*	-
Benefits Paid	**(21.26)**	**(0.32)**	**(1.10)**	**(0.35)**	**(0.32)**
	(19.34)	*(0.18)*	*(1.47)*	*(0.29)*	*(0.13)*
Closing Fair Value of Plan Assets	**167.49**	-	-	-	**8.95**
	156.53	-	-	-	*8.37*
Expected Employer's contribution/ outflow next year	**15.00**	-	-	-	-
	5.00	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2017

(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 %	**7.30%**	**7.30%**	**7.30%**	**7.30%**	**7.30%**
	7.55%	*7.55%*	*7.55%*	*7.55%*	*7.55%*
Salary Escalation Rate (p.a.) in %	**4%-5%**	**-**	**4.00%**	**10.00%**	**-**
	4%-5%	-	*4.00%*	*10.00%*	-
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 (2006-08) Ult table

Table 2 – UK Published PA (90) annuity rated down by 4 years

Notes to Financial Statements for the year ended March 31, 2017

(vii) Disaggregation of Plan Assets (Managed by an Insurance Company)

a) **Gratuity Funded**

	March 31, 2017				March 31, 2016				April 1, 2015			
	Quoted	**Unquoted**	**Total**	**%**	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Government Debt Instruments	**33.54**	**-**	**33.54**	**20%**	70.60	-	70.60	45%	75.94	-	75.94	49%
Other Debt Instruments	**68.65**	**-**	**68.65**	**41%**	51.75	-	51.75	33%	52.02	-	52.02	34%
Other Equity Instruments	**30.62**	**-**	**30.62**	**18%**	23.34	-	23.34	15%	23.97	-	23.97	16%
Others	**33.88**	**0.80**	**34.68**	**21%**	10.56	0.28	10.84	7%	1.26	0.53	1.79	1%
Total	**166.69**	**0.80**	**167.49**	**100%**	156.25	0.28	156.53	100%	153.19	0.53	153.72	100%

b) **Pension Staff Funded**

	March 31, 2017				March 31, 2016				April 1, 2015			
	Quoted	**Unquoted**	**Total**	**%**	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Government Debt Instruments	**3.72**	**-**	**3.72**	**42%**	3.47	-	3.47	41%	2.71	-	2.71	35%
Other Debt Instruments	**4.96**	**-**	**4.96**	**55%**	4.71	-	4.71	56%	4.31	-	4.31	55%
Other Equity Instruments	**0.14**	**-**	**0.14**	**2%**	0.13	-	0.13	2%	-	-	-	-
Others	**-**	**0.13**	**0.13**	**1%**	-	0.06	0.06	1%	-	0.76	0.76	10%
Total	**8.82**	**0.13**	**8.95**	**100%**	8.31	0.06	8.37	100%	7.02	0.76	7.78	100%

Notes to Financial Statements for the year ended March 31, 2017

(viii) Sensitivity Analysis (for each defined benefit plan)

March 31, 2017	Gratuity March 31, 2017		Pension Top up March 31, 2017		Pension Staff Funded March 31, 2017		
	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)					
Impact of increase in 50 bps on DBO	**(3.35)**	**3.65**	**(5.32)**		**(4.20)**		
Impact of decrease in 50 bps on DBO	**3.57**	**(3.45)**	**5.81**		**4.50**		
Impact of life expectancy 1 year decrease				**(1.80)**		-	
Impact of life expectancy 1 year Increase				**1.77**		-	

	Post- Employment Medical Benefits Unfunded March 31, 2017			Pension Director Unfunded March 31, 2017		
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Pension rate
Impact of increase in 50 bps on DBO	(5.05)			(4.96)		
Impact of decrease in 50 bps on DBO	5.53			5.42		
Impact of life expectancy 1 year decrease		(3.24)			(2.70)	
Impact of life expectancy 1 year Increase		3.06			2.62	
Defined benefit obligation on pension increase rate minus 100 bps						(9.55)
Defined benefit obligation on pension increase rate plus 100 bps						11.21
Defined benefit obligation on healthcare costs rate minus 100 bps			(6.06)			
Defined benefit obligation on healthcare costs rate plus 100 bps			7.27			

(ix) Sensitivity Analysis (for each defined benefit plan)

March 31, 2016	Gratuity March 31, 2016		Pension Top up March 31, 2016		Pension Staff Funded March 31, 2016		
	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)					
Impact of increase in 50 bps on DBO	(3.34)	3.65	(5.43)		(4.53)		
Impact of decrease in 50 bps on DBO	3.56	(3.45)	6.03		4.74		
Impact of life expectancy 1 year decrease				(1.71)		-	
Impact of life expectancy 1 year Increase				1.78		-	

Notes to Financial Statements for the year ended March 31, 2017

	Post- Employment Medical Benefits Unfunded			Pension Director Unfunded		
	March 31, 2016			March 31, 2016		
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Pension rate
Impact of increase in 50 bps on DBO	(5.29)			(5.92)		
Impact of decrease in 50 bps on DBO	5.80			6.51		
Impact of life expectancy 1 year decrease		(3.52)			(3.66)	
Impact of life expectancy 1 year Increase		3.30			3.51	
Defined benefit obligation on pension increase rate minus 100 bps						(8.70)
Defined benefit obligation on pension increase rate plus 100 bps						10.08
Defined benefit obligation on healthcare costs rate minus 100 bps			(6.06)			
Defined benefit obligation on healthcare costs rate plus 100 bps			7.31			

(x) Movement in Asset Ceiling

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Opening Value of asset ceiling	**0.64**	0.63
Interest on Opening balance of asset ceiling	**0.05**	0.05
Remeasurement due to:	**-**	-
Change in Surplus/deficit	**(0.08)**	(0.04)
Closing value of asset ceiling	**0.61**	0.64

(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	**27.78**	**0.28**	**0.98**	**0.62**	**0.45**
	25.03	*0.21*	*0.55*	*0.16*	*0.37*
Between one and five years	**69.11**	**1.49**	**2.52**	**4.29**	**1.93**
	69.93	*1.11*	*3.16*	*1.94*	*1.63*
After five years	**214.52**	**13.87**	**2.16**	**36.71**	**12.98**
	222.75	*13.21*	*2.74*	*41.44*	*13.13*
Weighted average duration of the Defined	**6.91**	**10.57**	**11.26**	**10.05**	**8.21**
Benefit Obligation (in years)	*6.89*	*11.06*	*11.68*	*12.76*	*8.89*

Footnote: Figures in italics are of the previous year.

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 Financial Statements for the year ended March 31, 2017

Note 36 : Specified Bank Notes disclosure:

During the year, the Company had specified bank notes (SBNs) or other denomination note (ODNs) as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ crores

Particulars	SBNs	ODNs	Total
Closing cash on hand as on November 8, 2016	2.68	0.37	3.05
Add: Non Permitted receipts	0.12*	-	0.12
Add: Permitted receipts	-	9.85	9.85
Less: Permitted payments	-	(1.84)	(1.84)
Less: Amounts Deposited in Banks	(2.80)	(6.07)	(8.87)
Closing Cash on hand as on December 30, 2016	-	2.31	2.31

* collected due to business exigencies.

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. The Company has replied to the notices and is waiting for the directorate to return its files, after which it will complete the replies. Adjudication proceedings are in progress.

Note 38 : Deposits and Advances in the nature of loans to Subsidiaries, Joint Ventures and Associates

Particulars	**Maximum amount outstanding during the year** ₹ crores	**Balance Outstanding as on March 31, 2017** ₹ crores	Maximum amount outstanding during the previous year ₹ crores	Balance Outstanding as on March 31, 2016 ₹ crores
Subsidiaries				
IHOCO BV *	**939.48**	**-**	880.59	853.03
Taj International Hotels (HK) Ltd.*	**202.62**	**32.43**	1,185.97	198.90
Joint Ventures				
Taj Karnataka Hotels & Resorts Ltd.	**5.35**	**5.35**	5.35	5.35
TAL Hotels & Resorts Ltd.	**-**	**-**	9.96	-
Associates				
Taida Trading and Industries Ltd.	**4.54**	**4.54**	8.04	4.54

* No interest is payable

Notes to Financial Statements for the year ended March 31, 2017

Note 39 : Tax Disclosures

i) Income Tax recognised in the Statement Profit and loss:

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Current Tax		
In respect of the current year	**109.24**	48.05
In respect of earlier years	-	(1.33)
	109.24	46.72
Deferred Tax		
MAT credit	-	(51.89)
Other items	**7.67**	73.91
	7.67	22.02
Total tax expense recognised in the current year	**116.91**	68.74

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	March 31, 2017	March 31, 2016
Profit before tax (a)	**258.85**	152.89
Income tax rate as applicable (b)	**34.61%**	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**89.58**	52.91
Permanent tax differences due to:		
Effect of Loss of International Hotel Management Services LLC which was amalgamated consequent to Scheme of Arrangement	-	1.07
Effect of Loss of Lands End Properties Private Limited which was amalgamated consequent to Scheme of Arrangement	-	21.07
Effect of income that is exempt from taxation	**(8.35)**	(19.12)
Income considered as capital in nature under tax and tax provisions	**(2.49)**	(23.92)
Effect of expenses that are not deductible in determining taxable profit	**6.40**	6.18
Impairment losses on investments that are not deductible	**22.26**	0.12
Expense considered to be capital in nature under tax and tax provisions	**0.86**	26.43
Others	**8.65**	5.33
	116.91	70.07
Prior year taxes as shown above	-	(1.33)
Income tax expense recognised in the Statement of Profit and Loss	**116.91**	68.74

Notes to Financial Statements for the year ended March 31, 2017

iii) Income tax recognised in other comprehensive income:

Particulars	**March 31, 2017**	March 31, 2016
	₹ crores	₹ crores
Current Tax		
Tax impact on profit on sale of investment in equity shares at fair value through Other Comprehensive Income	**-**	4.04
Deferred tax		
(a) Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at fair value through Other Comprehensive Income	**0.09**	-
Remeasurement of defined benefit obligation	**2.84**	(2.50)
Reversal of Deferred Tax Liability on account of Tata Projects	**-**	(12.99)
Reversal of Deferred Tax Assets on Unused Tax Losses	**-**	8.95
	2.93	(6.54)
(b) Arising on income and expenses reclassified from equity to profit or loss:		
Relating to financial assets measured at fair value through other comprehensive income	**-**	-
On disposal of foreign operation	**-**	-
Others		
	-	-
Total income tax recognised in other comprehensive income	**2.93**	(2.50)
(c) Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	**2.93**	(2.50)
Items that may be reclassified to profit or loss	**-**	-
	2.93	(2.50)

iv) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	**March 31, 2017**	March 31, 2016	March 31, 2015
	₹ crores	₹ crores	₹ crores
Deferred Tax assets	**155.32**	216.07	198.23
Deferred Tax liabilities	**(443.64)**	(444.87)	(411.55)
Net Deferred Tax Liability	**(288.32)**	(228.80)	(213.32)

Notes to Financial Statements for the year ended March 31, 2017

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

March 31, 2017	Opening Balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	MAT credit utilised	Closing balance
Deferred tax assets/ (liabilities):					
Property, plant and equipment & Intangible Assets	(442.77)	16.48	-	-	**(426.29)**
Unamortised borrowing cost	(0.90)	0.57	-	-	**(0.33)**
Fair valuation changes of derivative contracts	(0.21)	(15.73)	-	-	**(15.94)**
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(0.99)	-	(0.09)	-	**(1.08)**
Provision for Employee Benefits	23.08	5.83	(2.84)	-	**26.07**
Unused tax losses (Business)	21.74	(21.74)	-		**-**
MAT Credit Entitlement	126.58	-	-	(48.92)	**77.66**
Reward Points	19.25	(1.35)	-	-	**17.90**
Provision for Contingencies	18.60	2.52	-	-	**21.12**
Allowance for Doubtful Debts	3.82	0.22	-	-	**4.04**
Others	3.00	5.53	-	-	**8.53**
Total Deferred Tax Liability	**(228.80)**	**(7.67)**	**(2.93)**	**(48.92)**	**(288.32)**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

March 31, 2016	Opening Balance as at April 1, 2015	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets/ (liabilities):				
Property, plant and equipment & Intangible Assets	(396.37)	(46.40)	-	(442.77)
Unamortised borrowing cost	(1.20)	0.30	-	(0.90)
Fair valuation changes of derivative contracts	0.91	(1.12)	-	(0.21)
Unrealised gain on equity shares carried at fair value through OCI	(13.98)	-	12.99	(0.99)
Provision for Employee Benefits	14.26	6.32	2.50	23.08
Unused tax losses (Business)	71.04	(49.30)	-	21.74
Unused tax losses (Capital)	8.95	-	(8.95)	-
MAT Credit Entitlement	74.69	51.88	-	126.57
Reward points	10.94	8.31	-	19.25
Provision for Contingencies	12.20	6.40	-	18.60
Allowance for Doubtful Debts	2.61	1.21	-	3.82
Others	2.63	0.38	-	3.01
Total Deferred Tax Liability	**(213.32)**	**(22.02)**	**6.54**	**(228.80)**

Notes to Financial Statements for the year ended March 31, 2017

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 Ltd (including its subsidiaries and joint ventures)	India

ii. Subsidiary Companies

Name of the Company	Country of Incorporation
Domestic	
TIFCO Holdings Ltd.	India
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 Private Limited	India
Sheena Investments Private Limited	India
ELEL Hotels & Investments Limited	India
Luthria & Lalchandani Hotel & Properties Pvt. Ltd	India
International	
Samsara Properties Ltd.[1]	British Virgin Islands
Chieftain Corporation NV [2]	Netherlands Antilles
Apex Hotel Management Services (Pte) Ltd.[3]	Singapore
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
Apex Hotel Management Services (Australia) Pty. Ltd.[4]	Australia

[1] application for liquidation was made in May, 2017

[2] liquidated on April 13, 2017

[3] in process of liquidation with effect from December 21, 2016

[4] sold on March 31, 2017

Notes to Financial Statements for the year ended March 31, 2017

iii. Joint Ventures

Name of the Company	**Country of Incorporation**
Domestic	
Taj Madras Flight Kitchen Pvt. Ltd.	India
Taj Sats Air Catering Ltd.	India
Taj Karnataka Hotels & Resorts Ltd.	India
Taj Kerala Hotels & Resorts Ltd.	India
Taj GVK Hotels & Resorts Ltd.	India
Taj Safaris Ltd	India
Kaveri Retreats and Resorts Ltd.	India
International	
TAL Hotels & Resorts Ltd.	Hong Kong
TAL Maldives Resorts Pte. Ltd.	Maldives
IHMS Hotels (SA) (Proprietary) Ltd. and its subsidiary	South Africa

iv. Associates

Name of the Company	**Country of Incorporation**
Domestic	
Oriental Hotels Limited and its subsidiaries	India
Taj Madurai Limited	India
Taida Trading & Industries Ltd. and its subsidiaries	India
International	
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**
Rakesh Sarna	Managing Director & CEO
Anil P. Goel *	Executive Director & CFO
Abhijit Mukerji #	Executive Director – Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs

*for part of the year upto October 15, 2016, post which Mr. Giridhar Sanjeevi was appointed as Chief Financial Officer with effect from May 4, 2017

#for part of the previous year upto April 13, 2015

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

Notes to Financial Statements for the year ended March 31, 2017

(b) The details of related party transactions during the year ended March 31, 2017 and March 31, 2016 are as follows :

Particulars	Company having significant influence *	Key Management Personnel	Subsidiaries	Associates #	Joint Ventures#	Post Retirement benefit plans
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Interest income	**0.17**	-	-	**0.46**	**0.48**	-
	-	-	*0.12*	*0.64*	*1.01*	-
Dividend income	-	-	**14.42**	**0.90**	**0.64**	-
	10.80	-	*20.36*	*1.53*	-	-
Dividend Paid	**8.78**	-	-	**0.05**	-	-
	-	-	-	-	-	-
Operating / Licence fees expense	-	-	**0.32**	-	-	-
	-	-	*0.32*	-	-	-
Operating fees income	-	-	**44.20**	**26.90**	**29.75**	-
	-	-	*44.92*	*25.03*	*27.16*	-
Purchase of goods and services	**55.65**	-	**20.05**	**0.48**	**0.16**	-
	52.67	-	*13.44*	*0.27*	*0.07*	-
Sale of goods and services	**17.77**	-	**2.55**	-	**0.61**	-
	10.85	-	*3.89*	*0.10*	*0.04*	-
Deputed Staff reimbursements	-	-	**6.05**	**3.03**	**5.23**	-
	0.09	-	*6.72*	*3.53*	*2.94*	-
Other Cost reimbursements	**0.12**	-	**2.80**	**0.88**	**0.53**	-
	0.03	-	*0.43*	*2.71*	*0.18*	-
Loyalty expense (Net of redemption credit)	**0.12**	-	**9.38**	**5.28**	**2.70**	-
	-	-	*5.35*	*3.62*	*1.62*	-
Deputed Staff Out	**0.42**	-	**22.11**	**14.91**	**17.09**	-
	0.39	-	*24.25*	*16.13*	*15.10*	-
Contribution to Funds	-	-	-	-	-	**24.78**
	-	-	-	-	-	*28.92*
Deposit Placed	-	-	-	-	-	-
	-	-	*4.00*	-	-	-
Inter corporate Deposit (''ICD'') Placed	**10.00**	-	-	-	-	-
	-	-	-	-	-	-
ICD Encashed	**10.00**	-	-	-	-	-
	-	-	*4.00*	*3.50*	*9.34*	-
Purchase of Shares	-	-	-	-	-	-
	3.76	-	*252.76*	*11.37*	-	-
Transfer of Shares	-	-	-	-	-	-
	-	-	*111.73*	-	-	-
Deposit Converted into Equity	-	-	**991.14**	-	-	-
	-	-	-	-	-	-
Shareholders' Deposit placed	-	-	**135.19**	-	-	-
	-	-	*844.80*	-	-	-
Shareholders' Deposit encashed	-	-	**167.93**	-	-	-
	-	-	*974.41*	-	-	-

Notes to Financial Statements for the year ended March 31, 2017

Particulars	Company having significant influence *	Key Management Personnel	Subsidiaries	Associates #	Joint Ventures#	Post Retirement benefit plans
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Remuneration Paid / Payable	-	**13.18**	-	-	-	-
(Refer Footnote ii)	-	*17.18*	-	-	-	-
Guarantees/Letter of Comfort given on behalf(net)	-	-	-	-	-	-
(Refer Note 43, Page 183)	-	-	*29.21*	-	*262.22*	-
Guarantees/Letter of Comfort withdrawn	-	-	**977.93**	**-**	**17.61**	-
	-	-	-	-	-	-
The details of amounts due to or from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:						
Trade Receivables (Refer Note 10,	**2.57**	**-**	**11.43**	**8.61**	**35.75**	-
Page 131)	*0.93*	-	*3.03*	*8.61*	*17.13*	-
	1.40	-	*1.00*	*7.54*	*19.22*	-
Trade Payables (Refer Note 19,	**6.08**	**-**	**1.92**	**0.07**	**0.05**	-
Page 140)	*8.14*	-	*2.18*	*0.07*	-	-
	4.46	-	*6.24*	-	-	-
Other Receivables/(Other Payables)	**0.35**	**-**	**81.23**	**1.75**	**(5.30)**	-
(Refer Note 7, Page 130 and Note 16,	*0.63*	-	*80.79*	*1.93*	*1.71*	-
Page 138)	*0.01*	-	*122.53*	*0.53*	*(1.24)*	-
Interest Receivable	-	-	-	**0.35**	**0.59**	-
(Refer Note 7, Page 130)	-	-	-	*0.33*	*0.61*	-
	-	-	-	*1.34*	*1.47*	-
Deposits Receivable	**1.32**	**-**	**36.41**	**4.54**	**5.35**	-
(Refer Note 6, Page 129 and Note	*1.32*	-	*1,055.91*	*4.54*	*5.35*	-
7, Page 130)	*1.23*	-	*1,116.38*	*8.04*	*14.70*	-
Deposits Payable	**-**	**-**	**4.02**	**-**	**-**	**-**
(Refer Note 15, Page 136)	-	-	*4.11*	-	-	-
	-	-	*3.86*	-	-	-
Option Deposit	**71.10**	**-**	**-**	**-**	**-**	**-**
(Refer Note 5 (vi), Page 127)	*71.10*	-	-	-	-	-
	71.10	-	-	-	-	-
Guarantees/Letter of Comfort given on behalf	**-**	**-**	**175.68**	**-**	**244.61**	**-**
(Refer Note 43, Page 183)	-	-	*1,153.61*	-	*262.22*	-
	-	-	*1,124.40*	-	-	-

*including its subsidiaries and joint ventures #including its subsidiaries

Footnotes:

(i) Figures in *italics* are of the previous periods.

(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 and long term incentive. Commission to Executive Directors has been considered on payment basis.

Notes to Financial Statements for the year ended March 31, 2017

(c) Statement of Material Transactions

Name of the Company	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
<u>**Company having substantial interest and its subsidiaries and joint ventures :**</u>			
Tata Sons Ltd.			
Dividend income	**-**	10.80	-
Dividend paid	**8.31**	-	-
Trade Payables	**3.37**	3.07	-
Sale of goods and services	**5.84**	4.01	-
Tata Capital Financial Services Ltd.			
Purchase of Shares	**-**	3.76	-
Tata Consultancy Services Ltd.			
Trade Payables	**2.49**	4.75	3.93
Purchase of goods and services	**32.94**	31.33	-
Sale of goods and services	**2.85**	3.00	-
Taj Air Ltd.			
ICD Placed	**10.00**	-	-
ICD Encashed	**10.00**	-	-
Interest income	**0.17**	-	-
Tata Realty and Infrastructure Ltd.			
Deposit Closing position – Option Deposit	**71.10**	71.10	71.10
Tata AIG General Insurance Company Ltd.			
Purchase of goods and services	**8.42**	7.34	-
Tata SIA Airlines Ltd.			
Sale of goods and services	**4.72**	-	-
Remuneration to Key Management Personnel			
Rakesh Sarna	**7.94**	7.92	-
Anil P. Goel (upto october 15, 2016)	**2.92**	2.61	-
Abhijit Mukerji (upto April 13, 2015)	**-**	4.62	-
Mehernosh S. Kapadia	**2.32**	2.03	-
<u>**Subsidiaries**</u>**:**			
TIFCO Holdings Ltd.			
Dividend income	**8.15**	8.15	-
Trade Payables	**-**	-	3.33
KTC Hotels Ltd.			
Operating/Licence Fees expense	**0.32**	0.32	-
Other receivables/(Other payables)	**-**	(2.21)	(1.78)

Notes to Financial Statements for the year ended March 31, 2017

Name of the Company	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Taj Trade & Transport Co Ltd.			
Sale of goods and services	**-**	2.33	-
Trade Payables	**1.13**	-	-
Other costs reimbursement	**-**	(0.37)	-
Piem Hotels Ltd.			
Trade Receivables	**9.98**	-	-
Dividend income	**3.95**	7.89	-
Operating fees income	**30.14**	30.70	-
Deputed Staff Out	**17.34**	16.98	-
Deputed Staff Reimbursement	**4.87**	5.06	-
Loyalty expense (Net of redemption credit)	**4.03**	2.26	-
Other Cost reimbursements	**1.37**	0.68	-
Skydeck Properties and Developers Private Limited			
Other receivables/(Other payables)	**79.80**	79.80	117.75
Deposit Placed	**-**	4.00	-
ICD Encashed	**-**	4.00	-
United Overseas Holdings Inc.			
Trade Payables	**-**	0.92	0.81
Purchase of goods and services	**11.47**	4.86	-
Guarantee given on behalf (including novation)	**-**	916.44	122.08
Guarantees given on behalf – Closing position	**175.68**	916.44	812.95
Guarantee withdrawn	**740.76**	812.95	-
Other costs reimbursement	**0.78**	-	-
St. James Court Hotel Ltd			
Trade Payables	**-**	-	1.22
Loyalty expense (Net of redemption credit)	**3.75**	1.67	-
Other receivables/(Other payables)	**-**	-	(0.80)
Taj International Hotels (H.K.) Ltd.			
Deposit Closing Position – Receivable	**32.42**	198.90	1,112.39
Deposit Payable	**4.02**	4.11	3.86
Shareholders' Deposit Encashed	**167.93**	974.41	-
Guarantee withdrawn	**237.17**	74.28	-
Guarantees given on behalf – Closing position	**-**	237.17	311.45

Notes to Financial Statements for the year ended March 31, 2017

Name of the Company	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
IHOCO BV			
Shareholders' Deposit Placed	**135.19**	844.80	-
Deposit Converted into Equity	**991.14**	-	-
Transfer of investment	**-**	111.73	-
Deposit Closing Position – Receivable	**-**	853.03	-
Chieftain Corporation NV			
Purchase of IHOCO BV Shares	**-**	252.76	-
<u>Joint Ventures:</u>			
Taj GVK Hotels & Resorts Ltd.			
Other receivables/(Other payables)	**(0.92)**	-	-
Operating fees income	**14.17**	15.66	-
Deputed Staff Out	**8.38**	9.01	-
Deputed Staff Reimbursement	**3.40**	1.98	-
Trade Receivables	**28.03**	14.62	10.19
Taj Karnataka Hotels & Resorts Ltd.			
Interest income	**0.48**	0.48	-
Deposit given outstanding	**5.35**	5.35	5.35
Interest Receivable	**0.59**	0.61	0.62
TAL Hotels & Resorts Limited			
Interest income	**-**	0.53	-
ICD encashed	**-**	9.34	-
Deposit Closing Position – Receivable	**-**	-	9.34
Trade Receivables	**-**	-	3.93
Interest Receivable	**-**	-	0.84
TAL Maldives Resorts Private Ltd.			
Other receivables/(Other payables)	**(6.94)**	(3.68)	(3.98)
Loyalty expense (Net of redemption credit)	**1.91**	-	-
IHMS Hotels SA (Proprietary) Ltd.			
Guarantee withdrawn	**17.61**	-	-
Trade Receivables	**-**	-	3.46
Letter of Comfort given on behalf *	**-**	262.22	-
Letter of Comfort given on behalf – Closing position *	**244.61**	262.22	-

* Liability restricted to ₹ 122.31 crores (March 31, 2016 ₹ 131.11 crores, April 1, 2015 ₹ Nil) as counter indemnity for 50% has been obtained from JV partner.

<u>Associates:</u>			
Taida Trading & Industries Ltd.			
Interest income	**0.46**	0.64	-
Interest Receivable	**0.35**	0.33	1.34
Purchase of Shares	**-**	7.61	-
ICD Encashed	**-**	3.50	-
ICD Closing Position - Receivable	**-**	4.54	8.04

Notes to Financial Statements for the year ended March 31, 2017

Name of the Company	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Oriental Hotels Ltd.			
Operating fees income	**26.90**	25.03	-
Purchase of Shares	**-**	3.76	-
Deputed Staff Out	**14.91**	16.13	-
Loyalty expense (Net of redemption credit)	**4.37**	2.60	-
Deputed Staff reimbursement	**3.03**	3.48	-
Other costs reimbursement	**0.88**	2.64	-
Trade Receivables	**8.61**	8.61	7.54
Post-employment benefit plans			
Contribution to Superannuation Fund	**5.01**	5.41	-
Contribution to Provident Fund	**9.78**	10.00	-
Contribution to Gratuity Fund	**10.00**	13.50	-

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 its 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, Page 111 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:

	Revenue from Hotel Services by location of operations		Non-current assets (see footnote below)		
Country	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
India	**2,376.21**	2,256.12	**2,615.89**	2,495.96	2,322.75
Overseas locations	**15.04**	11.73	**-**	-	-
Total	**2,391.25**	2,267.85	**2,615.89**	2,495.96	2,322.75

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, 2017 and March 31, 2016.

Note 42 : Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'.

Particulars	March 31, 2017	March 31, 2016
Profit after tax (₹ crores)	**141.94**	84.15
Weighted average number of Equity Shares	**98,92,74,015**	98,92,74,015
Earnings Per Share		
Basic and Diluted (₹)	**1.43**	0.85
Face Value per Equity Share (₹)	**1**	1

Notes to Financial Statements for the year ended March 31, 2017

Note 43 : 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, 2017 - ₹ 420.29 crores (March 31, 2016 - ₹ 1,415.83 crores, April 1, 2015 - ₹ 1,124.40 crores). Out of this, counter indemnity for ₹ 122.31 crores (March 31, 2016 - ₹ 131.11 crores, April 1, 2015 - ₹ Nil) has been obtained from a JV partner for his 50% share.

ii) The Company has given letters of support to select subsidiaries, a joint venture and an associate during the year.

Note 44 : The list of investments in subsidiaries, joint ventures and associates are as given below : -

a. **Subsidiary Companies**

		As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Principal place of business/ Country of Incorporation	**Held directly by Parent or through its subsidiaries (%)**	**Effective Holding (%)**	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
Domestic							
Benares Hotels Limited	India	**53.70**	**51.68**	53.70	51.68	53.70	51.68
Inditravel Limited	India	**96.67**	**77.19**	96.67	77.19	96.67	77.19
KTC Hotels Li mited	India	**100.00**	**100.00**	100.00	100.00	100.00	100.00
Northern India Hotels Limited	India	**93.14**	**48.03**	93.14	48.03	93.14	48.03
Piem Hotels Limited	India	**51.57**	**51.57**	51.57	51.57	51.57	51.57
Roots Corporation Limited	India	**66.93**	**63.25**	66.93	63.25	66.93	63.25
Taj Enterprises Limited	India	**90.59**	**74.70**	90.59	74.70	90.59	74.70
Taj Trade & Transport Limited	India	**89.51**	**72.73**	89.51	72.73	89.51	72.73
TIFCO Holdings Limited	India	**100.00**	**100.00**	100.00	100.00	100.00	100.00
United Hotels Limited	India	**55.00**	**55.00**	55.00	55.00	55.00	55.00
Lands End Properties Private Ltd. (Refer Footnote (i))	India	**-**	**-**	-	-	19.90	19.90
Skydeck Properties & Developers Private Limited (Refer Footnote (ii))	India	**100.00**	**100.00**	100.00	100.00	-	-
Sheena Investments Private Limited (Refer Footnote (ii))	India	**100.00**	**100.00**	100.00	100.00	-	-
ELEL Hotels & Investments Limited (Refer Footnote (ii))	India	**85.72**	**85.72**	85.72	85.72	-	-
Luthria & Lalchandani Hotels and Properties Private Limited (Refer Footnote (ii))	India	**87.15**	**87.15**	87.15	87.15	-	-

Notes to Financial Statements for the year ended March 31, 2017

	Principal place of business/ Country of incorporation	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Held directly by Parent or through its subsidiaries (%)	**Effective Holding (%)**	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
International							
Apex Hotel Management Services (Pte) Limited (Refer Footnote (iii))	Singapore	**-**	**-**	100.00	100.00	100.00	100.00
Apex Hotel Management Services (Australia) Pty Ltd. (Refer Footnote (iv))	Australia	**-**	**-**	100.00	100.00	100.00	100.00
Chieftain Corporation NV (Refer Footnote (v))	Netherlands Antilles	**100.00**	**100.00**	100.00	100.00	100.00	100.00
IHOCO BV	Netherlands	**100.00**	**100.00**	100.00	100.00	100.00	100.00
International Hotel Management Services LLC (Refer Footnote (i))	United States of America	**-**	**-**	-	-	100.00	100.00
United Overseas Holding Inc (Refer Footnote (vi))	United States of America	**100.00**	**100.00**	100.00	100.00	-	-
Piem International (HK) Ltd.	Hong Kong	**100.00**	**51.57**	100.00	51.57	100.00	51.57
Samsara Properties Ltd. (Refer Footnote (vii))	British Virgin Islands	**100.00**	**100.00**	100.00	100.00	100.00	100.00
St. James Court Hotel Ltd.	United Kingdom	**89.39**	**72.25**	89.39	72.25	89.39	72.25
Taj International Hotels (HK) Ltd.	Hong Kong	**100.00**	**100.00**	100.00	100.00	100.00	100.00
Taj International Hotels Ltd.	United Kingdom	**100.00**	**100.00**	100.00	100.00	100.00	100.00

Footnotes:

(i) These subsidiaries have been amalgamated with the Company during the year as per the respective court orders (Refer Note 29, Page 148).

(ii) The Company consolidated Lands End Properties Private Limited (''LEPPL'') including its subsidiaries in which the Company held 19.90% stake on transition to Ind AS as it had exposure or had rights, to vari able returns from its involvement with this entity. Subsequently, the Company had acquired remaining 80.10% stake in LEPPL on October 14, 2015.

(iii) Apex Hotel Management Services (Pte) Ltd. is in the process of liquidation with effect from December 21, 2016.

(iv) Apex Hotel Management Services (Australia) Pty Ltd. has been sold on March 31, 2017.

(v) Chieftain Corporation NV filed for liquidation during the year and dissolved on April 13, 2017.

(vi) This subsidiary was created during the financial year ended March 31, 2016.

(vii) In May 2017, an application was filed with the appropriate local authority for liquidating Samsara Properties Ltd (SPL), an indirect WOS of the Company incorporated in the British Virgin Islands. SPL was a dormant intermediate holding company. The process of liquidation is expected to be completed within the next few months.

Notes to Financial Statements for the year ended March 31, 2017

b. Joint Ventures

	Principal place of business/ Country of incorporation	As at March 31, 2017 Held directly by Parent or through its subsidiaries (%)	As at March 31, 2017 Effective Holding (%)	As at March 31, 2016 Held directly by Parent or through its subsidiaries (%)	As at March 31, 2016 Effective Holding (%)	As at April 1, 2015 Held directly by Parent or through its subsidiaries (%)	As at April 1, 2015 Effective Holding (%)
Domestic							
Taj SATS Air Catering Ltd.	India	**51.00**	**51.00**	51.00	51.00	51.00	51.00
Taj Madras Flight Kitchen Private Ltd.	India	**50.00**	**50.00**	50.00	50.00	50.00	50.00
Taj Karnataka Hotels & Resorts Ltd.	India	**49.40**	**44.27**	49.40	44.27	49.40	44.27
Taj Kerala Hotels & Resorts Ltd.	India	**28.30**	**28.30**	28.30	28.30	28.30	28.30
Taj GVK Hotels & Resorts Ltd.	India	**25.52**	**25.52**	25.52	25.52	25.52	25.52
Taj Safaris Ltd.	India	**32.91**	**28.96**	32.91	28.96	33.48	29.46
Kaveri Retreat & Resorts Ltd.	India	**50.00**	**50.00**	50.00	50.00	50.00	50.00
International							
TAL Hotels & Resorts Ltd.	Hong Kong	**28.26**	**27.49**	28.26	27.49	28.26	27.49
IHMS Hotels (SA)(Pty) Ltd.	South Africa	**50.00**	**50.00**	50.00	50.00	50.00	50.00

c. Associates

	Principal place of business/ Country of incorporation	As at March 31, 2017 Held directly by Parent or through its subsidiaries (%)	As at March 31, 2017 Effective Holding (%)	As at March 31, 2016 Held directly by Parent or through its subsidiaries (%)	As at March 31, 2016 Effective Holding (%)	As at April 1, 2015 Held directly by Parent or through its subsidiaries (%)	As at April 1, 2015 Effective Holding (%)
Domestic							
Oriental Hotels Ltd.	India	**37.05**	**35.67**	37.05	35.67	37.05	35.67
Taj Madurai Ltd.	India	**26.00**	**26.00**	26.00	26.00	26.00	26.00
Taida Trading and Industries Ltd.	India	**48.74**	**34.76**	48.74	34.76	48.74	34.76
International							
BJets Pte Ltd.	Singapore	**45.69**	**45.69**	45.69	45.69	45.69	45.69
Lanka Island Resorts Limited	Sri Lanka	**24.66**	**24.66**	24.66	24.66	24.66	24.66
TAL Lanka Hotels PLC	Sri Lanka	**24.62**	**24.62**	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 for the year ended March 31, 2017

Note 45 : Going Concern assumption

At at the year end, the Company's current liabilities have exceeded its current assets by ₹ 886.36 crores primarily on account of borrowings aggregating ₹ 547.13 crores which fall due within 12 months following the balance sheet date and certain provisions although classified as ''Current'' are unlikely to result in a cash outflow within that period. Management is confident of its ability to generate cash inflows from operations, liquidate certain non-current investments and raise cash from financing activities so that it would be able to meet its obligations on due dates as it has demonstrated in earlier years. On these considerations, these financial statements are prepared on a going concern basis

Note 46 : Dividends

Dividends paid during the year ended March 31, 2017 out of General Reserve was ₹ 0.30 per equity share for the year ended March 31, 2016.

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, 2017, retained earnings not tranferred to reaserves available for distribution was ₹ 156.23 crores.

On May 26, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 0.35 per equity share in respect of the year ended March 31, 2017, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 41.67 crores, inclusive of dividend distribution tax of ₹ 7.05 crores.

For and on behalf of the Board

N. Chandrasekaran	Chairman
Rakesh Sarna	Managing Director & CEO
Rajeev Newar	Vice President - Finance
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 26, 2017

Notes to Financial Statements for the year ended March 31, 2017

Financial Statistics

Year	Capital Account					
	Share Capital ₹ crores	Reserves and Surplus ₹ crores	Borrowings ₹ crores	Gross Block ₹ crores	Net Block ₹ crores	Investments ₹ crores
1974-75	2.35	1.94	4.55	10.99	8.09	0.20
1975-76	2.35	2.21	4.21	11.82	8.42	0.20
1976-77	# 3.07	2.38	3.98	12.21	8.30	0.25
1977-78	3.07	3.39	4.73	13.14	8.69	0.34
1978-79	3.07	5.41	6.17	17.81	12.68	0.55
1979-80	* 5.09	5.58	5.56	20.48	14.31	0.74
1980-81	5.09	8.53	7.76	25.01	17.60	1.10
1981-82	** 6.90	9.20	8.87	28.79	20.06	1.13
1982-83	*** 6.35	12.34	26.71	49.54	39.22	2.65
1983-84	6.35	17.45	32.25	58.48	44.40	3.77
1984-85	6.35	22.23	42.20	67.77	44.55	11.70
1985-86	a 7.85	28.70	38.82	71.69	53.72	6.21
1986-87	7.85	32.73	53.58	89.73	67.56	5.53
1987-88	+ 9.86	41.97	63.47	107.70	80.08	6.90
1988-89	9.86	48.54	74.06	127.39	93.56	9.34
1989-90	!! 14.78	51.44	97.13	161.28	119.95	11.19
1990-91	14.78	56.77	121.07	178.61	128.43	12.37
1991-92	14.78	73.72	123.53	194.44	135.89	13.76
1992-93	!!! 19.96	124.44	106.86	210.68	142.53	16.93
1993-94	19.96	165.65	100.86	234.64	156.21	32.54
1994-95	æ 39.92	205.84	245.05	293.59	201.92	36.04
1995-96	= 45.12	567.16	200.18	384.01	273.21	142.09
1996-97	45.12	671.86	219.75	500.10	364.08	214.80
1997-98	45.12	767.68	197.31	581.48	414.57	218.09
1998-99	45.12	844.35	178.42	665.67	466.77	259.09
1999-00	45.12	913.96	432.32	842.01	606.86	337.75
2000-01	45.12	980.10	555.31	942.16	665.06	422.13
2001-02	45.12	844.13	809.21	946.15	655.08	541.34
2002-03	45.12	842.17	799.50	985.71	677.77	571.64
2003-04	45.12	844.79	1412.46	1159.69	813.13	600.83
2004-05	¶ 50.25	1081.80	1052.03	1290.70	885.20	607.01
2005-06	¶ 58.41	1657.83	544.34	1308.34	843.01	656.57
2006-07	◊ 60.29	1738.39	943.94	2014.34	1360.05	962.81
2007-08	60.29	1956.29	1134.18	2072.16	1371.60	977.58
2008-09	Ω 72.34	2975.29	1766.47	2362.23	1585.40	2026.88
2009-10	72.35	2616.87	2650.55	2408.32	1561.26	2445.63
2010-11	& 75.95	3028.59	2341.44	2605.18	1725.74	3026.78
2011-12	75.95	3176.70	2679.38	2830.66	1838.75	3622.19
2012-13	§ 80.75	3226.90	2522.27	2861.65	1756.46	3369.14
2013-14	80.75	2613.09	2690.60	2910.27	1697.41	2761.64
2014-15	80.75	2534.40	3208.99	3329.33	2011.80	2977.96
2015-16	± 98.93	2276.65	2157.65	2267.37	2142.27	1954.71
2016-17	98.93	2516.97	2048.98	2455.70	2186.69	2928.19

Issue of Bonus Shares in the Ratio 2:5
* 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.
◊ 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

Notes to Financial Statements for the year ended March 31, 2017

Financial Statistics

Year	Revenue Account										
	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit before Tax	Tax Expenses	Profit after Tax	Other comprehensive Income	Total comprehensive Income	Net Transfer to General Reserves	Dividend	Rate of Dividend on Ordinary Shares
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores			₹ crores	₹ crores	%
1974-75	7.26	5.79	0.49	0.98	0.00	0.98			3.61	â 0.37	18.00
1975-76	8.61	6.73	0.50	1.38	0.33	1.05			0.64	â 0.41	20.00
1976-77	10.77	8.45	0.52	1.80	0.75	1.05			0.49	â 0.56	20.00
1977-78	13.92	9.76	0.53	3.63	1.94	1.69			1.01	â 0.68	25.00
1978-79	18.42	13.63	0.69	4.10	1.40	2.70			2.02	â 0.68	25.00
1979-80	26.49	18.59	1.04	6.86	3.63	3.23			2.18	â 1.05	25.00
1980-81	31.54	23.13	1.24	7.17	3.17	4.00			2.95	â 1.45	22.00
1981-82	36.09	26.72	1.33	8.04	4.10	3.94			2.49	â 1.45	22.00
1982-83	42.98	36.87	1.62	4.49	0.00	4.49			2.99	â 1.50	23.00
1983-84	54.69	43.79	3.80	7.10	0.40	6.70			5.11	1.59	25.00
1984-85	65.50	55.39	2.66	7.45	1.08	6.37			4.78	1.59	25.00
1985-86	78.48	69.32	3.44	7.66	1.60	6.06			4.22	1.84	25.00
1986-87	93.05	79.68	4.25	9.12	2.75	6.37			4.02	2.35	30.00
1987-88	105.69	90.98	5.55	9.16	2.40	6.76			4.23	2.53	30.00
1988-89	117.72	100.61	6.24	10.87	1.50	9.37			6.42	2.96	30.00
1989-90	141.50	120.93	7.80	12.77	1.25	11.52			7.83	3.70	25.00
1990-91	159.11	139.42	9.11	10.58	1.55	9.03			5.33	3.70	25.00
1991-92	206.79	169.52	++8.85	27.58	6.50	21.08			16.75	5.17	35.00
1992-93	239.21	188.24	9.77	41.20	9.00	32.20			24.86	8.68	50.00
1993-94	301.92	223.49	10.90	67.53	15.50	52.03			41.21	13.97	70.00
1994-95	381.88	263.20	13.67	105.11	23.00	82.11			60.15	21.96	55.00
1995-96	547.36	347.42	20.37	179.57	39.00	140.57			107.10	33.47	75.00
1996-97	613.33	405.67	27.18	180.48	33.60	146.48			104.70	38.35	85.00
1997-98	623.91	427.53	32.42	163.96	26.00	137.96			95.78	38.35	85.00
1998-99	623.34	435.36	33.84	154.14	35.00	119.14			76.57	38.35	85.00
1999-00	650.91	482.49	37.69	130.73	17.50	113.23			70.66	@ 38.35	85.00
2000-01	742.92	560.47	45.16	137.29	20.50	116.79			67.07	45.12	100.00
2001-02	617.55	589.81	47.49	98.14	17.44	80.70			40.00	36.09	80.00
2002-03	609.91	575.43	38.98	53.80	13.72	40.48			7.50	31.58	70.00
2003-04	727.09	646.89	48.58	80.20	19.55	60.65			8.57	36.09	80.00
2004-05	896.23	754.55	56.77	141.68	35.82	105.86			11.00	50.25	100.00
2005-06	1154.80	890.90	65.90	272.00	88.22	183.78			20.00	77.95	130.00
2006-07	1618.83	1146.47	91.44	474.64	152.25	322.39			35.00	96.46	160.00
2007-08	1823.16	1254.11	85.48	580.47	203.01	377.46			38.00	114.54	190.00
2008-09	1706.52	1348.42	94.46	362.30	128.27	234.03			30.00	86.81	120.00
2009-10	1520.36	1358.48	104.14	218.25	65.15	153.10			15.31	72.35	100.00
2010-11	1737.14	1509.90	108.40	221.45	80.20	141.25			14.13	75.95	100.00
2011-12	1864.72	1628.69	113.90	229.92	84.57	145.35			14.54	75.95	100.00
2012-13	1924.79	1701.67	125.02	(209.79)	66.82	(276.61)			-	* 69.40	80.00
2013-14	1977.33	1761.13	122.26	(520.90)	69.59	(590.49)			-	-	-
2014-15	2103.60	1873.02	117.85	1.88	83.90	(82.02)			-	-	-
2015-16	2374.12	2088.32	126.02	152.89	68.74	84.15	71.40	155.55	-	29.68	30.00
2016-17	2445.11	2068.48	151.29	258.85	116.91	141.94	132.44	274.38	-	$$ 34.63	35.00

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 Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **THE INDIAN HOTELS COMPANY LIMITED** (hereinafter referred to as the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group") its associates and its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity 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) prescribed under Section 133 of the Act. The respective 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 the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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 the other auditors on separate financial statements/ financial information of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2017, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements/financial information of twenty five subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 6,284 crores as at March 31, 2017, total revenues of ₹ 1,600 crore and net cash inflows/ (outflows) amounting to ₹ 8 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 29 crores for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of six associates and seven joint ventures, whose financial statements/financial information 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 Ind AS 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.

The above includes twelve subsidiaries, two joint ventures and three associates 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, joint ventures and associates 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, joint ventures and associates 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.

(b) The comparative financial information as at and for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of thirteen subsidiaries, three associates and five joint ventures included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, 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

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and jointly venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's/ subsidiary company's/ associate company's/ joint venture company's incorporated in India internal financial controls over financial reporting.

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and the other auditors by the Management of the respective Group entities. However, as stated in Note 40, Page 267 to the consolidated Ind AS financial statements, receipts aggregating to ₹ 0.19 crore and payments aggregating to ₹ 0.02 crore, as represented to us by the Management of the Parent and the respective Group entities, have been received and paid respectively from transactions which are not permitted.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Place: Mumbai
Date : May 26, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of The Indian Hotels Company Limited (hereinafter referred to as "the Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint 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 internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to fourteen subsidiary companies, three associate companies and seven joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Place: Mumbai
Date : May 26, 2017

Consolidated Balance Sheet as at March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Assets				
Non-current assets				
Property, Plant and Equipment	3	**4,618.48**	5,529.19	5,278.70
Capital work-in-progress		**222.25**	289.23	330.08
Goodwill	4	**555.56**	573.65	552.66
Intangible assets	5	**641.35**	658.78	655.95
Intangible assets under development		**0.42**	0.74	2.97
Financial assets				
Investments in joint ventures and associates	6(a)	**607.81**	585.95	573.08
Investments	6(b)	**545.10**	758.68	941.39
Loans	7(a)	**15.09**	15.16	53.73
Other financial assets	8(a)	**71.63**	72.67	88.98
Deferred tax assets (net)	9(a)	**35.21**	18.00	6.81
Advance income tax (net)		**82.57**	65.39	49.56
Other non-current assets	10(a)	**312.47**	303.45	198.54
		7,707.94	8,870.89	8,732.45
Current assets				
Inventories	11	**80.44**	80.24	78.15
Financial assets				
Investments	6 (c)	**90.80**	170.61	521.45
Trade receivables	12	**272.06**	241.98	223.50
Cash and cash equivalents	13	**141.31**	139.83	376.68
Other balances with banks	14	**105.75**	42.72	109.05
Loans	7(b)	**49.02**	82.58	118.45
Other financial assets	8(b)	**108.65**	111.37	98.32
Other current assets	10(b)	**78.31**	75.16	68.21
		926.34	944.49	1,593.81
Total		**8,634.28**	9,815.38	10,326.26
Equity and liabilities				
Equity				
Equity share capital	15	**98.93**	98.93	80.75
Other equity	16	**2,418.76**	2,481.32	2,693.14
Equity attributable to owners of the company		**2,517.69**	2,580.25	2,773.89
Non-controlling interests		**737.82**	742.93	746.16
		3,255.51	3,323.18	3,520.05
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17(a)	**2,789.86**	3,419.01	3,375.37
Other financial liabilities	19(a)	**356.83**	329.29	337.42
Provisions	20(a)	**75.56**	71.81	48.34
Deferred tax liabilities (net)	9(b)	**317.25**	256.22	238.09
		3,539.50	4,076.33	3,999.22
Current liabilities				
Financial liabilities				
Borrowings	17(b)	**18.16**	93.59	14.69
Trade payables	18	**293.06**	287.28	248.19
Other financial liabilities	19(b)	**1,065.46**	1,536.59	2,194.66
Provisions	20(b)	**135.21**	129.40	113.97
Current income tax liabilities (net)		**0.25**	0.10	0.13
Other current liabilities	21	**327.13**	368.91	235.35
		1,839.27	2,415.87	2,806.99
		5,378.77	6,492.20	6,806.21
Total		**8,634.28**	9,815.38	10,326.26
The accompanying notes form an integral part of the consolidated financial statements	1 - 48			

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board
N. Chandrasekaran Chairman

Rakesh Sarna Managing Director & CEO

Rajeev Newar Vice President - Finance

Beejal Desai Vice President - Legal & Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Income			
Revenue from operations	22	**4,010.26**	4,023.02
Other income	23	**54.94**	99.76
Total		**4,065.20**	4,122.78
Expenses			
Food and beverages consumed		**363.95**	366.93
Employee benefit expense and payment to contractors	24	**1,364.65**	1,423.26
Finance costs	25	**323.83**	375.59
Depreciation and amortisation expenses		**299.37**	284.82
Other operating and general expenses	26	**1,672.04**	1,680.67
Total		**4,023.84**	4,131.27
Profit/(loss) before exceptional items, tax and share of profit of equity accounted investees		**41.36**	(8.49)
Exceptional items	27	**(10.78)**	(82.68)
Profit/(loss) before tax and share of profit of equity accounted investees		**30.58**	(91.17)
Tax expense			
Current tax		**125.76**	77.65
Deferred tax		**(12.02)**	12.98
Total		**113.74**	90.63
Loss after tax before share of associates and joint ventures		**(83.16)**	(181.80)
Share of Profit/(loss) of associates and joint venture		**37.56**	(21.41)
Loss for the year		**(45.60)**	(203.21)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**7.82**	(6.09)
Change in fair value of equity instruments designated irrevocably as fair value through other comprehensive income		**144.07**	(64.74)
Share of other comprehensive income in associates and joint ventures		**(1.15)**	(1.36)
Less/(Add) : Income tax expense/ (credit)		**(0.44)**	2.23
Net other comprehensive income not to be reclassified subsequently to profit or loss		**150.30**	(69.96)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating the financial statement of foreign operations		**(117.15)**	117.54
Share of other comprehensive income in associates and joint ventures		**(9.44)**	(1.67)
Less : Income tax expense		**-**	-
Net other comprehensive income to be reclassified subsequently to profit or loss		**(126.59)**	115.87
Other comprehensive income for the year, net of tax		**23.71**	45.91
Total comprehensive income for the year		**(21.89)**	(157.30)
Loss for the year attributable to:			
Owners of the company		**(63.20)**	(231.08)
Non-controlling interests		**17.60**	27.87
		(45.60)	(203.21)
Total comprehensive Income for the year attributable to:			
Owners of the company		**(28.50)**	(185.54)
Non-controlling interests		**6.61**	28.24
		(21.89)	(157.30)
Earnings per share :	48		
Basic and Diluted - (₹)		**(0.64)**	(2.34)
Face value per equity share - (₹)		**1.00**	1.00

The accompanying notes form an integral part of the consolidated financial statements 1 - 48

In terms of our report attached.	For and on behalf of the Board	
For **Deloitte Haskins & Sells LLP**	**N. Chandrasekaran**	Chairman
Chartered Accountants		
ICAI Firm Registration No. 117366W/W-100018	**Rakesh Sarna**	Managing Director & CEO
Sanjiv V. Pilgaonkar	**Rajeev Newar**	Vice President - Finance
Partner		
Membership No. 39826	**Beejal Desai**	Vice President - Legal & Company Secretary
Mumbai, May 26, 2017		

Consolidated Statement of Changes in Equity for the Year ended March 31, 2017

	A. Equity Share Capital	B. Other Equity												
		Equity Component of other financial instruments	Reserves and surplus						Items of other comprehensive income		Total Other Equity	Equity attributable to owners of the company	Non Controlling Interests	Total Equity
	Equity Share Capital Subscribed		Capital Reserve	Capital Reserve on Consolidation (Refer Note 28, Page 234)	Securities Premium Account	General Reserve	Other reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statement of foreign operations (Refe Note 28)				
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Balance as at April 1, 2015	**80.75**	**999.91**	**43.91**	**114.42**	**2,270.28**	**596.04**	**355.66**	**(1,793.34)**	**106.26**	**-**	**2,693.14**	**2,773.89**	**746.16**	**3,520.05**
Loss for the year ended March 31, 2016	-	-	-	-	-	-	-	(231.08)	-	-	(231.08)	(231.08)	27.87	(203.21)
Other Comprehensive Income for the year ended March 31, 2016, net of taxes	-	-	-	-	-	-	-	(4.49)	(61.03)	111.06	45.54	45.54	0.37	45.91
Total Comprehensive Income for the year ended March 31, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(235.57)**	**(61.03)**	**111.06**	**(185.54)**	**(185.54)**	**28.24**	**(157.30)**
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	(19.51)	(19.51)
Tax on Dividend	-	-	-	-	-	-	-	-	-	-	-	-	(3.95)	(3.95)
Transfer to/from retained earnings	-	-	-	-	-	-	3.32	4.29	(7.61)	-	-	-	-	-
CCDs converted to Equity shares during the year (Refer Note 15, Footnote ii, Page 222)	18.18	(999.91)	-	-	981.73	-	-	-	-	-	(18.18)	-	-	-
Adjustment of accumulated losses of the Company, IHMS LLC and LEPPL adjusted against the securities premium as per the schemes (Refer Note 29, Page 237)	-	-	-	-	(2,013.24)	-	-	2,013.24	-	-	-	-	-	-
Excess of investment over fair value adjusted against the securities premium as per LEPPL scheme (Refer Note 29, Page 237)	-	-	-	-	(7.12)	-	-	-	-	-	(7.12)	(7.12)	-	(7.12)
Adjustment on account of acquisition of additional stake in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(8.01)	(8.01)
Issue expenses written off against Securities Premium	-	-	-	-	(1.00)	-	-	-	-	-	(1.00)	(1.00)	-	(1.00)
Other adjustment	-	-	-	-	-	-	-	-	0.02	-	0.02	0.02	-	0.02
Balance as at March 31, 2016	**98.93**	**-**	**43.91**	**114.42**	**1,230.65**	**596.04**	**358.98**	**(11.38)**	**37.64**	**111.06**	**2,481.32**	**2,580.25**	**742.93**	**3,323.18**
Loss for the year ended March 31, 2017	-	-	-	-	-	-	-	(63.20)	-	-	(63.20)	(63.20)	17.60	(45.60)
Other Comprehensive Income for the year ended March 31, 2017, net of taxes	-	-	-	-	-	-	-	4.23	135.04	(104.57)	34.70	34.70	(10.99)	23.71
Total Comprehensive Income for the year ended March 31, 2017	-	-	-	-	-	-	-	(58.97)	135.04	(104.57)	(28.50)	(28.50)	6.61	(21.89)
Dividend	-	-	-	-	-	(29.68)	-	-	-	-	(29.68)	(29.68)	(10.67)	(40.35)
Tax on Dividend	-	-	-	-	-	(4.38)	-	-	-	-	(4.38)	(4.38)	(1.05)	(5.43)
Transfer to retained earnings	-	-	-	-	-	-	-	(123.28)	123.28	-	-	-	-	-
Balance as at March 31, 2017	**98.93**	**-**	**43.91**	**114.42**	**1,230.65**	**561.98**	**358.98**	**(193.63)**	**295.96**	**6.49**	**2,418.76**	**2,517.69**	**737.82**	**3,255.51**

The accompanying notes form an integral part of the consolidated financial statements. (Refer Note 1 - 48)

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board
N. Chandrasekaran Chairman

Rakesh Sarna Managing Director & CEO

Rajeev Newar Vice President - Finance

Beejal Desai Vice President - Legal & Company Secretary

Consolidated Statement of Cash Flows for the year ended March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Cash Flow From Operating Activities			
Profit / (Loss) Before Tax		**30.58**	(91.17)
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortisation		**299.37**	284.82
(Profit) / Loss on sale of investments		**(0.17)**	-
(Profit)/Loss on sale of a hotel property		**103.25**	-
(Profit) / Loss on sale of assets (including compulsory acquisition of land) and Assets written off		**8.12**	2.55
Expenditure on discontinued projects written off		**-**	25.07
Allowance for Doubtful Debts and advances (Including Advances written off)		**7.98**	6.37
Dividend Income		**(10.70)**	(39.60)
Interest Income		**(22.38)**	(46.30)
Finance Cost		**323.83**	375.59
Exchange (Gain) / Loss on long term borrowings/assets (net)		**(0.44)**	33.20
Provision for contingencies		**8.50**	20.55
Provision for Employee Benefits		**3.41**	18.36
Gain on investments carried at fair value through profit and loss		**(4.74)**	(0.09)
Loss/ (Gain) on fair valuation of derivative contracts		**(65.45)**	24.55
		650.58	705.07
Cash Operating Profit before working capital changes		**681.16**	613.90
Adjustments for increase / decrease in operating assets and liabilities:			
Financial and Other Assets		**(23.90)**	12.84
Inventories		**(1.78)**	(2.10)
Financial and Other Liabilities		**(34.18)**	84.09
		(59.86)	94.83
Cash Generated from Operating Activities		**621.30**	708.73
Direct Taxes Paid		**(86.79)**	(89.98)
Net Cash Generated From Operating Activities (A)		**534.51**	618.75

Consolidated Statement of Cash Flows for the year ended March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Cash Flow From Investing Activities			
Payments for purchase of property, plant & equipment and Intangible assets (including CWIP)		**(399.40)**	(368.29)
Proceeds from sale of property, plant & equipment and Intangible assets		**5.44**	2.59
Additional Investment in a joint venture		**(10.00)**	-
Purchase of current investments		**(2,107.41)**	(2,066.03)
Proceeds from sale / redemption of current investments		**2,199.91**	2,417.97
Proceeds from sale of investments measured at fair value through other comprehensive income		**350.00**	150.84
Interest Received		**26.13**	56.65
Dividend Received (including ₹ 8.56 crores from joint ventures and associates (Previous year ₹ 2.83 crores))		**16.36**	40.88
Bank Balances not considered as Cash & Cash Equivalents		**(62.17)**	76.81
Long Term Deposits refunded/ (placed)		**-**	(1.93)
Short term loan realised/(given)		**18.89**	(33.67)
Proceeds from sale of hotel properties		**813.23**	-
Deposits Refunded by / (Placed with) Other Companies		**4.00**	62.28
Net Cash Generated /(Used) In Investing Activities (B)		**854.98**	338.10
Cash Flow From Financing Activities			
Debenture issue / Loan arrangement costs		**(4.81)**	(2.25)
Interest Paid		**(163.67)**	(188.01)
Repayment of long term Loans and Debentures		**(1,954.38)**	(2,013.71)
Proceeds from long term Loans and Debentures		**890.11**	979.51
Short Term Loans Raised		**257.79**	90.14
Short Term Loans Repaid		**(333.65)**	(18.58)
Acqusition of additional interest from non-controlling interest shareholders		**-**	(15.13)
Settlement of derivative contracts		**(26.97)**	(4.96)
Dividend Paid (Including tax on dividend)		**(45.78)**	(23.47)
Net Cash Generated/(Used) In Financing Activities (C)		**(1,381.36)**	(1,196.46)
Net Increase / (Decrease) In Cash and Cash Equivalents (A + B + C)		**8.13**	(239.61)
Cash and Cash Equivalents - Opening		**139.83**	376.68
Exchange difference on translation of foreign currency cash and cash equivalents		**(6.66)**	2.76
Cash and Cash Equivalents - Closing		**141.31**	139.83
The accompanying notes form an integral part of the consolidated financial statements	1 - 48		

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran	Chairman
Rakesh Sarna	Managing Director & CEO
Rajeev Newar	Vice President - Finance
Beejal Desai	Vice President - Legal & Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2017

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 Limited, which holds a significant stake in the Company.

The consolidated financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 26, 2017.

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

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous periods have been restated to Ind AS.

These consolidated financial statements have been prepared in accordance with Ind AS. For all periods up to and including the year ended March 31, 2016, the Company prepared group's consolidated financial statements in accordance with the requirements of Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP")

In accordance with Ind AS 101 – "First-time Adoption of Indian Accounting Standard", the Group has presented a reconciliation of equity from previous GAAP to Ind AS as at March 31, 2016 and April 1, 2015, of the total comprehensive income for the year ended March 31, 2016 and of the cash flows for the year ended March 31, 2016.

(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. 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(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.

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 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 amount 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 which has the reporting date of December 31, 2016.

(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 or 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 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(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.

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 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 there the tax charges in the 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 therefore the tax charge in the 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.
- **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 for the year ended March 31, 2017

- **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.

Significant accounting policies

(e) Revenue recognition

Income from operation

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management fees for the management of the hotels.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sale of goods or rendering of services is net of Indirect taxes, returns and discounts.

The Group operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenue related to award points is deferred and on redemption of the award points, the revenue is recognised. Membership fees received from the loyalty program is recognized as revenue on time-proportion basis.

Management fees earned from hotels managed by the Group are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of 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.

(f) Employee Benefits

i. Defined Contribution Schemes

a. Provident Fund

The eligible employees of domestic components of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the statement of profit and loss during the period. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Group. The Group is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the employee.

Employee benefits arising out of contributions towards Provident Fund and Family Pension Scheme to Regional Provident Fund Commissioner or the Central Provident Commissioner and Social Security etc. paid/ payable during the year are recognised as expense in the statement of profit and loss account in the period in which the employee renders services.

Eligible employees of some of the overseas components of the Group are members of defined contribution plans. These plans, in addition to employee contribution, require the Group to make contributions equivalent to a pre-define 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

b. **Others**

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligation therein, based on independent external actuarial valuations carried out at the Balance Sheet date.

Certain international subsidiaries operate a defined contribution pension scheme and the pension charge represents the amounts paid/payable by them to the Fund in the period in which the employee renders services.

ii. **Gratuity**

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.

iii. **Post-Retirement Pension Scheme and Medical Benefits**

a. 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 recognized immediately in the Other Comprehensive Income and reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

b. 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.

c. 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.

iv. **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. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to Statement of Profit and Loss.

v. **Compensated Absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

vi. **Short term obligations**

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.

(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), Page 208). 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 that 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	60 to 80 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Other miscellaneous hotel assets	4 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.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

For transition to Ind AS, the Group 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 pervious 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.

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 Asset	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.

(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 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

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 Group 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) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

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 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.

(j) 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 period. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. 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.

(k) Assets taken on lease

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

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

Finance Lease

Leases in which substantially all the risks and rewards of ownership are transferred to the Group as lessee are classified as finance lease. Finance lease are capitalised at the inception of the lease at the fair value of the leased assets or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in the borrowings or other financial liabilities as appropriate.

Lease payments are apportioned between the reduction of the lease liability and finance charges in the Statement of Profit and Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

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

(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. Cost includes 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 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.

(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.

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 operates and generates 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 income tax is recognised using the balance sheet approach. Deferred income 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 income 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.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to 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 substantively enacted by the end of the reporting period.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

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 reasonable certainty 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 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.

(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 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.

(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 flows for the year are classified by operating, investing and financing activities.

(r) Earnings per share

Basic earnings per share is computed by dividing the Statement of Profit and Loss after tax by the weighted average number of equity shares outstanding during the year 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 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 trading 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(t) 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.

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 profit or 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.

  At the date of transition to Ind AS, 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

<u>**De-recognition**</u>

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.

b. Financial liabilities

<u>**Initial recognition and measurement**</u>

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.

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.

<u>**Subsequent measurement**</u>

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.

<u>**De-recognition**</u>

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.

<u>**Derivatives contracts**</u>

Derivatives contracts 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. During the years reported, no hedge relationship was designated and consequently all fair value changes have been recorded through the Statement of Profit and Loss .

<u>**Equity instruments**</u>

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized 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.

c. <u>Impairment of financial assets</u>

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(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.

(v) 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 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.

Business combinations of entities under common 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

(w) Recent accounting pronouncements

Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Group from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group shall be including the above disclosure in the financial statements from the date that this amendment is applicable i.e., for periods starting from April 1, 2017 and onwards.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 3 : Property, plant and equipment (Owned, unless otherwise stated)

	Freehold land	Buildings (Refer footnote i)	Plant and machinery	Furniture & fixtures (Refer footnote ii)	Office equipment (Refer footnote ii)	Vehicles	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Cost							
At April 1, 2015 (Refer Footnote viii)	504.28	3,725.71	715.44	295.85	30.25	7.17	5,278.70
Translation adjustment (Refer Footnote iii)	21.56	114.46	1.19	5.40	0.37	-	142.98
Additions	0.07	154.38	146.38	55.58	18.05	1.18	375.64
Disposals	-	1.59	4.34	0.92	0.14	-	6.99
At March 31, 2016	**525.91**	**3,992.96**	**858.67**	**355.91**	**48.53**	**8.35**	**5,790.33**
Translation adjustment (Refer Footnote iii)	(7.66)	(161.56)	(4.46)	(11.51)	(0.22)	-	(185.41)
Additions	-	219.19	159.25	71.11	10.34	0.53	460.42
Disposals (Refer Footnote vi)	259.44	674.43	16.27	13.01	3.54	0.59	967.28
At March 31, 2017	**258.81**	**3,376.16**	**997.19**	**402.50**	**55.11**	**8.29**	**5,098.06**
Depreciation (Refer Footnote v)							
At April 1, 2015 (Refer Footnote viii)	-	-	-	-	-	-	-
Translation adjustment (Refer Footnote iii)	-	(0.03)	(0.09)	(0.11)	0.03	-	(0.20)
Impairment by a subsidiary (Refer Footnote v)	-	4.47	0.53	0.20	-	-	5.20
Charge for the year (Refer Footnote iv)	-	115.49	78.06	52.30	10.59	1.56	258.00
Disposals	-	0.26	0.96	0.58	0.06	-	1.86
At March 31, 2016	**-**	**119.67**	**77.54**	**51.81**	**10.56**	**1.56**	**261.14**
Translation adjustment (Refer Footnote iii)	-	(6.24)	(0.78)	(2.86)	(0.11)	-	(9.99)
Charge for the year (Refer Footnote iv)	-	120.45	88.16	51.49	10.56	1.10	271.76
Disposals (Refer Footnote vi)	-	29.76	7.44	4.52	1.50	0.11	43.33
At March 31, 2017	**-**	**204.12**	**157.48**	**95.92**	**19.51**	**2.55**	**479.58**
Net Block							
At April 1, 2015	**504.28**	**3,725.71**	**715.44**	**295.85**	**30.25**	**7.17**	**5,278.70**
At March 31, 2016	**525.91**	**3,873.29**	**781.13**	**304.10**	**37.97**	**6.79**	**5,529.19**
At March 31, 2017	**258.81**	**3,172.04**	**839.71**	**306.58**	**35.60**	**5.74**	**4,618.48**

Footnotes :

(i) Cost includes improvements to buildings constructed on leasehold land - ₹ 2139.27 crores; (Previous year - ₹ 2177.50 crores, April 1, 2015 - ₹ 2017.81 crores).

(ii) Furniture, Fixtures and Office Equipment as at the year end include assets on finance lease: Cost - ₹ 0.60 crore (Previous year - ₹ 0.71 crore), April 1, 2015 - ₹ 0.77 crore, Accumulated Depreciation - ₹ 0.35 crore (Previous year ₹ 0.11 crore), April 1, 2015 - Nil, Depreciation for the year - ₹ 0.28 crore (Previous year - ₹ 0.07 crore) and carring value as at the reporting date of ₹ 0.25 crore (Previous year ₹ 0.60 crore), April 1, 2015 - ₹ 0.77 crore.

(iii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".

(iv) Depreciation capitalised during previous year ₹ 0.04 crore.

(v) Accumulated Depreciation includes adjustment for impairment of ₹ 5.20 crores (Previous year ₹ 5.20 crores).

(vi) Disposal includes assets sold consequent to divestment of a property in one subsidiary during the year amounting to ₹ 912.01 crores (cost ₹ 943.34 crores and accumulated depreciation ₹ 31.33 crores.) (Refer Note 30, Page 237)

(vii) Addition includes ₹ 4.29 crores (March 31, 2016 - ₹ 6.71 crores) on account of interest cost on borrowings capitalised on certain qualifying assets (Refer Note 25, Page 231).

(viii) On transition to Ind AS, carrying value of all the property, plant and equipments under the previous GAAP is considered as the deemed cost under Ind AS. Also refer Note 28, Page 234.

(ix) For details of pledged assets refer Note 17, footnote (ii), Page 226.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 4 : Goodwill

	March 31, 2017	March 31, 2016
	₹ crores	₹ crores
Opening Balance	**573.65**	552.66
Add / (Less) : Foreign Exchange fluctuation for the year	**(18.09)**	20.99
Closing Balance	**555.56**	573.65

Footnote :

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 ₹ 371.86 crores (March 31, 2016 - ₹ 389.96 crores; April 1, 2015 - ₹ 368.97 crores) allocated to the International business (United Kingdom) and ₹ 130.99 crores (March 31, 2016 - ₹ 130.99 crores; April 1, 2015 - ₹ 130.99 crores) allocated to a component of domestic business. The estimated fair value of these CGUs is based on comparable businesses. The remaining amount of goodwill of ₹ 52.71 crores (March 31, 2016 - ₹ 52.70 crores; April 1, 2015 - ₹ 52.70 crores) relates to different CGUs which is individually immaterial.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 5 : Intangible assets

	Leasehold property rights (Refer Footnote iv)	Website development cost	Software and licences (Refer Footnote i)	Service and operating rights	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Cost					
At April 1, 2015 (Refer Footnote iii)	622.34	1.58	28.69	3.34	655.95
Translation adjustment (Refer Footnote ii)	0.63	-	-	0.21	0.84
Additions	0.66	13.67	15.51	-	29.84
Disposals	-	0.91	0.96	-	1.87
At March 31, 2016	**623.63**	**14.34**	**43.24**	**3.55**	**684.76**
Translation adjustment (Refer Footnote ii)	(0.22)	-	-	(0.08)	(0.30)
Additions	0.11	4.23	5.74	-	10.08
Disposals	-	-	0.27	-	0.27
At March 31, 2017	**623.52**	**18.57**	**48.71**	**3.47**	**694.27**
Amortisation					
At April 1, 2015 (Refer Footnote iii)	-	-	-	-	-
Translation adjustment (Refer Footnote ii)	0.03	-	-	0.05	0.08
Charge for the year	14.65	0.86	7.77	3.50	26.78
Disposals	-	0.47	0.41	-	0.88
At March 31, 2016	**14.68**	**0.39**	**7.36**	**3.55**	**25.98**
Translation adjustment (Refer Footnote ii)	(0.11)	-	(0.37)	(0.08)	(0.56)
Charge for the year	15.56	3.66	8.39	-	27.61
Disposals	-	-	0.11	-	0.11
At March 31, 2017	**30.13**	**4.05**	**15.27**	**3.47**	**52.92**
Net Block					
At April 1, 2015	**622.34**	**1.58**	**28.69**	**3.34**	**655.95**
At March 31, 2016	**608.95**	**13.95**	**35.88**	**-**	**658.78**
At March 31, 2017	**593.39**	**14.52**	**33.44**	**-**	**641.35**

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) On transition to Ind AS, carrying value of all the intangible assets under the previous GAAP is considered as the deemed cost under Ind AS. Also refer Note 28, Page 234.

(iv) Lease property rights mainly consits of lease acquisition rights for the hotel property including land. Refer Note 2(h), Page 205 for accounting policy.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 6 : Investments in joint ventures and associates

a) Investments in joint ventures and associates

Equity investments in joint venture companies (Refer Note 34(c), Page 240)

Break up of investments in joint ventures (carrying value determined using the equity method of accounting) as below :-

		March 31, 2017		March 31, 2016		April 1, 2015	
	Face Value	Holdings As at	₹ crores	Holdings As at	₹ crores	Holdings As at	₹ crores
Fully paid unquoted equity investments							
Taj Kerala Hotels & Resorts Ltd.	₹ 10	**14,151,664**	**16.70**	14,151,664	16.51	14,151,664	16.47
Taj SATS Air Catering Ltd.	₹ 10	**8,874,000**	**48.52**	8,874,000	41.51	8,874,000	36.83
Taj Karnataka Hotels & Resorts Ltd. (Refer footnote (iv))	₹ 10	**1,398,740**	**-**	1,398,740	-	1,398,740	-
Taj Madras Flight Kitchen Pvt Ltd.	₹ 10	**7,944,112**	**23.76**	7,944,112	22.74	7,944,112	22.06
Taj Safaris Ltd.	₹ 10	**12,496,667**	**1.02**	12,496,667	1.37	12,496,667	1.49
Kaveri Retreat & Resorts Ltd.	₹ 10	**13,176,467**	**38.14**	10,235,293	27.37	10,235,293	23.85
IHMS Hotels (SA) (Proprietary) Ltd. (Refer footnote (iv))	Zar 1	**86,739,958**	**-**	86,739,958	-	500	-
TAL Hotels and Resorts Ltd.	US $ 1	**4,946,282**	**118.86**	4,946,282	114.79	4,946,282	106.16
Total Aggregate unquoted investments			**247.00**		224.29		206.86
Fully paid quoted equity investments							
Taj GVK Hotels & Resorts Ltd.	₹ 10	**16,000,400**	**110.41**	16,000,400	110.14	16,000,400	109.23
Total Aggregate quoted investments			**110.41**		110.14		109.23
Total Investments carrying value			**357.41**		334.43		316.09

Equity investments in associate companies (Refer Note 34(c), Page 240)

Break up of investments in associates (carrying value determined using the equity method of accounting) as below :-

		March 31, 2017		March 31, 2016		April 1, 2015	
	Face Value	Holdings As at	₹ crores	Holdings As at	₹ crores	Holdings As at	₹ crores
Fully paid unquoted equity investments							
Taj Madurai Ltd.	₹ 10	**912,000**	**4.81**	912,000	4.19	912,000	4.27
Taida Trading & Industries Ltd. (Referfootnote (v))	₹ 100	**65,992**	**-**	65,992	-	65,992	-
Lanka Island Resorts Ltd.	LKR 10	**19,965,524**	**33.32**	19,965,524	32.90	19,965,524	31.47
Bjets Pte Ltd. (Refer footnote (v))	US $ 1	**20,000,000**	**-**	20,000,000	-	20,000,000	-
Total Aggregate unquoted investments			**38.13**		37.09		35.74
Fully paid quoted equity investments							
Oriental Hotels Ltd. (Refer footnote (vi))	₹ 10	**66,166,530**	**196.72**	66,166,530	199.31	66,166,530	203.89
TAL Lanka Hotels Plc	LKR 10	**34,375,640**	**15.55**	34,375,640	15.12	34,375,640	17.36
Total Aggregate quoted investments			**212.27**		214.43		221.25
Total Investments carrying value			**250.40**		251.52		256.99
Total Investments in joint ventures and associates			**607.81**		585.95		573.08

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 6 : Investments

	Face Value	March 31, 2017 Holdings As at	March 31, 2017 ₹ crores	March 31, 2016 Holdings As at	March 31, 2016 ₹ crores	April 1, 2015 Holdings As at	April 1, 2015 ₹ crores
(b) Non current							
Equity investments in other companies (Non current)							
Carried at fair value through Other Comprehensive Income:							
Fully paid unquoted equity investments							
Damania Airways Ltd.*	₹ 10	**500**	**-**	500	-	500	-
Hotels and Restaurant Co-op. Service Society Ltd.*	₹ 50	**20**	**-**	20	-	20	-
Kumarakruppa Frontier Hotels Private Ltd.	₹ 10	**96,432**	**6.03**	96,432	5.51	96,432	5.51
MPOWER Information Systems Private Ltd. *	₹ 10	**5,28,000**	**-**	5,28,000	-	5,28,000	-
Smile and Care Products Private Ltd. *	₹ 10	**49,800**	**-**	49,800	-	49,800	-
Tata Ceramics Ltd.	₹ 2	**1,54,29,480**	**1.70**	1,54,29,480	1.70	1,54,29,480	1.70
Tata Industries Ltd. (Refer Footnote (x)	₹ 100	**42,74,590**	**55.73**	42,74,590	55.73	42,74,590	55.73
Tata International Ltd	₹ 1000	**8,000**	**20.80**	8,000	31.44	8,000	31.44
Taj Air Ltd.	₹ 10	**2,22,40,200**	**-**	2,22,40,200	-	2,22,40,200	-
Tata Projects Ltd. (Refer Footnote ix)	₹ 100	**-**	**-**	-	-	90,000	56.70
Tata Services Ltd.	₹ 1000	**421**	**0.04**	421	0.04	421	0.04
Tata Sons Ltd. (Refer Footnote (x)	₹ 1000	**4,500**	**25.00**	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	7,11,00,000	71.10
Bombay Mercantile Co-operative Bank Ltd. *	₹ 30	**333**	**-**	333	-	333	-
Hindustan Engineering & Industries Ltd. *	₹ 10	**7**	**-**	7	-	7	-
Saraswat Co-operative Bank Ltd. *	₹ 10	**2,000**	**-**	2,000	-	2,000	-
			180.40		190.52		247.22
Fully paid quoted equity investments:							
India Tourism Development Corporation Ltd.	₹ 10	**67,50,275**	**279.66**	67,50,275	152.69	67,50,275	76.82
Belmond Ltd. (Formerly Orient-Express Hotels Ltd.) (Refer Footnote viii) [Class A common shares, quoted on the New York Stock Exchange]	US $ 0.01	**-**	**-**	56,19,297	353.35	71,30,764	545.45
Tourism Finance Corporation of India Ltd.	₹ 10	**50,000**	**0.41**	50,000	0.21	50,000	0.34
Tulip Star Hotels Ltd.	₹ 10	**35,800**	**0.19**	35,800	0.28	35,800	0.29
Asian Hotels (North) Ltd. *	₹ 10	**2**	**-**	2	-	2	-
Asian Hotels (East) Ltd. *	₹ 10	**2**	**-**	2	-	2	-
Asian Hotels (West) Ltd. *	₹ 10	**2**	**-**	2	-	2	-
EIH Ltd. *	₹ 2	**37**	**-**	37	-	37	-
Hotel Leela Venture Ltd. *	₹ 2	**25**	**-**	25	-	25	-
Graviss Hospitality Ltd.	₹ 2	**4,500**	**0.01**	4,500	0.01	4,500	0.01
Crest Ventures Ltd.	₹10	**42,000**	**0.75**	42,000	0.17	42,000	0.20
HDFC Bank Ltd.	₹ 2	**2,500**	**0.36**	2,500	0.26	2,500	0.26
Timex Group India Ltd.	₹ 1	**1,000**	**0.01**	1,000	-	1,000	-
Titan Company Ltd.	₹ 1	**18,06,000**	**83.30**	18,06,000	61.18	18,06,000	70.79
			364.69		568.15		694.16

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 6 : Investments

	Face Value	March 31, 2017 Holdings As at	March 31, 2017 ₹ crores	March 31, 2016 Holdings As at	March 31, 2016 ₹ crores	April 1, 2015 Holdings As at	April 1, 2015 ₹ crores
Investment in Preference Shares (carried at amortised costs)							
Central India Spinning Weaving & Manufacturing Company Ltd. * (10% unquoted Cumulative Preference Shares)	₹ 500	**50**	**-**	50	-	50	-
Investment in Others (carried at amortised costs)							
National Savings Certificate			**0.01**		0.01		0.01
Total Investments carrying value			**545.10**		758.68		941.39

*Value of these investments is less than ₹ 25,000

Footnotes :

		March 31, 2017	March 31, 2016	April 1, 2015
(i)	Aggregate amount of Quoted Investments	**687.37**	892.72	1,024.64
	Market value of Quoted Investments	**878.82**	858.06	982.56
(ii)	Aggregate amount of Unquoted Investments	**465.54**	451.91	489.83

(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, 2016 ₹ 71.10 crores, April 1, 2015 ₹ 71.10 crores) as Option Deposit, which shall be adjusted upon exercise of the option or refunded.

(iv) 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 provided for additional losses and has recognised liability to the extent the Group has constructive obligation and/or to make payments on behalf of the joint ventures. (Refer Note no 19(b), Page 228)

(v) The carrying amount of these investments has been reported as Nil, as the Group's share of losses exceeds the cost/carrying value.

(vi) Includes 5.40% (Previous year 5.40%), April 1, 2015 - 5.40%, of the shares held in the form of Global Depository Receipts (GDR).

(vii) The fair value hierarchy and classification are disclosed in Note 35(b), Page 249.

(viii) During the year, the Group has divested its entire remaning stake in the Belmond Ltd. through the New York Stock Exchange aggregating to a total sale proceeds of $ 53.97 million (March 31, 2016 $ 14.21 million), which was utilised to retire the debt of the Group. The accumulated loss on sale of the investment were transferred to retained earnings from the other comprehensive income where it was recognised earlier.

(ix) The Company's stake in Tata Projects Ltd.was sold in the previous year for a total consideration of ₹ 56.70 crores. The accumulated profit on sale of the investment were transferred to retained earnings from the other comprehensive income where it was recognised earlier.

(x) 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.

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(c) Current			
Investments carried at fair value through profit and loss:			
Investments in mutual fund units (unquoted)	**90.80**	170.61	521.45
	90.80	170.61	521.45
Investments carried at fair value through Other Comprehensive Income:			
Equity investments in other entities (unquoted)			
BAHC 5 Pte Ltd. (Refer Note iii) 1 (Previous year - 1, April 1, 2015 - 1) equity shares of US $ 1 each (₹ 64 (Previous year ₹ 66, April 1, 2015 - ₹ 62))	**-**	-	-
Premium Aircraft Leasing Corporation Ltd. (Refer Footnote ii) Nil (Previous year Nil, April 1, 2015 - 10), equity shares of US $ 1 each (Nil (Previous year Nil, April 1, 2015 - ₹ 623))	**-**	-	-
	-	-	-
Total Current investments	**90.80**	170.61	521.45

Footnote :

		March 31, 2017	March 31, 2016	April 1, 2015
(i)	Aggregate amount of Unquoted Investments:	**90.80**	170.61	521.45

(ii) This company has been liquidated with effect from February 10, 2016.

(iii) This investment are temporarily held for disposal in near future (Refer Note 34(a)(ii)(b), Page 242)

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 7 : Loans

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non current (at amortised costs)			
(Unsecured)			
Loans to related parties (Refer Note 42, Page 268)			
Considered good	**15.09**	15.16	53.73
Considered doubtful	**139.95**	151.20	142.34
	155.04	166.36	196.07
Less : Allowance for doubtful loans	**139.95**	151.20	142.34
	15.09	15.16	53.73
(b) Current (at amortised cost)			
(Unsecured, considered good)			
Loans			
Related parties (Refer Note 42, Page 268)	**47.96**	72.45	49.65
Others	**1.06**	10.13	68.80
	49.02	82.58	118.45
Total loans	**64.11**	97.74	172.18

Note 8 : Other financial assets

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non current			
Long-term security deposits placed for hotel properties at amortised costs			
Long-term security deposits placed for hotel properties at amortised costs	**36.87**	32.11	33.84
	36.87	32.11	33.84
Less : Allowance for doubtful deposits	**2.00**	-	-
	34.87	32.11	33.84
Deposits with Public Bodies and Others at amortised costs			
Related parties (Refer Note 42, Page 268)	**0.09**	1.32	1.23
Public Bodies and Others	**30.05**	27.47	42.82
	30.14	28.79	44.05
Less : Allowance for doubtful deposits	**0.38**	0.28	-
	29.76	28.51	44.05
Deposits with banks (Refer Note 14, Page 221)	**3.91**	7.19	7.25
Interest receivable	**-**	0.82	0.58
Others	**3.09**	4.04	3.26
	71.63	72.67	88.98
(b) Current			
Deposit with public bodies and others			
Related parties (Refer Note 42, Page 268)	**1.23**	-	-
Public Bodies and Others	**10.02**	17.03	10.65
	11.25	17.03	10.65
Other advances			
Considered good	**11.71**	9.93	7.56
Considered doubtful	**3.37**	6.11	5.14
	15.08	16.04	12.70
Less : Allowance for doubtful advances	**3.37**	6.11	5.14
	11.71	9.93	7.56
Interest receivable			
Related Parties (Refer Note 42, Page 268)	**2.40**	2.14	3.29
Others	**1.73**	1.61	6.44
	4.13	3.75	9.73
Other receivable			
Related Parties (Refer Note 42 Page 268)	**63.85**	68.30	62.16
Others	**17.71**	12.36	8.22
	81.56	80.66	70.38
	108.65	111.37	98.32
Total other financial assets	**180.28**	184.04	187.30

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 9 : Deferred tax

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Deferred tax assets (net):			
Deferred tax assets:			
Allowance for doubtful debts	**0.04**	0.05	0.04
Provision for employee benefits	**0.15**	0.16	0.08
Property, Plant and equipment & Intangible Assets	**-**	-	1.00
Unused tax losses (Business)	**34.18**	17.26	5.24
MAT credit entitlement	**0.37**	0.30	0.06
Others	**1.03**	0.92	1.02
Total (A)	**35.77**	18.69	7.44
Deferred tax liabilities:			
Property, Plant and equipment & Intangible Assets	**0.56**	0.69	0.63
Total (B)	**0.56**	0.69	0.63
Net Deferred tax assets (A-B) (Refer Footnote i)	**35.21**	18.00	6.81

Footnotes :

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

(ii) For the movement in deferred tax balances, Refer Note 38, Page 256.

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(b) Deferred tax liabilities (net)			
Deferred tax liabilities:			
Property, Plant and equipment & Intangible Assets	**457.62**	473.46	419.38
Unamortised borrowing costs	**0.33**	0.90	1.20
Fair valuation changes of derivative contracts	**15.94**	0.21	-
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	**3.70**	6.24	19.23
Total (A)	**477.59**	480.81	439.81
Deferred tax assets:			
Allowance for doubtful debts	**4.41**	4.09	2.76
Provision for employee benefits	**27.75**	24.88	15.77
Unused tax losses (Business)	**-**	21.74	71.13
Unused tax losses (Capital)	**-**	-	8.95
MAT credit entitlement	**77.66**	129.27	74.69
Fair valuation changes of derivative contracts	**-**	-	0.91
Reward Points	**17.90**	19.25	10.94
Provision for Contingencies	**21.12**	18.60	12.20
Others	**11.50**	6.76	4.37
Total (B)	**160.34**	224.59	201.72
Net Deferred tax liabilities (A-B) (Refer Footnote i)	**317.25**	256.22	238.09

Footnotes :

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

(ii) For the movement in deferred tax balances, Refer Note 38 (iv), Page 257.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 10 : Other assets

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non current			
Capital advances	**25.70**	20.19	23.13
Prepaid expenses	**114.21**	102.20	99.60
Deposits with government authorities	**57.27**	52.14	27.37
Incentive receivables	**107.41**	120.06	38.69
Others	**7.88**	8.86	9.75
	312.47	303.45	198.54
(b) Current			
Prepaid expenses	**43.30**	44.99	43.44
Indirect tax recoverable	**15.10**	10.88	8.20
Advances to suppliers	**16.69**	14.69	13.84
Loans and advances to employee	**2.97**	3.69	2.48
Others	**0.25**	0.91	0.25
	78.31	75.16	68.21
Total other assets	**390.78**	378.61	266.75

Note 11 : Inventories (At lower of cost and net realisable value)

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Food and Beverages	**39.67**	39.45	35.96
Stores and Operating Supplies	**40.77**	40.79	42.19
	80.44	80.24	78.15

Note 12 : Trade Receivables

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(Unsecured) (Refer Note 42, Page 268 for Related Party Disclosures)			
Considered good	**272.06**	241.98	223.50
Considered doubtful	**13.97**	13.01	8.74
	286.03	254.99	232.24
Less : Allowance for doubtful receivables	**13.97**	13.01	8.74
	272.06	241.98	223.50

Footnote:

	March 31, 2017	March 31, 2016
Allowance for doubtful receivables		
Opening balance	**13.01**	8.74
Add: Allowance during the year	**2.93**	6.37
	15.94	15.11
Less: Bad debts written off / reversed no longer required	**(1.97)**	(2.10)
Closing balance	**13.97**	13.01

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 13 : Cash and Cash Equivalents

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Cash on hand	**3.30**	4.01	4.34
Cheques, drafts on hands	**3.94**	7.29	3.22
Balances with banks in current account	**119.47**	106.47	75.73
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**14.60**	22.06	293.39
	141.31	139.83	376.68

Note 14 : Other Balances with banks

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Call and Short-term deposit accounts	**33.30**	39.66	105.21
Deposits pledged with others	**0.62**	0.64	0.62
Margin money deposits	**7.69**	6.66	6.91
Earmarked balances *	**68.05**	2.95	3.56
	109.66	49.91	116.30
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 8(a), Page 218)	**3.91**	7.19	7.25
	105.75	42.72	109.05

*Earmarked balance includes cash held in escrow of ₹ 60.80 crores (March 31, 2016 - Nil, April 1, 2015 - Nil), of the proceeds from sale of Taj Boston, Boston, which can only be drawn on January 12, 2018. (Refer Note 30, Page 237)

Note 15 : Equity Share capital

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Authorised share capital			
200,00,00,000 Equity Shares of ₹ 1 each (March 31, 2016: 200,00,00,000 Equity Shares of ₹ 1 each) (April 1, 2015: 200,00,00,000 Equity Shares of ₹ 1 each)	**200.00**	200.00	200.00
	200.00	200.00	200.00
Issued share capital			
98,93,07,472 Equity Shares of ₹ 1 each (March 31, 2016: 98,93,07,472 Equity Shares of ₹ 1 each) (April 1, 2015: 80,74,89,291 Equity Shares of ₹ 1 each)	**98.93**	98.93	80.75
	98.93	98.93	80.75
Subscribed and paid up			
98,92,74,015 Equity Shares of ₹ 1 each, Fully Paid (March 31, 2016: 98,92,74,015 Equity Shares of ₹ 1 each) (April 1, 2015: 80,74,72,787 Equity Shares of ₹ 1 each) (Refer Footnote (vi))	**98.93**	98.93	80.75
	98.93	98.93	80.75

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 15 : Equity Share capital

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

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

	March 31, 2017		March 31, 2016	
	No. of shares	**₹ crores**	No. of shares	₹ crores
As at the beginning of the year	**98,92,74,015**	**98.93**	80,74,72,787	80.75
Add : CCDs converted to Equity shares	**-**	**-**	181,801,228	18.18
As at the end of the year	**98,92,74,015**	**98.93**	98,92,74,015	98.93

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

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**% of Holding**	No. of shares	% of Holding	No. of shares	% of Holding
Equity share of ₹ 1 each fully paid						
Tata Sons Limited	**27,70,63,351**	**28.01**	27,70,63,351	28.01	20,20,52,004	25.02
Life Insurance Corporation of India	**8,90,22,722**	**9.00**	8,10,06,874	8.19	6,57,52,493	8.14
Sir Dorabji Tata Trust	**5,02,21,040**	**5.08**	5,02,21,040	5.08	5,02,21,040	6.22
Reliance Capital Trustee Company Limited	**7,02,36,948**	**7.10**		*		*

* less than 5%

(v) 33,457 (March 31, 2016 - 33,457 and April 1, 2015 - 16,504) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (March 31, 2016 - Nil and April 1, 2015 - Nil)

(vii) Equity Shares in the entity held by associates.

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**% of Holding**	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid						
Oriental Hotels Limited	**6,26,999**	**0.06**	6,26,999	0.06	5,11,836	0.06
Taida Trading and Industries Limited	**1,56,515**	**0.02**	1,56,515	0.02	1,27,768	0.02
Taj Madurai Limited	**9,37,828**	**0.09**	9,37,828	0.09	7,65,574	0.09

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 16 : Other equity

		March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
a)	**Equity Component of Compulsorily Convertible Debentures (Refer Note 15, footnote (ii), Page 222)**		
	Opening Balance	-	999.91
	Less : CCDs converted to Equity shares		(999.91)
	Closing Balance	-	-
b)	**Reserves and surplus**		
	Capital Reserve		
	Opening and Closing Balance	**43.91**	43.91
	Capital Reserve on Consolidation		
	Opening and Closing Balance	**114.42**	114.42
	Securities Premium Reserve		
	Opening Balance	**1,230.65**	2,270.28
	Add : Premium on conversion of CCDs into shares (Refer Note 15, Footnote (ii), Page 222)	-	981.73
	Less : Issue expenses written off (net of tax)	-	(1.00)
	Less : Adjustment of accumulated losses of the Company, IHMS LLC and LEPPL adjusted against the securities premium as per the schemes (Refer Note 29, Page 237)	-	(2,013.24)
	Less :Excess of investment over fair value adjusted against the securities premium as per LEPPL scheme (Refer Note 29, Page 237)	-	(7.12)
	Closing Balance	**1,230.65**	1,230.65
	Other Reserves		
	Capital Redemption Reserve		
	Opening and Closing Balance	**10.59**	10.59
	Reserve Fund (In terms of Section 45-IC of the Reserve Bank of India Act, 1934)		
	Opening Balance	**42.42**	39.10
	Add : Transfer from retained earnings	-	3.32
	Closing Balance	**42.42**	42.42
	Debenture Redemption Reserve		
	Opening and Closing Balance	**305.97**	305.97
		358.98	358.98
	General Reserve		
	Opening Balance	**596.04**	596.04
	Less : Dividend	**(29.68)**	-
	Less : Tax on Dividend	**(4.38)**	-
	Closing Balance	**561.98**	596.04
	Retained Earnings		
	Opening Balance	**(11.38)**	(1,793.34)
	Add : Loss for the year	**(63.20)**	(231.08)
	Add : Adjustment of accumulated losses of the Company, IHMS LLC and LEPPL adjusted against the securities premium as per the schemes (Refer Note 29, Page 237)	-	2,013.24
	Less : Transfer to Reserve Fund	-	(3.32)
	Add/(Less): Realised (gain) / loss on equity shares carried at fair value through other comprehensive income	**(123.28)**	7.61
	Add/(Less): Remeasurements of post employment benefit obligation, (item of other comprehensive income recognised directly in retained earnings)	**7.23**	(6.85)
	Add/(Less): Tax on remeasurements of post employment benefit obligation	**(3.00)**	2.36
	Closing Balance	**(193.63)**	(11.38)
	Total	**2,116.31**	2,332.62
c)	**Other Comprehensive Income**		
	(Refer Statement of changes in equity for the reclassification adjustments to retained earnings)		
	Equity Instruments fair valued through Other Comprehensive Income	**295.96**	37.64
	Exchange differences on translating the financial statement of foreign operations	**6.49**	111.06
		302.45	148.70
		2,418.76	2,481.32

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 17 : Borrowings

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non current			
Debentures			
Non convertible debentures			
Secured (Refer Footnote ii)	**1,043.65**	786.32	1,541.90
Unsecured (Refer Footnote iii)	**739.60**	817.72	764.87
	1,783.25	1,604.04	2,306.77
Term loans			
From Banks			
Secured (Refer Footnote v)	**578.45**	1,538.07	1,565.85
Unsecured (Refer Footnote vii)	**254.40**	542.04	588.29
	832.85	2,080.11	2,154.14
From Other parties			
Secured (Refer Footnote vi)	**748.45**	747.89	506.66
	748.45	747.89	506.66
	1,581.30	2,828.00	2,660.80
Others	**0.27**	0.46	0.77
Total	**3,364.82**	4,432.50	4,968.34
Less : Current maturities of Long term borrowings (shown under Other current financial liabilities)	**574.96**	1,013.49	1,592.97
Total non current borrowings	**2,789.86**	3,419.01	3,375.37

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(b) Current			
Loans repayable on demand			
From Bank			
Secured (Refer Footnote viii)	**7.31**	7.45	-
Unsecured	**3.85**	86.14	14.69
	11.16	93.59	14.69
Other short-term loans and advances			
From Related parties (Refer Note 42, Page 268)			
Unsecured (Refer Footnote ix)	**7.00**	-	-
	7.00	-	-
Total current borrowings	**18.16**	93.59	14.69

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 17 : Borrowings

Footnotes :

(i) Details of borrowings as at:

	Effective Rate of Interest	Maturity	**March 31, 2017**		March 31, 2016		April 1, 2015	
			Face value	**Amortised cost**	Face value	Amortised cost	Face value	Amortised cost
	(%)		**₹ crores**	**₹ crores**	₹ crores	₹ crores	₹ crores	₹ crores
Debentures								
Non convertible debentures (NCDs)								
Secured								
7.85% Non convertible debentures	7.85	April 15, 2022	**495.00**	**493.65**	-	-	-	-
10.10% Non convertible debentures	10.10	November 18, 2021	**300.00**	**300.00**	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	250.00	250.00
2% Non convertible debentures	9.51	March 22, 2016	**-**	**-**	-	-	90.00	131.11
		March 22, 2017	**-**	**-**	150.00	236.32	150.00	218.51
Zero coupon Non convertible debenture	10.00	February 12, 2016	**-**	**-**	-	-	521.00	642.28
			1,045.00	**1,043.65**	700.00	786.32	1,311.00	1,541.90
Unsecured								
2% Non convertible debentures	9.86	December 9, 2019	**250.00**	**446.87**	250.00	411.34	250.00	378.92
2% Non convertible debentures	9.76	April 23, 2017	**200.00**	**292.73**	200.00	270.38	200.00	249.95
9.90% Non convertible debentures	9.90	February 24, 2017	**-**	**-**	136.00	136.00	136.00	136.00
			450.00	**739.60**	586.00	817.72	586.00	764.87
			1,495.00	**1,783.25**	1,286.00	1,604.04	1,897.00	2,306.77
Term loan from banks								
Secured			**-**	**578.45**	-	1,538.07	-	1,565.85
Unsecured			**-**	**254.40**	-	542.04	-	588.29
			-	**832.85**	-	2,080.11	-	2,154.14
Term loans from other parties								
Secured			**-**	**748.45**	-	747.89	-	506.66
			-	**748.45**	-	747.89	-	506.66
Others				**0.27**		0.46		0.77
			1,495.00	**3,364.82**	1,286.00	4,432.50	1,897.00	4,968.34
Short term borrowings			**-**	**18.16**	-	93.59	-	14.69
Total Borrowings			**1,495.00**	**3,382.98**	1,286.00	4,526.09	1,897.00	4,983.03

(ii) Non convertible debentures - secured include:

a) 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. April 15, 2022.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 17 : Borrowings

b) 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.

c) 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.

d) 3,000, 2% Secured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on March 22, 2010 were repayable in 3 annual instalments commencing at the end of 5th, 6th & 7th year from the date of allotment along with redemption premium of ₹ 6.13 lakhs per debenture. The Company had repaid the first instalment of ₹ 60 crores on March 23, 2015 and the second installment of ₹ 90 crores on March 22, 2016. During the year, the Company has repaid the last instalment of ₹ 150 crores on March 22, 2017.

e) 5210, Zero coupon Secured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on February 13, 2013 and repaid on February 12, 2016 at the end of 3 years from the date of allotment having a Yield to maturity of 10% p.a. The Debentures were secured by pledge of the Company's 100% investment in Skydeck Properties & Developers Private Limited (SPDPL), a wholly owned subsidiary of the Company and receivables of Lands End Properties Private Limited prior to amalgamation with the Company.

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:

a) 2,500, 2% Unsecured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on December 9, 2009 are repayable on December 9, 2019 i.e. at the end of the 10th year from the date of allotment, along with redemption premium of ₹ 12.43 lakhs per debenture.

b) 2,000, 2% Unsecured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 23, 2012 are repayable on April 23, 2017, i.e. at the end of the 5th year from the date of allotment along with redemption premium of ₹ 4.71 lakhs per debenture.

c) 1,360, 9.90% Unsecured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 136 crores, allotted on February 24, 2012 are repayable on February 24, 2017 i.e. at the end of the 5th year from the date of allotment. During the year, the Group has repaid these debentures on the due date.

(iv) Term Loan from Banks (Secured) include:

a) Roots Corporation Limited (RCL), a domestic subsidiary of the Company availed a term loan facility of ₹ 75 crores from a bank on March 30, 2015, carrying interest rate of 10% per annum payable at monthly rests. This loan is repayable in 4 equal quarterly instalments of 8%, 16%, 20%, 26% and 30% of the loan amount starting from the 3rd year till the 7th year. RCL has created a charge in April 2016 by way of hypothecation of moveable assets therein and mortgage of 4 hotel properties and fixed assets contained therein. In addition, loan of ₹ 12 crores carrying interest rate of 9.65% per annum payable at monthly rests is repayable in equal quarterly instalments of ₹ 1.20 crores ending in May 2019. The Loan is secured by way of hypothecation of certain hotel properties of RCL.

b) During the current year, St James Court Hotels Limited, an overseas subsidiary of the company, has repaid the existing bank loan of £45 million in full on 19 August 2016 which carried interest at the floating rate of one month Sterling LIBOR plus a margin based on a ratchet between 2% and 3% based on the Interest Cover ratio achieved by the Company. A new loan of £44.5 million (₹ 352 crores) was undertaken in the year at a floating rate of 1 month Sterling LIBOR + 1.65%. Repayments on the new loan are £1.5m per annum (payable quarterly) with the balance repayable in August 2021.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 17 : Borrowings

c) United Overseas Holding Inc. (UOH), a wholly owned overseas subsidiary, had a term loan facility for US $ 120 million with State Bank of India, London Branch which had the originally maturity date of September 15, 2022. During the year, UOH has prepaid $98 million of the outstanding loan balance using the proceeds from the sale of one of its subsidiary which housed Taj Boston. This loan requires monthly interest only payments computed at LIBOR plus 3.81%, as defined through March 15, 2017 (5.24% and 4.72% at March 31, 2017 and 2016, respectively). Thereafter, principal payments are due every six months, as defined. The Term Loan Facility is secured, by amongst other things, the San Francisco LLC's hotel property. The balance outstanding as at March 31, 2017 is $ 21.78 million (₹ 141.25 crores)

d) Taj International Hotels (H.K) Limited (TIHK), wholly owned overseas subsidiary of the company, had obtained loan of US $ 50 million on December 19, 2014 which was secured by pledge of Group's Investment in Belmond Ltd and had the original maturity date of December 23, 2019. During the year, TIHK has repaid the entire loan out of proceeds from the sale of the Group's Investment in Belmond Ltd.

(v) Term Loan from others (Secured) include:

Skydeck Properties and Developers Private Limited, a wholly owned domestic subsidiary acquired during the year, has obtained a new loan of ₹ 750 crores to refinance its existing loan. This loan carries interest at the rate of 10% per annum compounded on an annual basis and matures on January 26, 2019 at which the loan is payable along with the cumulative interest. This loan is secured by way of pledge of the group's total investment in ELEL Hotels & Investments Limited and Sheena Investments Private Limited.

(vii) Term loan from banks (Unsecured) include:

a) External commercial borrowing of US $ 95 million was taken on November 23, 2011. The loan is repayable at the end of 50th, 60th, and 72nd month from November 23, 2011 in equal instalments to achieve the average maturity of 5.05 years and carries an interest which is based on a spread over LIBOR. The first instalment of US $ 31.67 million and the second instalment of US $ 31.67 million has been repaid on January 25, 2016 and November 23, 2016 respectively. The last instalment of US $ 31.66 million (₹ 204.52 crores) is due on November 22, 2017 and has been classified under current maturities of long term borrowings.

b) Unsecured term loan from a bank of ₹ 125 crores carrying interest rate of 9.50% per annum was taken during the previous year by the Parent Company which was repayable at the end of 18 months from the date of first drawdown. The loan was drawn in 2 tranches of ₹ 60 crores and ₹ 65 crores on February 9, 2016 and March 21, 2016 respectively. Further, ₹ 25 crores was drawn on May 30, 2016 at an interest of 9.5% p.a. The Parent Company has prepaid the loan of ₹ 100 crores on March 31, 2017 and the outstanding at the end of the year is ₹ 49.88 crores. The interest rate has reduced to 8.25% as on March 31, 2017.

(viii) Loans repayable on demand

Loans repayable on demand from bank consists of overdraft facility. The secured portion of this facility are secured by hypothecation of operating suplies, stores, food and beverages and receivables.

(ix) Other short-term loans and advances

Loan from related parties consists of an inter-corporate deposits obtained by one of the subsidiary which carries interest of 10.50% p.a. repayable on demand.

Note 18 : Trade Payables (Refer Note 42, Page 268 for Related Party Disclosures)

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Vendor payables	**178.87**	172.78	156.13
Accrued expenses and others	**114.19**	114.50	92.06
	293.06	287.28	248.19

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 19 : Other financial liabilities

		March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a)	**Non current**			
	Liability on derivative contracts	**257.21**	304.49	333.41
	Deposits from others	**2.95**	2.99	1.62
	Creditors for capital expenditure	**3.54**	4.38	0.70
	Employee related liabilities	**4.01**	4.59	1.69
	Other liabilities	**89.12**	12.84	-
		356.83	329.29	337.42
(b)	**Current**			
	Current maturities of long-term borrowings (Refer Note 17 (i), Page 225)			
	Debentures	**292.73**	372.32	773.39
	Term loan from bank	**282.10**	641.03	312.60
	Term loan from other parties	**-**	-	506.66
	Others	**0.13**	0.14	0.32
		574.96	1,013.49	1,592.97
	Liability on derivative contracts	**1.17**	58.32	24.42
	Liability towards loyalty programmes	**35.28**	24.43	10.08
	Other payables			
	From related parties (Refer Note 42, Page 268)	**7.96**	0.07	0.81
	From other parties	**6.04**	8.09	12.05
		14.00	8.16	12.86
	Additional liability on account of loss in joint ventures (Refer Note 6(a)(iv), Page 217)	**79.94**	89.16	61.71
	Deposits from others			
	Option Deposit received against purchase of shares (Secured) (Refer Note 6(b)(iii), Page 217)	**71.10**	71.10	71.10
	Unsecured	**27.03**	26.19	26.63
		98.13	97.29	97.73
	Interest accrued but not due on borrowings	**43.73**	40.32	178.12
	Creditors for capital expenditure	**43.92**	36.73	27.47
	Unclaimed dividends	**2.26**	2.48	2.96
	Unclaimed share application money	**-**	-	0.05
	Unclaimed matured deposits and interest accrued thereon	**0.94**	1.10	1.35
	Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous Year - ₹ 25,153)	**-**	-	-
	Employee related liabilities	**107.10**	103.28	106.41
	Other liabilities	**64.03**	61.83	78.53
		1,065.46	1,536.59	2,194.66

Footnote :

The fair value hierarchy and classification are disclosed in Note 35, Page 247

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 20 : Provisions

		March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a)	**Non current**			
	Provision for employee benefits (Refer Note 39, Page 259)			
	Compensated absences	**50.06**	42.94	33.87
	Gratuity	**1.06**	7.30	4.64
	Post-employment medical benefits	**5.27**	4.51	2.83
	Post-retirement pension	**17.98**	16.91	6.85
		74.37	71.66	48.19
	Provision for contingencies (Refer Footnote)	**1.19**	0.15	0.15
		75.56	71.81	48.34

Footnote :

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

		March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(b)	**Current**			
	Provision for employee benefits (Refer Note 39, Page 259)			
	Compensated absences	**19.31**	22.80	24.78
	Gratuity	**0.76**	0.60	2.62
	Post-employment medical benefits	**0.28**	0.23	0.26
	Post-retirement pension	**1.60**	0.71	0.92
	Other employee benefits	**1.48**	1.47	2.35
		23.43	25.81	30.93
	Provision for others			
	Provision for contingent claims (Refer Footnote i)	**111.05**	103.59	83.04
	Tax on dividend	**0.73**	-	-
		111.78	103.59	83.04
		135.21	129.40	113.97

Footnotes :

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

	Opening Balance ₹ crores	Additions ₹ crores	Utilisation ₹ crores	Reversal (withdrawn as no longer required) ₹ crores	Closing Balance ₹ crores
Disputed claims for taxes, levies and duties	**100.72**	**8.92**	**1.19**	**-**	**108.45**
	79.28	*21.44*	*-*	*-*	*100.72*
Dispute on contractual matters	**0.43**	**-**	**-**	**-**	**0.43**
	0.41	*0.02*	*-*	*-*	*0.43*
Dispute in respect of employee benefits	**2.44**	**-**	**-**	**0.27**	**2.17**
	3.35	*-*	*0.91*	*-*	*2.44*
Total	**103.59**	**8.92**	**1.19**	**0.27**	**111.05**
	83.04	*21.46*	*0.91*	*-*	*103.59*

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

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

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 21 : Other liabilities

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Current			
Income received in advance	**25.52**	29.44	21.24
Deferred Revenue	**131.81**	160.23	68.49
Advances collected from customers	**113.91**	120.66	97.20
Statutory dues	**55.89**	58.58	48.42
	327.13	368.91	235.35

Note 22 : Revenue from operations

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Rooms, restaurants and banquets income	**3,522.97**	3,567.41
Shop rentals	**39.80**	44.74
Membership fees	**95.16**	71.01
Management and operating fees	**177.38**	160.64
Other operating income	**174.95**	179.22
Total	**4,010.26**	4,023.02

Note 23 : Other income

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	**4.77**	5.93
Deposits with banks	**7.89**	31.42
Others	**9.00**	8.66
	21.66	46.01
Interest on income tax refunds	**0.72**	0.29
	22.38	46.30
Dividend Income from Investments (Refer Footnote)		
from Investments that are fair valued through Other Comprehensive Income	**2.19**	15.56
from Investments that are fair valued through Profit and Loss	**8.51**	24.04
Profit on disposal of Property, plant and equipment (Net)	**0.76**	-
Gain on investments carried at fair value through profit and loss	**4.74**	0.09
Others	**16.36**	13.77
Total	**54.94**	99.76

Footnote:

Previous year includes dividend income relating to one of the investment designated at Fair Value through Other Comprehensive Income and derecognised during the previous year ₹ 0.45 crore.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 24 : Employee benefit expenses and payment to contractors

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Salaries, wages, bonus etc.	**1,077.28**	1,130.39
Company's contribution to provident and other funds (Refer Note 20, Page 229)	**47.47**	61.37
Reimbursement of expenses on personnel deputed to the company	**38.06**	37.94
Payment to contractors	**88.17**	84.01
Staff welfare expenses	**113.67**	109.55
Total	**1,364.65**	1,423.26

Note 25 : Finance costs

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Interest expense		
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	**320.63**	389.24
Add : Settlements on interest rate swap contracts	**(7.96)**	(14.00)
	312.67	375.24
On income tax demand	**1.60**	1.24
Other borrowing costs	**13.85**	5.82
	328.12	382.30
Less : Interest capitalised (Refer Footnote)	**4.29**	6.71
Total	**323.83**	375.59

Footnote :

The Group has capitalised the interest cost on borrowings relating to qualifying assets including within capital work in progress

Note 26 : Operating and general expenses

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
(a) Operating expenses consist of the following :		
Linen and room supplies	**77.31**	74.64
Catering supplies	**29.68**	27.22
Other supplies	**7.31**	6.19
Fuel, power and light	**258.61**	275.43
Repairs to buildings	**60.89**	56.34
Repairs to machinery	**69.93**	68.38
Repairs to others	**31.51**	30.18
Linen and uniform washing and laundry expenses	**41.13**	44.40
Security charges and Others	**36.48**	34.53
Guest transportation	**37.36**	38.26
Travel agents' commission	**84.70**	78.71
Discount to collecting agents	**48.10**	51.18
Other operating expenses	**82.65**	86.41
Total	**865.66**	871.87

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 26 : Operating and general expenses

		March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
(b)	**General expense consist of the following :**		
	Rent	**66.14**	67.12
	Licence fees (including imputted lease expenses of ₹ 4.86 crores (Previous year ₹ 5.86 crores))	**250.16**	240.84
	Rates and taxes	**89.28**	95.19
	Insurance	**15.25**	16.15
	Advertising and publicity	**101.38**	111.85
	Printing and stationery	**13.98**	14.16
	Passage and travelling	**18.96**	16.87
	Allowance for doubtful debts and Bad debts written off	**2.93**	6.37
	Expenditure on corporate social responsibility	**6.00**	2.09
	Professional fees	**50.92**	53.01
	Support services	**56.09**	51.12
	Exchange loss (Net)	**1.64**	0.55
	Loss on Sale of Property, plant and equipment (Net)	**-**	2.55
	Payment made to statutory auditors (Refer Footnote)	**8.74**	9.54
	Directors' fees and commission	**3.96**	3.59
	Other expenses	**120.95**	117.80
	Total	**806.38**	808.80
		1,672.04	1,680.67

Footnote :

Payment made to statutory auditors:

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
As auditors	**7.60**	7.85
For other services (including tax audit and company law matters)	**1.03**	1.61
Expenses and incidentals	**0.11**	0.08
	8.74	9.54

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 27 : Exceptional Items

	March 31, 2017	March 31, 2016
	₹ crores	₹ crores
Exceptional Items comprises of the following :		
Exchange Gain / (Loss) on long term borrowings / assets (net)	**0.44**	(33.20)
Change in fair value of derivative contracts	**65.45**	(24.41)
Recovery of costs alongwith interest (₹ 14.70 crores) on a surrendered project	**24.33**	-
Provision of financial exposure in an associate	**(5.05)**	-
Net loss on disposal of subsidiaries (Refer note 30, Page 237)	**(103.08)**	-
Refund of Municipal tax (including interest ₹ 2.38 crores)	**6.16**	-
Profit on compulsory acquisition of land by government	**0.97**	-
Projects written off for commercial reasons	**-**	(25.07)
Total	**(10.78)**	(82.68)

Note 28 : Transition to Ind AS

These are the group's first consolidated financial statements prepared in accordance with Ind AS. In preparing its opening Ind AS balance sheet as at April 1, 2015, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

The exemptions and exceptions applied by the Company in accordance with Ind AS 101 *'First-time Adoption of Indian Accounting Standards'* along with the reconciliations of equity, total comprehensive income and Statement of Cash Flows in accordance with Previous GAAP to Ind AS are explained below:

A. <u>Exemptions from retrospective application:</u>

The Group has applied the following exemptions:

i. Business combinations exemption

The Group has elected to apply Ind AS 103- 'Business Combinations' prospectively from the date of transition to business combinations occurred before the transition date. Hence, business combinations occurring prior to the transition date have not been restated.

ii. Property, plant and equipment and intangible assets – Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (Para D7AA of Appendix D). This exemption can also be used for intangible assets covered by Ind AS 38 *'Intangible Assets'* and investment property covered by Ind AS 40 *'Investment Properties'.*

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying values.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

iii. Cumulative translation differences

Ind AS 101 permits cumulative translation gain and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation difference in accordance with Ind AS 21 *'The Effects of Changes in Foreign Exchange Rates'* from the date a subsidiary or equity method accounted investee was formed or acquired.

The Group elected to reset all its cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

B. Reconciliations between Previous GAAP and Ind AS:

i. **Equity Reconciliations**	**Notes**	**As at March 31, 2016 ₹ crores**	**As at April 1, 2015 ₹ crores**
Equity under Previous GAAP attributable to:			
Owners of the company		3,181.97	2,227.22
Non-controlling interests		835.34	737.84
Equity under Previous GAAP		**4,017.31**	**2,965.06**
Adjustment on account of Schemes of Arrangement (Refer Note 29, Page 237)		(7.12)	-
Borrowings – low coupon debentures measured at amortised cost	(a)	206.65	290.80
Fair value of derivative contracts recognised	(b)	(108.26)	(130.21)
Deferred revenue on Customer Loyalty programme	(c)	(40.38)	(21.33)
Financial assets at amortised cost	(d)	(26.06)	(24.72)
Fair valuation of Investments	(e)	89.35	178.74
Proposed dividend (including tax on dividend) reversed	(h)	35.72	-
Equity component of other financial instruments	(m)	-	999.91
Reserves of entities covered under the definition of subsidiaries in Ind AS-110 consolidated into the results of the Group. Previously these entities were not regarded as subsidiaries (upto September, 2015) under the provisions of AS 21	(f)	(690.17)	(517.87)
Non-controlling interest of entities which are now accounted using equity method	(g)	(117.89)	(114.44)
Other adjustments		7.05	(5.15)
Tax adjustments	(i)	(43.02)	(100.74)
Equity under Ind AS		**3,323.18**	**3,520.05**
Attributable to:			
Owners of the company		2,580.25	2,773.89
Non-controlling interests		742.93	746.16

Notes to Consolidated Financial Statements for the year ended March 31, 2017

ii. Total Comprehensive income reconciliation

	Notes	For the year ended March 31, 2016 ₹ crores
Loss after tax, minority interest and share of associates under Previous GAAP		**(60.53)**
Adjustments on account of transition (net of non-controlling interests)		
Finance cost – low coupon debentures measured at amortised cost	(a)	(81.06)
Change in fair value of derivative contracts	(b)	(27.04)
Deferred revenue on Customer Loyalty Programme	(c)	(19.05)
Exchange difference on revaluation of Long term borrowings/ assets	(j)	15.91
Reversal of gain/ loss on sale of long term investment	(e)	(21.11)
Results of entities covered under the definition of subsidiaries in Ind AS-110 consolidated into the results of the Group. Previously these entities were not regarded as subsidiaries (upto September, 2015) under the provisions of AS 21	(f)	(73.31)
Change in share of profit/ (loss) in Associates/ Joint ventures due to transition to Ind AS		(29.13)
Reclassification of actuarial gains/ losses, arising in respect of employee benefit schemes, to other comprehensive income. This was previously charged to the statement of profit and loss.		6.07
Other adjustments		14.27
Tax adjustments	(i)	43.90
Loss after tax under Ind AS (owner's share)		**(231.08)**
Other comprehensive income (net of non-controlling interests)	(k)	45.54
Total comprehensive income as per Ind AS (owner's share)		**(185.54)**

iii. Statement of Cash Flows reconciliation

Particulars	Notes	For the year ended March 31, 2016 As per Previous GAAP ₹ crores	Effect of transition to Ind AS ₹ crores	As per Ind AS ₹ crores
Net cash flows from operating activities	(l)	659.07	(40.32)	618.75
Net cash flows from investing activities	(l)	285.86	52.24	338.10
Net cash flows from financing activities	(l)	(1182.06)	(14.40)	(1,196.46)
Net increase/ (decrease) in cash and cash equivalents		**(237.13)**	**(2.48)**	**(239.61)**
Cash and cash equivalents as at April 1, 2015		**412.93**	**(36.25)**	**376.68**
Adjustments on acquisition / translation		10.63	(7.87)	**2.76**
Cash and cash equivalents as at March 31, 2016		**186.43**	**(46.60)**	**139.83**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Analysis of changes in cash and cash equivalents fo the purpose of consolidated statement of cash flows under Ind AS

	Notes	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP		**186.43**	**412.93**
Joint venture - equity accounting	(l)	(29.68)	(19.45)
Consolidation of subsidiaries	(l)	-	1.79
Other adjustments		(16.92)	(18.59)
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS		**139.83**	**376.68**

a. The back ended premium on redemption on low coupon bonds had been offset against the Securities Premium Account under the Previous GAAP, which is now recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying the effective interest rate method. The redemption premium for unexpired period as at the date of transition has been added back to Securities Premium Account.

b. The Group has entered into certain derivatives contracts mainly cross currency swaps and interest rate swaps. Under the Previous GAAP, in case of cross currency swap at the each reporting date, the notional amounts were restated at the closing exchange rates and recognised as liability in case of cross currency swap contracts and the Interest rate swaps are accounted on a net basis at the time of settlement . Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with the resulting changes being recognised in the Statement of Profit and Loss.

c. The Company operates loyalty programme, which allows its members to earn, accumulate and redeem the points based on their spending at the hotels. Under the Previous GAAP, the Company created a provision based on estimated cost of future services towards its liability under the programme.

   Under Ind AS, the revenues have been allocated between the services rendered and points issued. The consideration allocated to the points that has been deferred will be recognised as revenue when such points are redeemed or lapse.

d. Interest free security deposits for leased premises (that are refundable in cash on completion of the lease term) were recorded at their transaction value under the Previous GAAP. Under Ind AS, these deposits are recognised at fair value on the date of transaction, difference is taken to prepaid rent. Prepaid rent is amortised over the tenure of the deposit, which is partially set off by the notional interest income recognised on such deposit.

e. Under the Previous GAAP, long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. Fair value changes with respect to investments in equity instruments designated as at fair value through Other Comprehensive Income (FVOCI) have been recognised in Equity through Other Comprehensive Income as at the date of transition and subsequently in the Other Comprehensive Income for the year ended March 31, 2016. Also, profit / loss on sale of investment recognised under the Previous GAAP is now reversed as the investment was fair valued on transition date.

f. The Group consolidated its investments in structured entities on transition to Ind AS as the management is of the view that it had exposure or had rights, to variable returns from its involvement with this entity. This was considered as an investment and accounted at cost under the Previous GAAP upto September 2015.

g. This comprises of adjustment to 'Non-controlling interest' component on account of equity accounting of joint ventures.

h. Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as liability in the period to which it relates. This has resulted in an increase in equity by ₹ 35.72 crores and Nil as on March 31, 2016 and April 1, 2015 respectively.

i. Deferred tax have been recognised on the adjustments made on transition to Ind AS which also includes deferred tax assets created on unabsorbed tax losses based on reasonable certainty and dividend distribution tax paid by group companies charged to statement of profit and loss instead of adjusting the reserves.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

j. Exchange difference on revaluation of Long Term Borrowings/Assets is recognised in Statement of Profit and Loss under Ind AS. Under the Previous GAAP, these translation differences were previously being amortised over the tenure of the borrowing. Previously, translation gain on Investment in Non-Integral Foreign Operations was taken to Foreign Currency Translation Reserve (FCTR).

k. Under Ind AS, certain items of income and expense that are not recognised in the Statement of Profit and Loss but in Other Comprehensive Income and this includes remeasurement of defined benefit plans and fair value gains or losses on equity instruments measured subsequently at FVOCI and exchange differences on translating the financial statement of foreign operations. The concept of Other Comprehensive Income did not exist under the Previous GAAP.

l. Pertains to cash movement of certain companies which under the Previous GAAP were consolidated on line-by-line basis / proportionate basis are now accounted on the basis of equity accounting.

m. Compulsorily Convertible Debenture (“CCDs”) were considered as a liability under the Previous GAAP. Under Ind AS, CCDs are considered as Other Equity. These were converted into Equity Shares on March 1, 2016.

Note 29 : Schemes of Arrangement

During the current year, the Honorable High Court of Bombay vide its Orders dated August 12, 2016 and October 13, 2016 respectively has approved two separate Schemes of Arrangement (the “IHMS Scheme” and the “LEPPL Scheme”) which inter alia include the amalgamation of International Hotel Management Services LLC (“IHMS LLC”) and Lands End Properties Private Ltd (“LEPPL”) with the Company. Both these Schemes were approved by the Board of Directors and Shareholders on October 19, 2015 and May 4, 2016 respectively. Consequent to the said Orders and subsequent approval of the Securities and Exchange Board of India and the filing of the final certified Orders with the Registrar of the Companies, Maharashtra and with the Secretary of the State of the Delaware, the IHMS Scheme has become effective on September 29, 2016 with effect from the Appointed Date of January 1, 2016 and the LEPPL Scheme has become effective on December 19, 2016 with effect from the Appointed Date of March 31, 2016.

Upon the coming into effect of the Schemes and with effect from the Appointed Dates, the undertaking of IHMS LLC and LEPPL have been transferred to and vested in the Company from the respective Appointed Dates. Further, in terms of the above mentioned Orders, the following adjustments aggregating to ₹ 2,020.36 crores were given effect to against the Securities Premium Account as on the respective Appointed Dates and the following adjustments were made against the Securities Premium Account - accumulated losses of the Company as on the Appointed Date of the IHMS Scheme - ₹ 358.58 crores and the accumulated losses of ₹ 1,337.56 crores and ₹ 317.10 crores relating to IHMS LLC and LEPPL respectively. The scheme also provided for the capital reduction (by adjustment against the securities premium account) on account of excess of investment over the face value of the equity of LEEPL amounting to ₹ 7.12 crores.

Note 30 : Sale/ disposal of subsidiaries

a) During the current year, United Overseas Holding Inc (UOH), a wholly owned subsidiary of the Company, has divested its entire LLC interests in IHMS (Boston) LLC which owned Taj Boston, to ‘AS Holding LLC, Boston’, for an aggregate consideration of US$ 125 million (₹ 813.23 crores) on July 12, 2016. Accordingly, the carrying value of the hotel has been brought down to reflect the sale value and the difference has been charged to the statement of profit and loss account aggregating to ₹ 103.25 crores and has been disclosed as an Exceptional item. Following are the key numbers for Taj Boston included in the financial statement as at the respective dates below:

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores
Income from operations	**76.37**	222.95
Total Expenditure	**81.52**	270.50
Profit/(Loss) before tax	**(5.15)**	(47.55)
Exceptional item – Loss on divestment of IHMS (Boston) LLC	**(103.25)**	-
Profit/(Loss) before /after tax and exceptional items	**(108.40)**	(47.55)

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Footnote:

Figure for the year ended March 31, 2017 are only upto the date of divestment i.e. July 12, 2016.

Significant account balances of IHMS (Boston) LLC:

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Non-current assets	**-**	938.74	903.15
Current assets	**-**	13.80	21.94
Current liabilities	**-**	432.96	391.30

b) The Group has disposed and/or in the process of disposal of certain dormant and immaterial subsidiaries as detailed below:

i. **Sale of a subsidiary**

On 31 March 2017, the entire holding in the shares of Apex Hotel Management Services (Australia) Pty Ltd ('AHMSA'), an indirect wholly owned subsidiary ('WOS') of the Company incorporated in Australia, were sold to an unrelated third party. Accordingly, AHMSA ceased to be a WOS of the Company. AHMSA was locally promoting the Taj hotels at the time of sale.

ii. **Liquidation of a subsidiary**

On 13 April 2017, Chieftain Corporation NV (Chieftain), an indirect WOS of the Company incorporated in Curaçao, Netherlands Antilles, was liquidated. Chieftain was a dormant intermediate holding company.

iii. **Proposed closure of subsidiaries**

In April 2017, an application was filed with the appropriate local authority for striking off of the name of Apex Hotel Management Services Pte Ltd ('AHMS'), an indirect WOS of the Company incorporated in Singapore. The application has been approved by the said local authority and the name of AHMS is expected to be struck off the Register of Companies in Singapore in the next few months. AHMS was promoting the Taj hotels in the South East Asian and East Asian regions.

In May 2017, an application was filed with the appropriate local authority for liquidating Samsara Properties Ltd ('SPL'), an indirect WOS of the Company incorporated in the British Virgin Islands. SPL was a dormant intermediate holding company. The process of liquidation is expected to be completed within the next few months.

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, are as under:

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Income Tax	**119.21**	85.13	42.82
Luxury tax	**3.79**	2.66	2.55
Entertainment tax	**2.22**	3.02	2.66
Sales tax / VAT	**28.16**	27.89	16.68
Property and Water tax	**84.13**	71.43	58.26
Service tax	**25.37**	22.85	20.81
Others	**17.12**	16.80	9.51

Notes to Consolidated Financial Statements for the year ended March 31, 2017

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.

(b) On account of lease agreements:

In respect of a plot of land provided to the Company under a license agreement, on which the Company has constructed a hotel, the licensor has made a claim of ₹ 344.50 crores to date, (13 times the existing annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim, based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the licensor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the existing license agreement as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch beyond than ₹ 86.36 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been issued by the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the licensor, pending a resolution of this dispute by the Honourable Bombay High Court. In view of this, and based on legal advice, the Company regards the likelihood of sustainability of the lessor's claim to be remote and the amount of any potential liability, if at all, to be indeterminate.

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

(i) Legal and statutory matters ₹ 0.95 crores (March 31, 2016 - ₹ 2.02 crores, April 1, 2015 - ₹ 1.16 crores)

(ii) Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimates above, including where:

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) Litigation in respect of a property:

After expiry of the license period of Taj Mahal Hotel, New Delhi, there was an ongoing litigation between the company and the licensor, New Delhi Municipal Council ('NDMC'). On April 20, 2017, the Supreme Court has permitted NDMC to conduct e-auction of license rights, and has also allowed the Company six months' time to handover the premises in case the Company is unsuccessful in the e-auction. The hotel at the premises shall continue to carry out its operations in the meantime. The Supreme Court has directed that at the time of conducting such e-auction, NDMC shall take into account the unblemished record of IHCL as well as its capabilities. NDMC has been directed to take into account these facts while taking a final decision in the matter. Pending the announcement of terms and conditions of the e-auction, these financial statements do not include the impact of the possible outcome of the same.

(e) Claims filed by the Group:

The Company has filed a claim for Government subsidy with the Department of Industrial Policy and Promotion for a new greenfield hotel project which has commenced operations. The claim is in the initial stage of verification and in the absence of reasonable certainty at this stage on the amount that may be ultimately approved, no deferred income has been recognised.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 32 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for is ₹ 114.86 crores (March 31, 2016 - ₹ 191.16 crores, April 1, 2015 – ₹ 213.85 crores).

Note 33 : Guarantees and Undertakings given

(a) Guarantees given by the Group and outstanding as on March 31, 2017 - ₹ 16.42 crores (March 31, 2016 - ₹ 10.79 crores, April 1, 2015 - ₹ 10.79 crores).

(b) The Group has given letters of support to few associates and joint venture companies during the year.

(c) The Group, together with an associate and a third party entered into an agreement with the bank, in consideration for the lender originally provided a credit facility of up to US $9 million to Lanka Island Resorts Limited, an associate of the Group. The outstanding balance as at March 31, 2017 ₹ 20.43 crores (US $ 3.15 million) (March 31, 2016 ₹ 38.27 crores (US $ 5.78 million), April 1, 2015 ₹ 48.28 crores (US $ 7.75 million)). The Group has agreed to execute a shortfall undertaking and a non-disposal undertaking for shares in Lanka Island Resorts Limited in favor of the bank as security for repayment of credit facilities and monies payable by the associate to the bank under the facility agreement and performance and observance by the bank of all its obligations and covenants under the Facility Agreement.

Note 34 : Interest in other entities

a) Subsidiaries

i) The parent's subsidiaries at March 31, 2017 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 in enumerated in the table below. The country of incorporation or registration is also their principal place of business.

	Country of Incorporation	Effective ownership interest held by the group			Ownership interest held by non-controlling interests		
		March 31, 2017	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015
		(%)	(%)	(%)	**(%)**	(%)	(%)
Domestic							
Benares Hotels Ltd.	India	**51.68**	51.68	51.68	**48.32**	48.32	48.32
ELEL Hotels & Investments Ltd. (Refer Footnote (f))	India	**85.72**	85.72	-	**14.28**	14.28	-
Inditravel Ltd.	India	**77.19**	77.19	77.19	**22.81**	22.81	22.81
KTC Hotels Ltd.	India	**100.00**	100.00	100.00	**-**	-	-
Lands End Properties Private Ltd. (Refer Footnote (a))	India	**-**	-	19.90	**-**	-	80.10
Luthria & Lalchandani Hotels and Properties Private Ltd. (Refer Footnote (f))	India	**87.15**	87.15	-	**12.85**	12.85	-
Northern India Hotels Ltd.	India	**48.03**	48.03	48.03	**51.97**	51.97	51.97
Piem Hotels Ltd.	India	**51.57**	51.57	51.57	**48.43**	48.43	48.43
Roots Corporation Ltd.	India	**63.25**	63.25	63.25	**36.75**	36.75	36.75
Sheena Investments Private Ltd. (Refer Footnote (f))	India	**100.00**	100.00	-	**-**	-	-
Skydeck Properties & Developers Private Ltd. (Refer Footnote (f))	India	**100.00**	100.00	-	**-**	-	-
Taj Enterprises Ltd.	India	**74.70**	74.70	74.70	**25.30**	25.30	25.30
Taj Trade & Transport Ltd.	India	**72.73**	72.73	72.73	**27.27**	27.27	27.27
TIFCO Holdings Ltd.	India	**100.00**	100.00	100.00	**-**	-	-
United Hotels Ltd.	India	**55.00**	55.00	55.00	**45.00**	45.00	45.00

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	Country of Incorporation	Effective ownership interest held by the group			Ownership interest held by non-controlling interests		
		March 31, 2017 (%)	March 31, 2016 (%)	April 1, 2015 (%)	**March 31, 2017 (%)**	March 31, 2016 (%)	April 1, 2015 (%)
International							
Apex Hotel Management Services (Australia) Pty Ltd. (Refer Footnote (c))	Australia	**-**	100.00	100.00	**-**	-	-
Apex Hotel Management Services (Pte) Ltd. (Refer Footnote (b))	Singapore	**-**	100.00	100.00	**-**	-	-
Chieftain Corporation NV(Refer Footnote (d))	Netherlands Antilles	**100.00**	100.00	100.00	**-**	-	-
IHOCO BV	Netherlands	**100.00**	100.00	100.00	**-**	-	-
International Hotel Management Services LLC (Refer Footnote (a))	United States of America	**-**	-	100.00	**-**	-	-
Piem International (HK) Ltd.	Hong Kong	**51.57**	51.57	51.57	**48.43**	48.43	48.43
Samsara Properties Ltd.	British Virgin Islands	**100.00**	100.00	100.00	**-**	-	-
St. James Court Hotel Ltd.	United Kingdom	**72.25**	72.25	72.25	**27.75**	27.75	27.75
Taj International Hotels (HK) Ltd.	Hong Kong	**100.00**	100.00	100.00	**-**	-	-
Taj International Hotels Ltd.	United Kingdom	**100.00**	100.00	100.00	**-**	-	-
United Overseas Holding Inc. (Refer Footnote (e))	United States of America	**100.00**	100.00	-	**-**	-	-

Footnotes:

a) These subsidiaries have been amalgamated with the Company during the year as per the respective court orders (Refer Note 29, Page 237).

b) Apex Hotel Management Services (Pte) Ltd. is in the process of liquidation with effect from December 21, 2016.

c) Apex Hotel Management Services (Australia) Pty Ltd. has been sold on March 31, 2017.

d) Chieftain Corporation NV filed for liquidation during the year and dissolved on April 13, 2017.

e) This subsidiary was created during the financial year 2015-16.

f) These were structured entities and for basis of consolidation, refer Note 34(a)(ii)(c), Page 242

ii) Significant judgements and assumptions:

a. 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 93.14% through Piem Hotels Limited, a subsidiary in which the group holds 51.57%.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

b. 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.

c. The Group consolidated Lands End Properties Private Limited ('LEPPL') (including its subsidiaries) although the Company held 19.90 % stake on April 1, 2015 as the management is of the view that it had exposure/ rights, to variable returns from its involvement with this entity as well as the ability to affect those returns through its power to direct the relevant activities of that entity. The Group acquired the balance 80.10% stake in LEPPL on October 14, 2015. One of the subsidiaries of LEPPL holds the leasehold rights over a plot of land on which erstwhile Searock hotel stood.

d. The Group holds more than 51% of the equity share capital of Taj SATS Air Catering Ltd. However, as per the contractual arrangement in 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')

i) 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.

Summarised Balance Sheet	**PIEM Hotels Limited**			**Roots Corp Limited**			**ELEL Hotels and Investments Limited**			**St. James Court Hotel Limited**		
	March 31, 2017	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015
	₹ crores	₹ rores	₹ crores	**₹crores**	₹ crores	₹ crores	**₹ crores**	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Current Assets	**49.49**	46.85	129.99	**29.47**	32.61	25.48	**19.56**	20.67	20.62	**67.99**	48.51	26.94
Current Liabilities	**83.80**	63.67	50.20	**81.57**	43.30	41.19	**40.31**	40.39	38.97	**70.69**	486.48	57.83
Net Current Assets	**(34.31)**	(16.82)	79.79	**(52.10)**	(10.69)	(15.71)	**(20.75)**	(19.72)	(18.35)	**(2.70)**	(437.97)	(30.89)
Non-Current Assets	**640.86**	598.72	513.01	**409.38**	382.11	377.56	**632.84**	643.83	655.51	**839.44**	966.87	947.26
Non-Current Liabilities	**22.55**	21.11	18.29	**78.59**	88.88	67.68	**-**	-	-	**352.72**	15.10	453.36
Net Non-Current Assets	**618.31**	577.61	494.72	**330.79**	293.23	309.88	**632.84**	643.83	655.51	**486.72**	951.77	493.90
Net Assets	**583.99**	560.79	574.51	**278.68**	282.54	294.17	612.09	624.11	637.16	**484.02**	513.80	463.02
Accumulated NCI	**282.83**	271.59	278.23	**102.42**	103.84	108.11	**87.41**	89.12	90.99	**134.31**	142.70	128.48

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Summarised Statement of Profit and Loss	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
	₹ crores	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores
Revenue	**365.22**	352.45	**158.09**	143.02	**1.14**	0.93	**311.78**	321.55
Profit/(Loss) for the year	**16.19**	32.00	**(3.76)**	(11.69)	**(12.02)**	(13.05)	**47.55**	38.19
Other Comprehensive Income	**23.04**	(9.09)	**(0.08)**	0.06	**-**	-	-	-
Total Comprehensive Income	**39.23**	22.91	**(3.84)**	(11.63)	**(12.02)**	(13.05)	**47.55**	38.19
Total Comprehensive Income allocated to NCI	**(3.32)**	19.90	**(1.36)**	(4.32)	**(1.72)**	(1.86)	**34.35**	27.59
Dividend paid to NCI	**7.38**	14.76	**-**	-	**-**	-	**-**	-

Summarised Statement of Cash flows	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
	₹ crores	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores
Cash Flows from Operating Activities	**36.53**	42.13	**23.93**	17.72	**(2.08)**	(0.89)	**75.66**	75.83
Cash Flows from Investing Activities	**(38.19)**	(3.73)	**(43.28)**	(29.34)	**1.98**	0.96	**(19.53)**	(13.10)
Cash Flows from Financing Activities	**(2.53)**	(36.63)	**17.50**	13.93	**-**	-	**(31.03)**	(40.79)
Net Increase / (Decrease) in Cash & cash Equivalents	**(4.19)**	1.77	**(1.85)**	2.31	**(0.10)**	0.07	**25.10**	21.94

ii) Individually immaterial non-controlling interest:

	March 31, 2017 ₹ Crores	March 31, 2016 ₹ Crores	April 1, 2015 ₹ Crores
Aggregate carrying amount of individually immaterial	**130.86**	135.69	139.20

	March 31, 2017 ₹ Crores	March 31, 2016 ₹ Crores
Aggregate amount of the group's share of profits/loss	**12.37**	7.93
Aggregate amount of the group's share of other comprehensive Income	**(0.54)**	1.14
Aggregate amount of the group's share of total comprehensive Income	**11.83**	9.07

Notes to Consolidated Financial Statements for the year ended March 31, 2017

c) Interests in associates and joint ventures

i) Details of the associates and joint ventures of the group as at March 31, 2017 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, 2017	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015
		%	**₹ crores**	₹ crores	₹crores	₹ crores	₹crores	₹crores
Joint Ventures								
Taj SATS Air Catering Ltd.	India	51.00	**48.52**	41.51	36.83	*	*	*
Taj Madras Flight Kitchen Private Ltd.	India	50.00	**23.76**	22.74	22.06	*	*	*
Taj Karnataka Hotels & Resorts Ltd.	India	44.27	**-**	-	-	*	*	*
Taj Kerala Hotels & Resorts Ltd.	India	28.30	**16.70**	16.51	16.47	*	*	*
Taj GVK Hotels & Resorts Ltd.	India	25.52	**110.41**	110.14	109.23	**247.13**	115.28	115.04
Taj Safaris Ltd.	India	28.96	**1.02**	1.37	1.49	*	*	*
Kaveri Retreat & Resorts Ltd.	India	50.00	**38.14**	27.37	23.85	*	*	*
TAL Hotels & Resorts Ltd.	Hong Kong	27.49	**118.86**	114.79	106.16	*	*	*
IHMS Hotels (SA)(Pty) Ltd.	South Africa	50.00	**-**	-	-	*	*	*
			357.41	334.43	316.09	**247.13**	115.28	115.04
Associates								
Oriental Hotels Ltd.	India	35.67	**196.72**	199.31	203.89	**234.23**	136.96	132.00
Taj Madurai Ltd.	India	26.00	**4.81**	4.19	4.27	*	*	*
Taida Trading and Industries Ltd.	India	34.76	**-**	-	-	*	*	*
BJets Pte Ltd	Singapore	45.69	**-**	-	-	*	*	*
Lanka Island Resorts Ltd	Sri Lanka	24.66	**33.32**	32.90	31.47	*	*	*
TAL Lanka Hotels PLC	Sri Lanka	24.62	**15.55**	15.12	17.36	**32.77**	37.67	41.36
			250.40	251.52	256.99	**267.00**	174.63	173.36
Total			**607.81**	585.95	573.08	**514.13**	289.91	288.40

*Unlisted entity – no quoted price available

ii) Commitments and contingent liabilities in respect of associates and joint ventures

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Commitment to provide funding for joint ventures capital commitments, if called	**122.31**	131.11	-
Capital Commitment for joint ventures and associate	**7.04**	5.33	6.23
Guarantees given by joint ventures and associates	**1.44**	1.27	1.52
Share of contingent liabilities in joint ventures and associates	**22.39**	35.29	46.61

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Summarised Balance Sheet	Taj GVK Hotels & Resorts Limited			Taj SATS Air Catering Limited			TAL Hotels and Resorts Ltd			Oriental Hotels Ltd		
	As At March 31 2017 ₹ crores	As At March 31 2016 crores	As At April 1 2015 crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 crores	As At April 1 2015 crores	As At March 31 2017 **₹ crores**	As At March 31 2016 crores	As At April 1 2015 crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 crores	As At April 1 2015 crores
Current assets												
Cash and cash equivalents	**3.20**	0.70	0.27	**17.90**	3.71	2.83	**67.21**	49.73	44.28	**12.13**	5.47	2.47
Other assets	**46.78**	35.31	32.50	**128.62**	115.38	101.87	**50.81**	47.74	48.63	**76.00**	76.69	45.54
	49.98	36.01	32.77	**146.52**	119.09	104.70	**118.02**	97.47	92.91	**88.13**	82.16	48.01
Non-current assets	**682.44**	672.74	678.80	**199.38**	202.01	199.77	**453.87**	488.04	511.39	**721.16**	737.18	762.52
Total assets	**732.42**	708.75	711.57	**345.90**	321.10	304.47	**571.89**	585.51	604.30	**809.29**	819.34	810.53
Current liabilities												
Financial liabilities (excluding trade payables)	**32.81**	25.10	25.36	**13.19**	8.34	9.72	**27.86**	39.34	74.27	**43.47**	111.85	84.32
Other liabilities	**60.78**	46.43	41.08	**63.23**	57.37	49.12	**35.93**	36.93	42.10	**45.10**	44.82	39.41
	93.59	71.53	66.44	**76.42**	65.71	58.84	**63.79**	76.27	116.37	**88.57**	156.67	123.73
Non-current Liabilities												
Financial liabilities (excluding trade payables)	**228.30**	252.29	268.19	**-**	-	-	**82.04**	99.29	104.84	**303.72**	238.18	249.33
Other liabilities	**59.00**	34.46	30.06	**30.27**	29.92	29.33	**39.55**	38.30	41.26	**4.70**	4.92	5.07
	287.30	286.75	298.25	**30.27**	29.92	29.33	**121.59**	137.59	146.10	**308.42**	243.10	254.40
Total liabilities	**380.89**	358.28	364.69	**106.69**	95.63	88.17	**185.38**	213.86	262.47	**396.99**	399.77	378.13
Net assets	**351.53**	350.47	346.88	**239.21**	225.47	216.30	**386.51**	371.65	341.83	**412.30**	419.57	432.40

iv) Reconciliation of carrying amounts

	Taj GVK Hotels & Resorts Limited			Taj SATS Air Catering Limited			TAL Hotels and Resorts Ltd			Oriental Hotels Limited		
	As At March 31 2017 ₹ crores	As At March 31 2016 ₹ crores	As At April 1 2015 ₹ crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 ₹ crores	As At April 1 2015 ₹ crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 ₹ crores	As At April 1 2015 ₹ crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 ₹ crores	As At April 1 2015 ₹ crores
Net Assets	**351.53**	350.47	346.88	**239.21**	225.47	216.30	**386.51**	371.65	341.83	**412.30**	419.57	432.40
Group's Share	**25.52%**	25.52%	25.52%	**51.00%**	51.00%	51.00%	**27.49%**	27.49%	27.49%	**35.67%**	35.67%	35.67%
Share of Net assets	**89.71**	89.44	88.53	**122.00**	114.99	110.31	**106.24**	102.17	93.97	**147.06**	149.65	154.23
Goodwill	**20.70**	20.70	20.70	**-**	-	-	**12.62**	12.62	12.19	**49.66**	49.66	49.66
Unrealized Gain	**-**	-	-	**(73.48)***	(73.48)*	(73.48)*	**-**	-	-	**-**	-	-
Carrying Amount	**110.41**	110.14	109.23	**48.52**	41.51	36.83	**118.86**	114.79	106.16	**196.72**	199.31	203.89

*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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

v) Summary Statement of Profit and Loss

Summarised statement of profit and loss	Taj GVK Hotels & Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
	As At March 31 2017 ₹ crores	As At March 31 2016 ₹ crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 ₹ crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 ₹ crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 ₹ crores
Revenue	**269.77**	272.00	**350.48**	322.16	**329.52**	332.22	**339.74**	314.41
Depreciation	**18.13**	18.47	**10.36**	10.84	**42.22**	41.61	**24.98**	23.94
Interest Income	**1.29**	0.20	**4.05**	0.57	**0.15**	0.10	**2.20**	2.05
Interest Expense	**29.07**	31.33	**0.21**	0.19	**7.27**	9.02	**32.19**	31.56
Income Tax Expense	**8.26**	7.03	**6.73**	2.15	**3.04**	3.17	**0.45**	-8.14
Profit/(Loss) for the year	**4.23**	3.60	**14.09**	10.06	**32.38**	24.77	**4.98**	(12.34)
Other Comprehensive Income for the year	**0.15**	-	**0.35**	0.89	**-**	-	**8.63**	(7.48)
Total Comprehensive Income for the year	**4.08**	3.60	**13.74**	9.17	**32.38**	24.77	**(3.65)**	(4.85)
Dividend Received	**0.64**	-	-	-	**3.31**	-	**1.32**	2.65

vi) Individually immaterial joint ventures and associates

	March 31, 2017 ₹ Crores	March 31, 2016 ₹ Crores	April 1, 2015 ₹ Crores
Aggregate carrying amount of individually immaterial	**133.50**	120.19	117.67

	March 31, 2017 ₹ Crores	March 31, 2016 ₹ Crores
Aggregate amount of the group’s share of profit/loss	**18.61**	(29.87)
Aggregate amount of the group’s share of other comprehensive Income	**(0.58)**	0.15
Aggregate amount of the group’s share of total comprehensive Income	**19.20**	(30.01)

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 an Associate company where the financial statements have been drawn upto December 31, 2016.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 35 : Financial Instruments measurements and disclosures

a) **Financial instruments by category:**

As at March 31, 2017

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote below):				
Equity shares	-	545.10	-	**545.10**
Mutual fund units	90.80	-	-	**90.80**
Total	90.80	545.10	-	**635.90**
Not measured at fair value				
Trade receivables	-	-	272.06	**272.06**
Cash and cash equivalents	-	-	141.31	**141.31**
Other balances with banks	-	-	105.75	**105.75**
Loans	-	-	64.11	**64.11**
Other financial assets	-	-	180.28	**180.28**
	-	-	763.51	**763.51**
Total	90.80	545.10	763.51	**1,399.41**
Financial liabilities:				
Measured at fair value				
Derivative instruments	258.38	-	-	**258.38**
Not measured at fair value				
Borrowings	-	-	3,382.98	**3,382.98**
Trade payables including for capital expenditure	-	-	293.06	**293.06**
Other financial liabilities	-	-	588.95	**588.95**
Total	258.38	-	4,264.99	**4,523.37**

Footnotes:

a. The above excludes investments in joint ventures and associates amounting to ₹ 607.81 crores which are accounted as per equity method.

b. FVTPL = Fair Value Through Profit and Loss and FVOCI = Fair Value Through Other Comprehensive Income.

As at March 31, 2016

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote below):				
Equity shares	-	758.68	-	**758.68**
Mutual fund units	170.61	-	-	**170.61**
Total	170.61	758.68	-	**929.29**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Not measured at fair value				
Trade receivables	-	-	241.98	**241.98**
Cash and cash equivalents	-	-	139.83	**139.83**
Other balances with banks	-	-	42.72	**42.72**
Loans	-	-	97.74	**97.74**
Other financial assets	-	-	184.03	**184.03**
	-	-	706.30	**706.30**
Total	170.61	758.68	706.30	**1635.59**
Financial liabilities:				
Measured at fair value				
Derivative instruments	362.81	-	-	**362.81**
Not measured at fair value				
Borrowings	-	-	4,526.09	**4,526.09**
Trade payables including for capital expenditure	-	-	287.28	**287.28**
Other financial liabilities	-	-	489.58	**489.58**
Total	362.81	-	5,302.95	**5,665.76**

Footnote:

The above excludes investments in joint ventures and associates amounting to ₹ 585.95 crores which are accounted as per equity method.

As at April 1, 2015

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote below):				
Equity shares	-	941.39	-	**941.39**
Mutual fund units	521.45	-	-	**521.45**
Total	521.45	941.39	-	**1,462.84**
Not measured at fair value				
Trade receivables	-	-	223.50	**223.50**
Cash and cash equivalents	-	-	376.68	**376.68**
Other balances with banks	-	-	109.05	**109.05**
Loans	-	-	172.18	**172.18**
Other financial assets	-	-	187.30	**187.30**
	-	-	1,068.71	**1,068.71**
Total	521.45	941.39	1,068.71	**2,531.55**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Financial liabilities:				
Measured at fair value				
Derivative instruments	357.83	-	-	**357.83**
Not measured at fair value				
Borrowings	-	-	4,983.03	**4,983.03**
Trade payables including for capital expenditure	-	-	248.19	**248.19**
Other financial liabilities	-	-	581.28	**581.28**
Total	357.83	-	5,812.50	**6,170.33**

Footnote:

The above excludes investments in joint ventures and associates amounting to ₹ 573.08 crores which are accounted as per equity method.

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, 2017

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	364.70	-	180.40	**545.10**
Mutual fund units	90.80	-	-	**90.80**
Total	455.50	-	180.40	**635.90**
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	258.38	-	**258.38**
Not measured at fair value (Refer Footnotes below)				
Borrowings				
Non-convertible debentures	-	1,848.50	-	**1,848.50**
Term loan from banks	-	832.85	-	**832.85**
Term loan from others	-	748.45	-	**748.45**
Total	-	3,688.18	-	**3,688.18**

Footnotes:

a. 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.

b. 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.

c. 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

As on March 31, 2016

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	568.16	-	190.52	758.68
Mutual fund units	170.61	-	-	170.61
Total	738.77	-	190.52	929.29
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	362.81	-	362.81
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non-convertible debentures	-	1,641.99	-	1,641.99
Term loan from banks	-	2,080.11	-	2,080.11
Term loan from others	-	747.89	-	747.89
Total	-	4,832.80	-	4,832.80

Footnotes:

a. 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.

b. 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.

c. The Investments measured at fair value and falling under fair value hierarchy level 3 are valued on the basis of 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.

As on April 1, 2015

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	694.17	-	247.22	**941.39**
Mutual fund units	521.45	-	-	**521.45**
Total	1215.62	-	247.22	**1462.84**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	357.83	-	**357.83**
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non-convertible debentures	-	2,368.16	-	**2,368.16**
Term loan from banks	-	2,154.15	-	**2,154.15**
Term loan from others	-	506.66	-	**506.66**
Total	-	5,386.80	-	**5,386.80**

Footnote:

a. 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.

b. 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.

c. The Investments measured at fair value and falling under fair value hierarchy level 3 are valued on the basis of 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:

a. **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. 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. The mutual funds are valued using the closing NAV.

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 maximize 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 investment 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 Consolidated Financial Statements for the year ended March 31, 2017

f) Reconciliations of level 3 fair values

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

	Equity instruments ₹ crores
Balance as at April 1, 2015	247.22
Sale of Shares	(56.70)
Balance as at March 31, 2016	**190.52**
Net change in fair value (unrealised)	(10.12)
Balance as at March 31, 2017	**180.40**

Note 36 : 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.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Expiring within one year:			
Bank overdraft	**178.09**	94.20	160.65
Bank Loans	**100.00**	125.00	-
Expiring beyond one year	**-**	-	-
Total	**278.09**	219.20	160.65

The bank overdraft facilities may be drawn at any time by the respective companies in the Group. The bank loan facilities are available upto July 31, 2017 and will have a maturity of 18 months from drawdown (March 31, 2016 - the bank loan facilities were available upto May 31, 2016 and had a maturity of 18 months from drawdown).

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.

March 31, 2017	**Due in 1st year ₹ crores**	**Due in 2nd year ₹ crores**	**Due in 3rd to 5th year ₹ crores**	**Due after 5th year ₹ crores**	**Total ₹ crores**
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	584.54	792.75	1,542.97	567.50	3,487.76
Other Financial liabilities	489.46	99.62	-	-	589.08
Trade and other payables	293.06	-	-	-	293.06
Financial guarantee contract	6.02	8.02	28.33	-	42.37
Total	**1,373.08**	**900.39**	**1,571.30**	**567.50**	**4,412.27**
Derivative instruments	**1.17**	**12.83**	**244.38**	**-**	**258.38**
Total financial liabilities	**1,374.25**	**913.22**	**1,815.68**	**567.50**	**4,670.65**

March 31, 2016	**Due in 1st year ₹ crores**	**Due in 2nd year ₹ crores**	**Due in 3rd to 5th year ₹ crores**	**Due after 5th year ₹ crores**	**Total ₹ crores**
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	1,049.44	671.66	1,791.07	1,138.67	4,650.84
Other Financial liabilities	464.93	11.96	12.84	-	489.73
Trade and other payables	287.28	-	-	-	287.28
Financial guarantee contract	4.10	8.19	29.66	-	41.95
Total	**1,805.75**	**691.81**	**1,833.57**	**1,138.67**	**5,469.80**
Derivative instruments	49.05	25.35	134.85	153.56	362.81
Total financial liabilities	1,854.80	717.16	1,968.42	1,292.23	5,832.61

April 1, 2015	**Due in 1st year ₹ crores**	**Due in 2nd year ₹ crores**	**Due in 3rd to 5th year ₹ crores**	**Due after 5th year ₹ crores**	**Total ₹ crores**
Non-derivative financial liabilities:					
Borrowings (including redemption remium)	1,572.27	1,008.64	1,072.33	1,650.35	5,303.59
Other Financial liabilities	577.59	4.01	-	-	581.60
Trade and other payables	248.19	-	-	-	248.19
Financial guarantee contract	-	-	-	-	-
Total	**2,398.05**	**1,012.65**	**1,072.33**	**1,650.35**	**6,133.38**
Derivative instruments	**41.58**	**64.48**	**118.50**	**133.27**	**357.83**
Total financial liabilities	**2,439.63**	**1,077.13**	**1,190.83**	**1,783.62**	**6,491.21**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

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 ending March 31, 2017 and March 31, 2016 was 2.09 and 1.59 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)

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**	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Borrowings	17	**3,382.98**	4,526.09	4,983.03
Less: Cash and cash equivalents	13	**141.31**	139.83	376.68
Less: Current investments	6(c)	**90.80**	170.61	521.45
Net debt		**3,150.87**	4,215.65	4,084.90
Equity	15/16	**3,255.51**	3,323.18	3,520.05
Gearing ratio %		**0.97**	1.27	1.61

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 (INR). 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:

		March 31, 2017		March 31, 2016		April 1, 2015	
Nature of Derivative	**Currency**	**Currency million**	**Fair values ₹ crores**	Currency million	Fair values ₹ crores	Currency million	Fair values ₹ crores
Cross currency swap	US$	**108.42**	**244.38**	130.53	336.79	143.80	316.10
Interest Rate Swap	US$	**21.11**	**(0.11)**	42.23	1.31	63.34	2.56
Libor Cap	GBP	**-**	**-**	-	-	20.00	36.24
Interest Rate Swap	GBP	**30.00**	**14.11**	30.00	24.71	30.00	2.93
Total			**258.38**		362.81		357.83

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Sensitivity

For the year ended March 31, 2017 and March 31, 2016, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall reduce/(increase) the Group's profit/(loss) before tax by approximately 126% and (28)% respectively and every 3% increase in the interest rate shall reduce the Group's profit/(loss) before tax by approximately 50% and 4% respectively.

For the year ended March 31, 2017 and March 31, 2016, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall increase/(reduce) the Group's profit/(loss) before tax by approximately 34% and (38)% respectively and every 3% decrease in the interest rate shall reduce the Group's profit/(loss) before tax by approximately 42% and 6% 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, 2017	March 31, 2016	April 1, 2015
United States Dollar (Million)	**31.67**	63.33	95.00

Sensitivity

For the year ended March 31, 2017 and March 31, 2016, 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 20.15 % and 13.81 % 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 ₹ 832.85 crores as at March 31, 2017 (March 31, 2016 - ₹ 2,080.11 crores, April 1, 2015 - ₹ 2,154.14 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, 2017 would increase/ decrease by ₹ 10.94 crores (for the year ended March 31, 2016: increase/ decrease by ₹ 6.44 crores).

Note 37 : Operating Leases

The Group has taken certain vehicles, land and immovable properties on operating lease. The lease of hotel properties 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. The total expenses recognised in the statement of profit and loss on lease rent paid is included under Rent and Licence Fees forming part of Other Expenses (Refer Note 26 (b), Page 232).

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Not later than one year	**125.48**	117.18	105.12
Later than one year but not later than five years	**460.19**	439.20	421.68
Later than five years	**3,316.50**	2,631.14	2,628.29

In addition, in certain circumstances the Group is committed to pay additional lease rentals that are contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Expenses recognised in the Statement of Profit and Loss:

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
For Parent		
Minimum Lease Payments/ Fixed Rentals	39.19	37.14
Contingent rents *	88.69	89.50
For Other components	33.65	28.68
	161.53	155.32

*contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased.

Note 38 : Income Tax Disclosure

i) Income Tax recognised in the Statement Profit and Loss:

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores
Current Tax		
In respect of the current year	**128.26**	80.40
In respect of earlier years	**(2.50)**	(2.75)
	125.76	77.65
Deferred Tax		
In respect of the current year		
MAT credit	**(0.07)**	(52.12)
Other items	**(11.95)**	65.10
	(12.02)	12.98
Total tax expense recognised in the current year	**113.74**	90.63

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	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores
Profit/(Loss) before tax (a)	**30.58**	(91.17)
Income tax rate as applicable in India (b)	**34.61%**	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**10.58**	(31.56)
Permanent tax differences due to:		
Effect of income that is exempt from taxation	**(2.03)**	(17.24)
Income considered to be capital in nature under tax and tax provisions	**(1.98)**	(2.84)
Effect of expenses that are not deductible in determining taxable profit	**38.08**	55.57
Expense considered to be capital in nature under tax and tax provisions	**6.42**	32.83

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Deferred tax asset not recognised in Statement of Profit and Loss	**116.94**	80.87
Effect on deferred tax balances due to the change in income tax rate	**3.49**	11.16
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	**(33.40)**	(31.32)
Difference in tax rates between the company and components/ Jurisdiction	**(32.77)**	(20.21)
Others	**10.91**	16.12
	116.24	93.38
Prior year taxes as shown above	**(2.50)**	(2.75)
Income tax expense recognised in the Statement of Profit and Loss	**113.74**	90.63

iii) **Income tax recognised in other comprehensive income:**

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Current Tax		
Tax impact on profit on sale of investment in equity shares at fair value through Other Comprehensive Income	**-**	4.04
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at fair value through Other Comprehensive Income	**(2.54)**	-
Remeasurement of defined benefit obligation	**2.98**	(2.23)
Reversal of Deferred Tax Liability on account of a investment fair valued through other comprehensive income	**-**	(12.99)
Reversal of Deferred Tax Assets on Unused Tax Losses	**-**	8.95
	0.44	(6.27)
Total income tax recognised in other comprehensive income	**0.44**	(2.23)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	**0.44**	(2.23)
	0.44	(2.23)

iv) **The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:**

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Deferred Tax assets (net)	**35.21**	18.00	6.81
Deferred Tax liabilities (net)	**(317.25)**	(256.22)	(238.09)
Net Deferred Tax Liability	**(282.04)**	(238.22)	(231.28)

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

March 31, 2017	Opening Balance as at April 1, 2016	Recognised in the statement of profit and loss	Recognised in other comprehensive income	MAT credit utilised	Exchange difference	Closing balance
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Deferred tax (liabilities)/ assets:						
Property, Plant and equipment & Intangible Assets	(474.15)	15.80	-	-	0.17	(458.18)
Unamortised borrowing cost	(0.90)	0.57	-	-	-	(0.33)
Provision for Employee Benefits	25.04	5.84	(2.98)	-	-	27.90
Fair valuation changes of derivative contracts	(0.21)	(15.73)	-	-	-	(15.94)
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(6.24)	-	2.54	-	-	(3.70)
MAT Credit Entitlement	129.57	0.07	-	(51.61)	-	78.03
Unused tax losses (Business)	39.00	(0.86)			(3.96)	34.18
Allowance for doubtful debts	4.14	0.31	-	-	-	4.45
Reward Points	19.25	(1.35)				17.90
Provision for Contingencies	18.60	2.52				21.12
Others	7.68	4.85	-	-	-	12.53
Total Deferred Tax Liability	**(238.22)**	**12.02**	**(0.44)**	**(51.61)**	**(3.79)**	**(282.04)**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

March 31, 2016	Opening Balance as at April 1, 2015	Recognised in the statement of profit and loss	Recognised in other comprehensive income	MAT credit utilised	Exchange difference	Closing balance
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Deferred tax (liabilities)/ assets:						
Property, Plant and equipment & Intangible Assets	(419.01)	(55.14)	-	-	-	(474.15)
Unamortised borrowing cost	(1.20)	0.30	-	-	-	(0.90)
Provision for Employee Benefits	15.85	6.96	2.23	-	-	25.04
Fair valuation changes of derivative contracts	0.91	(1.12)	-	-	-	(0.21)
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(19.23)	-	12.99	-	-	(6.24)
MAT Credit Entitlement	74.75	54.82	-	-	-	129.57
Unused tax losses (Business)	76.37	(37.14)		-	(0.23)	39.00
Unused tax losses (Capital)	8.95	-	(8.95)	-	-	-
Allowance for doubtful debts	2.80	1.34	-	-	-	4.14
Reward Points	10.94	8.31	-	-	-	19.25
Provision for Contingencies	12.20	6.40	-	-	-	18.60
Others	5.39	2.29	-	-	-	7.68
Total Deferred Tax Liability	**(231.28)**	**(12.98)**	**6.27**	**-**	**(0.23)**	**(238.22)**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

v) Deferred tax asset amounting to ₹ 971.90 crores and ₹ 932.68 crores as at March 31, 2017 and March 31, 2016 respectively in respect of unused tax losses have not been recognised by the Group. The tax loss carry-forwards of ₹ 2,571.57 crores and ₹ 2,498.17 crores as at March 31, 2017 and March 31, 2016, 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, ₹ 397.95 crores and ₹ 517.62 crores as at March 31, 2017 and March 31, 2016 respectively of these tax losses has carry-forwards is not currently subject to expiration dates. The remaining tax loss carry-forwards of approximately ₹ 2,173.62 crores and ₹ 1,980.56 crores as at March 31, 2017 and March 31, 2016 respectively, expires in various years through fiscal 2036. Deferred tax assets on unused tax losses has 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 ₹ 1,463 crores and ₹ 1999.41 crores as at March 31, 2017 and March 31, 2016, respectively has been not recognised. Further, it is not practicable to estimate the amount of the unrecognized 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):

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Provident Fund	**30.39**	30.97
Superannuation Fund	**5.27**	4.38
Total	**35.66**	35.35

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 Boston LLC, along with certain other hotel operators and owners in Boston, Massachusetts, was a party to the Collective Bargaining Agreement with UNITE HERE Local 26 ("Boston Union"). As part of the Sale, the new owner of the Boston Hotel assumed the obligations for the Boston Union, accordingly, the Company is no longer a party to the Boston Union. The respective collective bargaining agreements provide for union sponsored multi-employer defined benefit plans (the "Plans") to which the New York LLC makes and the Boston LLC made 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 for the year ended March 31, 2017

The New York LLC's and the Boston LLC's participation in the Plans for 2017 and 2016 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, 2016 and 2015.The zone status is based on information that the New York LLC and the Boston LLC received from the Plans and is certified by the actuaries of the Plans. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's and the Boston LLC's contributions to its respective Plans did not exceed more than 5% of the total contributions to the Plans by all participating employers. The following is a summary of the Plans to which the New York LLC and the Boston LLC make contributions for the benefit of their employees covered by the collective bargaining agreements.

			Pension Protection Act Zone Status			**Contribution by the Company for the year ended**	
Plans	EIN Number	Plan Number	**2016**	2015	FIP/RP Status Pending/ Implemented	**December 31, 2016 US $**	December 31, 2015 US $
New York LLC							
Pension Fund (i)	13-1764242	001	**Green**	Green	Yes	**870,777**	2,221,268
Health Benefits Fund (ii)	13-6126923	501	**NA**	NA	Yes	**8,956,793**	7,019,951
Prepaid Legal Services Fund (iii)	13-3418414	508	**NA**	NA	Yes	**71,278**	109,977
Total - New York LLC						**9,898,848**	9,351,196
Boston LLC							
Pension Fund (iv)	45-4227067	001	**NA**	Green	Yes	***124,432**	418,085
Health Benefits Fund (v)	04-6048964	501	**NA**	NA	Yes	***838,919**	3,082,512
Other Fund						***133,289**	133,289
Total - Boston LLC						**1,096,640**	3,633,886
						10,995,488	12,985,082

*- up to the sale.

(i) New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund

(ii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund

(iii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund

(iv) Unite Here Local 26 Workers & Hospitality Employers VDB Pension Trust

(v) Greater Boston Hotel Employees Local 26 Health and Welfare Plan

(vi) As part of the Sale, the Company is no longer a party to the Boston Union.

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, 2017 and 2016 are as follows:

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	March 31, 2016 US $	March 31, 2015 US $
San Francisco LLC	**120,817**	116,062
Boston	**55,356**	224,701
New York LLC	**167,627**	145,381
Company	**26,400**	29,684
Total Employer Contributions	**370,200**	515,828

(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) **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.

(d) 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(e) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2017 :-

(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	₹ crores	₹ crores	₹ crores	₹ crores
Present Value of Funded Obligations	**185.47**	-	-	-	**7.15**
	184.31	-	-	-	*6.49*
	178.41	-	-	-	*5.92*
Present Value of Unfunded Obligations	**0.98**	**5.55**	**4.25**	**15.33**	-
	0.79	*4.75*	*4.64*	*12.98*	-
	0.87	*3.09*	*4.95*	*2.82*	-
Fair Value of Plan Assets	**(188.61)**	-	-	-	**(8.95)**
	(177.26)	-	-	-	*(8.37)*
	(171.80)	-	-	-	*(7.78)*
Amount not recognised due to asset limit	-	-	-	-	**0.61**
	-	-	-	-	0.64
	-	-	-	-	0.63
Net (Asset) / Liability	**(2.16)**	**5.55**	**4.25**	**15.33**	**(1.19)**
	7.84	*4.75*	*4.64*	*12.98*	*(1.24)*
	7.48	*3.09*	*4.95*	*2.82*	*(1.23)*

(ii) Expenses recognised in the Statement of Profit & Loss

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Current Service Cost	**10.44**	**0.10**	**0.32**	**0.33**	**0.14**
	10.20	*1.92*	*0.38*	*11.19*	*0.12*
Past service Cost	-	-	-	-	-
	-	-	-	-	*0.76*
Interest Cost	**0.36**	**0.35**	**0.33**	**0.97**	**(0.09)**
	0.55	*0.24*	*0.37*	*0.21*	(0.09)
Total	**10.80**	**0.45**	**0.65**	**1.30**	**0.05**
	10.75	*2.16*	*0.75*	*11.40*	*0.79*

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(iii) Expenses recognised in Other Comprehensive Income (OCI)

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	**3.38**	**0.14**	**0.19**	**0.39**	**0.15**
	(2.66)	*0.08*	*(0.08)*	*0.04*	*0.15*
Experience adjustments	**(1.39)**	**0.53**	**(0.13)**	**1.01**	**0.21**
	6.46	*(0.40)*	*0.49*	*(1.00)*	*(0.04)*
Actual return on plan assets less interest on plan assets	**(11.89)**	**-**	**-**	**-**	**(0.33)**
	3.20	*-*	*-*	*-*	*(0.12)*
Adjustment to recognise the effect of asset ceiling	-	-	-	-	**(0.08)**
	-	-	-	-	*(0.04)*
Total	**(9.90)**	**0.67**	**0.06**	**1.40**	**(0.05)**
	7.00	*(0.32)*	*0.41*	*(0.96)*	*(0.05)*

(iv) Reconciliation of Defined Benefit Obligation

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Opening Defined Benefit Obligation	**185.11**	**4.75**	**4.64**	**12.98**	**6.49**
	179.28	*3.09*	*4.95*	*2.82*	*5.92*
Current Service Cost	**10.44**	**0.10**	**0.32**	**0.33**	**0.14**
	10.20	*1.92*	*0.38*	*11.19*	*0.12*
Interest Cost	**12.94**	**0.35**	**0.33**	**0.97**	**0.48**
	13.46	*0.24*	*0.37*	*0.21*	*0.47*
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	**3.38**	**0.14**	**0.19**	**0.39**	**0.15**
	(2.66)	*0.08*	*(0.08)*	*0.05*	*0.15*
Changes in demographic assumptions	-	-	-	-	-
	-	-	-	-	-
Experience adjustments	**(1.39)**	**0.53**	**(0.13)**	**1.01**	**0.21**
	6.46	*(0.40)*	*0.49*	*(1.00)*	*(0.04)*
Benefits Paid	**(24.03)**	**(0.32)**	**(1.10)**	**(0.35)**	**(0.32)**
	(21.63)	*(0.18)*	*(1.47)*	*(0.29)*	*(0.13)*
Closing Defined Benefit Obligation	**186.45**	**5.55**	**4.25**	**15.33**	**7.15**
	185.11	*4.75*	*4.64*	*12.98*	*6.49*

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(v) Reconciliation of Fair Value of Plan Assets

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Opening Fair Value of Plan Assets	**177.26**	**-**	**-**	**-**	**8.37**
	171.80	*-*	*-*	*-*	*7.78*
Interest on Plan Assets	**12.57**	**-**	**-**	**-**	**0.62**
	12.91	*-*	*-*	*-*	*0.60*
Remeasurements due to:					
Actual return on plan assets less interest on plan assets	**11.89**	**-**	**-**	**-**	**0.33**
	(3.20)	*-*	*-*	*-*	*0.12*
Contribution by Employer	**10.92**	**0.32**	**1.10**	**0.35**	**(0.05)**
	17.38	*0.18*	*1.47*	*0.29*	*-*
Benefits Paid	**(24.03)**	**(0.32)**	**(1.10)**	**(0.35)**	**(0.32)**
	(21.63)	*(0.18)*	*(1.47)*	*(0.29)*	*(0.13)*
Closing Fair Value of Plan Assets	**188.61**	**-**	**-**	**-**	**8.95**
	177.26	*-*	*-*	*-*	*8.37*
Expected Employer's contribution/ outflow	**16.55**	**-**	**-**	**-**	**-**
next year	*6.16*	*-*	*-*	*-*	*-*

(vi) Actuarial Assumptions

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.) in %	**7.20-7.30%**	**7.30%**	**7.30%**	**7.30%**	**7.30%**
	7.55-8.04%	*7.55%*	*7.55%*	*7.55%*	*7.55%*
Salary Escalation Rate (p.a.) in %	**3.00-7.00%**	-	**4.00%**	**10.00%**	-
	3.00-7.00%	-	*4.00%*	*10.00%*	-
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 (2006-08) Ult table

Table 2 – UK Published PA (90) annuity rated down by 4 years

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(vii) Disaggregation of Plan Assets (Managed by an Insurance Company)

a) Gratuity Funded

	March 31, 2017				March 31, 2016			
	Quoted ₹ crores	**Unquoted ₹ crores**	**Total ₹ crores**	**%**	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%
Government Debt Instruments	**34.00**	**-**	**34.00**	**18%**	70.60	-	70.60	40%
Other Debt Instruments	**68.65**	**0.09**	**68.74**	**36%**	51.75	-	51.75	29%
Other Equity Instruments	**31.24**	**-**	**31.24**	**17%**	23.34	-	23.34	13%
Insurer managed funds	**-**	**18.24**	**18.24**	**10%**	-	19.45	19.45	11%
Others	**33.88**	**2.51**	**36.39**	**19%**	10.56	1.56	12.12	7%
Total	**167.77**	**20.84**	**188.61**	**100%**	156.25	21.01	177.26	100%

b) Pension Staff Funded

	March 31, 2017				March 31, 2016			
	Quoted ₹ crores	**Unquoted ₹ crores**	**Total ₹ crores**	**%**	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%
Government Debt Instruments	**3.72**	**-**	**3.72**	**42%**	3.47	-	3.47	41%
Other Debt Instruments	**4.96**	**-**	**4.96**	**55%**	4.71	-	4.71	56%
Other Equity Instruments	**0.14**	**-**	**0.14**	**2%**	0.13	-	0.13	2%
Others	**-**	**0.13**	**0.13**	**1%**	-	0.06	0.06	1%
Total	**8.82**	**0.13**	**8.95**	**100%**	8.31	0.06	8.37	100%

(viii) Sensitivity Analysis (for each defined benefit plan)

	Gratuity		**Pension Top up**		**Pension Staff Funded**		
March 31, 2017	**March 31, 2017**		**March 31, 2017**		**March 31, 2017**		
	Discount rate (%)	**Salary Escalation rate (%)**	**Discount rate (%)**	**Life Expectancy (%)**	**Discount rate (%)**	**Life Expectancy (%)**	**Pension rate (%)**
Impact of increase in 50 bps on DBO	(3.37)	3.68	(5.32)		(4.20)		
Impact of decrease in 50 bps on DBO	3.60	(3.47)	5.81		4.50		
Impact of life expectancy 1 year decrease				(1.80)		-	
Impact of life expectancy 1 year Increase				1.77		-	

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	Post- Employment Medical Benefits Unfunded			Pension Director Unfunded		
	March 31, 2017			March 31, 2017		
	Discount rate (%)	Life Expectancy (%)	Health care Cost (%)	Discount rate (%)	Life Expectancy (%)	Pension rate (%)
Impact of increase in 50 bps on DBO	(5.05)			(4.96)		
Impact of decrease in 50 bps on DBO	5.53			5.42		
Impact of life expectancy 1 year decrease		(3.24)			(2.70)	
Impact of life expectancy 1 year Increase		3.06			2.62	
Defined benefit obligation on pension increase rate minus 100 bps						(9.55)
Defined benefit obligation on pension increase rate plus 100 bps						11.21
Defined benefit obligation on healthcare costs rate minus 100 bps			(6.06)			
Defined benefit obligation on healthcare costs rate plus 100 bps			7.27			

(ix) Sensitivity Analysis (for each defined benefit plan)

	Gratuity		Pension Top up		Pension Staff Funded		
March 31, 2016	March 31, 2016		March 31, 2016		March 31, 2016		
	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(3.35)	3.66	(5.43)		(4.53)		
Impact of decrease in 50 bps on DBO	3.57	(3.46)	6.03		4.74		
Impact of life expectancy 1 year decrease				(1.71)			
Impact of life expectancy 1 year Increase				1.78			

	Post- Employment Medical Benefits Unfunded			Pension Director Unfunded		
	March 31, 2016			March 31, 2016		
	Discount rate %	Life Expectancy (%)	Health care Cost (%)	Discount rate %	Life Expectancy (%)	Pension rate (%)
Impact of increase in 50 bps on DBO	(5.29)			(5.92)		
Impact of decrease in 50 bps on DBO	5.80			6.51		
Impact of life expectancy 1 year decrease		(3.52)			(3.66)	
Impact of life expectancy 1 year Increase		3.30			3.51	
Defined benefit obligation on pension increase rate minus 100 bps						(8.70)
Defined benefit obligation on pension increase rate plus 100 bps						10.08
Defined benefit obligation on healthcare costs rate minus 100 bps			(6.06)			
Defined benefit obligation on healthcare costs rate plus 100 bps			7.31			

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(x) Movement in Asset Ceiling

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Opening Value of asset ceiling	**0.64**	0.63
Interest on Opening balance of asset ceiling	**0.05**	0.05
Remeasurement due to:		
change in Surplus/deficit	**(0.08)**	(0.04)
closing value of asset ceiling	**0.61**	0.64

Footnote: Figures in italics under (i) to (vi) are of the previous year.

(xi) Expected future benefit payments:

	Gratuity ₹ crores	**Post Employment Medical Benefits Unfunded ₹ crores**	**Pension Top-up Unfunded ₹ crores**	**Pension Director Unfunded ₹ crores**	**Pension Staff funded ₹ crores**
Within one year	**30.96**	**0.28**	**0.98**	**0.62**	**0.45**
	28.25	*0.21*	*0.55*	*0.16*	*0.37*
Between one and five years	**78.34**	**1.49**	**2.52**	**4.29**	**1.93**
	79.57	*1.11*	*3.16*	*1.94*	*1.63*
After five years	**247.16**	**13.87**	**2.16**	**36.71**	**12.98**
	253.89	*13.21*	*2.74*	*41.44*	*13.13*
Weighted average duration of the Defined Benefit Obligation (in years)	**6.96**	**10.57**	**11.26**	**10.05**	**8.21**
	6.91	*11.06*	*11.68*	*12.76*	*8.89*

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 40 : Specified Bank Notes disclosure

During the year, the Group (parent and its subsidiaries) had specified bank notes (SBNs) or other denomination notes (ODNs) as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the 'details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016', the denomination wise SBNs and other notes as per the notification is given below:

Particulars	**SBNs ₹ crores**	**ODNs ₹ crores**	**Total ₹ crores**
Closing cash on hand as on November 8, 2016	3.50	0.54	4.04
Add: Non Permitted receipts*	0.19	-	0.19
Less: Non Permitted payments	(0.02)	-	(0.02)
Add: Permitted receipts	-	15.30	15.30
Less: Permitted payments	-	(3.47)	(3.47)
Less: Amounts Deposited in Banks	(3.67)	(9.51)	(13.18)
Closing Cash on hand as on December 30, 2016	**-**	**2.86**	**2.86**

*collected due to business exigencies.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 41 : Other Regulatory Matters

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to period prior to 1998. Arising out of such disclosures, the company received show cause notices. The Company has replied to the notices and is waiting for the directorate to return its files, after which it will complete the replies. Adjudication proceedings are in progress.

Note 42 : Related Party Disclosures

(a) The names of related parties of the Group are as under:

(i) Company having substantial interest

Tata Sons 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 34 (c), Page 244

(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:	Relation
Rakesh Sarna	Managing Director & CEO
Anil P Goel*	Executive Director & CFO
Mehernosh S Kapadia	Executive Director - Corporate Affairs
Abhijit Mukerji ^	Executive Director - Hotel Operation

* for part of the year upto October 15, 2016 (Post which, Giridhar Sanjeevi was appointed as Chief Financial Officer of the company with effect from May 4, 2017)

^for part of the year upto April 13, 2015

(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 for the year ended March 31, 2017

(b) The details of related party transactions during the year ended March 31, 2017 and March 31, 2016 are as follows:

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
	₹ crores	₹ crores	₹ crores	₹ crores
Interest expense	-	-	0.55	-
	-	-	-	-
Interest income	**3.49**	-	**4.79**	-
	1.84	-	*5.54*	-
Dividend Paid	**8.78**	-	**0.08**	-
	-	-	*0.03*	-
Dividend income	**0.12**	-	**5.93**	-
	10.88	-	*2.82*	-
Operating/ License Fees expenses	**0.37**	-	-	-
	0.37	-	-	-
Operating fees income	**4.19**	-	**65.34**	-
	4.29	-	*61.18*	-
Purchase of goods and services	**56.32**	-	**0.98**	-
	54.58	-	*1.19*	-
Sale of goods and services	**35.43**	-	**0.64**	-
	26.02	*0.01*	*0.82*	-
Subscription in rights issue	-	-	**10.00**	-
	-	-	-	-
Deputed staff reimbursements	-	-	**8.95**	-
	0.09	-	*6.99*	-
Deputed staff out	**0.42**	-	**32.55**	-
	0.39	-	*33.50*	-
Other cost reimbursements	**0.14**	-	**1.23**	-
	0.05	-	*2.90*	-
Loyalty expense (Net of redemption credit)	**0.12**	-	**7.98**	-
	-	-	*5.24*	-
Contribution to funds	-	-	-	**25.49**
	-	-	-	*31.54*
Inter Corporate Deposit ("ICD") Raised	-	-	**7.00**	-
	-	-	-	-
ICD Placed	**24.30**	-	**7.50**	-
	23.90	-	*27.40*	-

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
	₹ crores	₹ crores	₹ crores	₹ crores
ICD Encashed	**17.06**	**-**	**48.43**	-
	13.50	*-*	*66.00*	*-*
Remuneration paid / payable	-	**19.32**	-	-
(Refer Footnote ii)	*-*	*21.70*	*-*	*-*

The details of amounts due to or from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
	₹ crores	₹ crores	₹ crores	₹ crores
Trade receivables (Refer Note 12,	**6.31**	**-**	**47.04**	-
Page 220)	*5.72*	*-*	*27.99*	*-*
	5.69	*-*	*29.02*	*-*
Trade payables(Refer Note 18,	**8.87**	**-**	**1.04**	**-**
Page 227)	*12.03*	*-*	*0.19*	*-*
	6.99	*-*	*0.04*	*-*
Other Receivables/ (Other Payable)	**0.36**	**-**	**55.54**	**-**
(Refer Note 8, Page 218)	*0.62*	*-*	*67.60*	*-*
and Note 19, Page 228)	*-*	*-*	*61.34*	*-*
Interest Receivable	**0.51**	**-**	**1.89**	-
(Refer Note 8, Page 218)	*0.52*	*-*	*1.62*	*-*
	0.12	*-*	*3.17*	*-*
Loan Receivable	**40.27**	**-**	**162.73**	-
(Refer Note 7, Page 218)	*24.28*	*-*	*214.53*	*-*
	15.28	*-*	*230.44*	*-*
Allowance for doubtful loan	-	-	**139.85**	-
(Refer Note 7, Page 218)	*-*	*-*	*151.10*	*-*
	-	*-*	*142.24*	*-*
Option Deposit	**71.10**	**-**	**-**	**-**
(Refer Note 19, Page 228)	*71.10*	*-*	*-*	*-*
	71.10	*-*	*-*	*-*
Deposits Payable	**-**	**-**	**7.00**	**-**
(Refer Note 17, Page 224)	*-*	*-*	*-*	*-*
	-	*-*	*-*	*-*
Deposits Receivable	**1.32**	**-**	**-**	**-**
(Refer Note 8, Page 218)	*1.32*	*-*	*-*	*-*
	1.23	*-*	*-*	*-*

* Including its subsidiaries and joint ventures

Including its subsidiaries

Footnotes:

(i) Figures in italics are of the previous periods.

(ii) Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation of the Company's liability to all its employees.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(c) Statement of Material Transactions

Company Name	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Company having substantial interest and its subsidiaries and joint ventures			
Tata Sons Limited			
Dividend paid	**8.31**	-	-
Dividend income	**-**	10.80	-
Trade payables	**3.37**	3.07	-
Sale of goods and services	**5.84**	4.01	-
Tata Zambia Limited			
Operating / License fees expenses	**0.37**	0.37	-
Trade payables	**-**	-	1.19
Tata AIG General Insurance Company Limited			
Purchase of goods and services	**8.42**	7.35	-
Tata SIA Airlines Limited			
Sale of goods and services	**4.75**	-	-
Taj Air Limited			
Interest income	**3.49**	1.80	-
Loan receivable	**40.29**	24.28	-
Deposits receivable	**1.23**	1.23	1.23
Interest receivable	**0.51**	0.52	-
ICD encashed during the year	**13.06**	13.50	-
ICD placed during the year	**24.30**	22.50	-
ICD repaid during the year	**4.00**		-
Tata Consultancy Services Limited			
Purchase of goods and services	**34.23**	32.33	-
Sale of goods and services	**17.28**	15.84	-
Trade receivables	**-**	4.02	4.45
Trade payables	**5.04**	8.32	4.84
TC Travel and Services Limited			
Purchase of goods and services	**-**	5.90	-
Tata Realty and Infrastructure Limited			
Option Deposit	**71.10**	71.10	71.10
Remuneration to Key Management Personnel			
Mr. Rakesh Sarna	**12.57**	12.44	-
Mr. Anil P. Goel (upto October 15, 2016)	**2.92**	2.61	-
Mr. Mehernosh S. Kapadia	**2.32**	-	-
Mr. Abhijit Mukerji (upto April 13, 2015)	**-**	4.62	-
Associates			
Oriental Hotels Ltd.			
Dividend income	**1.29**	2.64	-
Dividend paid	**-**	0.03	-
Interest income	**1.22**	1.41	-
Operating fees income	**26.90**	25.03	-
Deputed staff reimbursement	**3.24**	3.56	-
Deputed staff out	**15.16**	16.32	-
Loyalty expense (Net of redemption credit)	**4.37**	2.60	-
Other cost reimbursements	**0.70**	2.63	-
Trade receivables	**8.61**	8.62	7.54
Loan receivable	**-**	25.25	-
ICD encashed during the year	**32.75**	-	-
ICD placed during the year	**7.50**	26.00	-

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Company Name	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Associates			
Taida Trading & Industries Ltd.			
Interest Receivable	**0.35**	0.33	1.38
Bjets Pte Limited, Singapore			
ICD encashed during the year	**-**	43.06	-
Loan receivable	**136.68**	147.80	178.10
Allowance for doubtful loan	**136.68**	147.80	139.07
TAL Lanka Hotels Plc			
Loyalty expense (Net of redemption credit)	**-**	0.78	-
Lanka Island Resorts Ltd.			
Loyalty expense (Net of redemption credit)	**0.91**	-	-
Joint Ventures			
Taj GVK Hotels & Resorts Ltd.			
Dividend income	**0.64**	-	-
Operating fees income	**14.17**	15.66	-
Deputed staff reimbursement	**3.77**	2.28	-
Deputed staff out	**8.63**	9.01	-
Other cost reimbursements	**0.18**	-	-
Loyalty expense (Net of redemption credit)	**-**	0.76	-
Trade Receivables	**28.03**	14.62	10.22
Taj Karnataka Hotels & Resorts Ltd.			
Interest Receivable	**0.59**	0.61	0.62
Kaveri Retreats and Resorts Ltd.			
Interest income	**0.83**	1.44	-
Subscription in rights issue	**10.00**	-	-
ICD encashed during the year	**13.00**	-	-
Interest Receivable	**-**	0.32	-
Taj SATS Air Catering Ltd.			
Interest expense	**0.55**	-	-
Deputed staff reimbursement	**1.12**	-	-
Deposits payable	**7.00**		
ICD raised during the year	**7.00**	-	-
TAL Hotels & Resorts Ltd.			
Dividend income	**3.31**	-	-
Interest income	**0.90**	-	-
Operating fees income	**10.26**	9.98	-
Loyalty expense (Net of redemption credit)	**1.91**	-	-
Other Receivables/ (Other Payable)	**(6.52)**	-	-
Interest Receivable	**0.88**	-	0.84
Trade Receivables	**-**	-	4.65
ICD encashed during the year	**-**	9.34	-

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Company Name	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Taj Safaris Ltd.			
Interest income	**0.86**	0.96	-
IHMS Hotels (SA) (Proprietary) Ltd.			
Other Receivables/ (Other Payable)	**59.37**	60.01	58.37
Post-employment benefits plans			
Contribution to superannuation fund	**5.01**	5.41	-
Contribution to provident fund	**9.78**	10.00	-
Contribution to gratuity fund	**10.00**	13.50	-

Note 43 : Shareholders' Agreement of a subsidiary

As per the Share Subscription Agreement and Shareholders' Agreement dated March 16, 2011 entered into with Omega TC holding Pte Limited ("Investor") by a subsidiary company, read with addendum to Subscription Agreement dated March 25, 2014 and subject to the terms and conditions stated therein, the investor has an option but not the obligation to subscribe for further such number of Equity Shares as is equal to the aggregate consideration of upto ₹ 100 crores on or before December 31, 2017 or such other date as may be mutually agreed between parties, provided that the subsidiary company requires an amount equivalent to the consideration and such requirement is a part of business plan.

Note 44 : 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, Page 199 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	Revenue from Hotel Services by location of operations		Non-current assets (see footnote below)		
	March 31, 2017 ₹ crores	**March 31, 2016 ₹ crores**	**March 31, 2017 ₹ crores**	**March 31, 2016 ₹ crores**	**April 1, 2015 ₹ crores**
India	**2,945.37**	2,803.73	**4,179.25**	4,019.23	3,756.43
U.S.A.	**657.29**	797.21	**876.32**	1,858.99	1,797.70
U.K.	**385.15**	400.95	**821.97**	968.55	958.32
Other Overseas locations	**22.45**	21.13	**-**	0.02	3.35
Total	**4,010.26**	4,023.02	**5,877.54**	6,846.79	6,515.80

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 Group's total revenue for the years ended March 31, 2017 and March 31, 2016.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 45 : 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	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 profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores
Parent								
The Indian Hotels Company Ltd.	75.09%	2,444.61	224.58%	141.94	(381.62)%	(132.44)	962.92%	274.38
Subsidiaries								
Indian								
Piem Hotels Ltd.	17.71%	576.40	25.61%	16.19	(66.39)%	(23.04)	137.67%	39.23
Benares Hotels Ltd.	1.88%	61.16	10.79%	6.82	0.48%	0.17	23.34%	6.65
United Hotels Ltd.	0.69%	22.59	3.64%	2.30	0.01%	0.00	8.08%	2.30
Roots Corporation Ltd.	8.56%	278.68	(5.99)%	(3.78)	0.23%	0.08	(13.56)%	(3.86)
TIFCO Holdings Ltd.	5.30%	172.57	14.84%	9.38	23.07%	8.01	4.82%	1.37
Inditravel Ltd.	0.34%	11.20	(0.97)%	(0.61)	0.05%	0.02	(2.21)%	(0.63)
Taj Trade & Transport Company Ltd.	0.40%	12.89	1.02%	0.65	0.19%	0.06	2.04%	0.58
KTC Hotels Ltd.	0.09%	2.95	0.66%	0.42	-	-	1.46%	0.42
Northern India Hotels Ltd.	0.75%	24.45	3.30%	2.08	-	-	7.31%	2.08
Taj Enterprises Ltd.	0.12%	3.97	0.40%	0.25	-	-	0.89%	0.25
Skydeck Properties and Developers Private Ltd.	(11.94)%	(388.66)	(121.62)%	(76.86)	-	-	(269.74)%	(76.86)
Sheena Investments Private Ltd.	0.08%	2.54	0.13%	0.08	-	-	0.00	0.08
ELEL Hotels and Investments Ltd.	18.80%	612.09	(19.03)%	(12.02)	-	-	(42.20)%	(12.02)
Luthria and Lalchandani Hotel and Properties Private Ltd.	0.00%	(0.02)	0.00%	(0.00)	-	-	(0.01)%	(0.00)
Foreign								
United Overseas Holdings Inc.	19.30%	628.23	(422.23)%	(266.85)	-	-	(936.48)%	(266.85)
St. James Court Hotel Ltd.	14.87%	484.02	75.24%	47.55	-	-	166.88%	47.55
Taj International Hotels Ltd.	0.80%	26.20	7.19%	4.54	-	-	15.95%	4.54
Taj International Hotels (H.K.) Ltd.	9.63%	313.50	(2,679.94)%	(1,693.75)	-	-	(5,944.02)%	(1,693.75)
Samsara Properties Ltd.	-	-	2,714.70%	1,715.72	(12.41)%	(4.31)	6,036.24%	1,720.03
Piem International (HK) Ltd.	5.55%	180.61	(1.02)%	(0.65)	-	-	(2.27)%	(0.65)
Apex Hotel Management Services (Pte) Ltd. (Refer Footnote i)	-	-	-	-	-	-	-	-
Chieftain Corporation NV. (Refer Footnote iii)	0.00%	0.05	(0.07)%	(0.04)	-	-	(0.15)%	(0.04)
IHOCO BV.	51.13%	1,664.41	13.09%	8.28	-	-	29.04%	8.28
Apex Hotel Management Services (Australia) Pty Ltd. (Refer Footnote ii)	-	-	0.09%	0.06	-	-	0.20%	0.06
Non-controlling interests in all subsidiaries		737.82		(17.60)		10.99		(6.61)

Notes to Consolidated Financial Statements for the year ended March 31, 2017

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	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores
Associates (Investment as per the equity method)								
Indian								
Oriental Hotels Ltd.	6.04%	196.72	2.81%	1.78	4.37%	1.52	0.91%	0.26
Taj Madurai Ltd	0.15%	4.81	0.32%	0.20	(2.02)%	(0.70)	3.17%	0.90
Taida Trading & Industries Ltd (Refer Footnote iv)	-	-	-	-	-	-	-	-
Foreign								
Lanka Island Resorts Ltd.	1.02%	33.32	2.05%	1.29	-	-	4.54%	1.29
TAL Lanka Hotels Plc	0.48%	15.55	1.62%	1.03	-	-	3.60%	1.03
Bjets Pte Ltd. (Refer Footnote iv)	-	-	-	-	-	-	-	-
Joint Ventures (Investment as per the equity method)								
Indian								
Taj GVK Hotels and Resorts Ltd.	3.39%	110.41	1.71%	1.08	0.11%	0.04	3.65%	1.04
Taj Kerala Hotels and Resorts Ltd.	0.51%	16.70	0.41%	0.26	0.20%	0.07	0.67%	0.19
Taj SATS Air Catering Ltd.	1.49%	48.52	11.37%	7.19	0.51%	0.18	24.60%	7.01
Taj Karnataka Hotels and Resorts Ltd.	(0.08)%	(2.77)	0.12%	0.07	0.01%	0.00	0.24%	0.07
Taj Safaris Ltd.	0.03%	1.02	(0.52)%	(0.33)	0.06%	0.02	(1.24)%	(0.35)
Kaveri Retreat & Resorts Ltd	1.17%	38.14	1.20%	0.76	(0.02)%	(0.01)	2.70%	0.77
Taj Madras Flight Kitchen Pvt. Ltd.	0.73%	23.76	1.67%	1.05	0.09%	0.03	3.59%	1.02
Foreign								
IHMS Hotels (SA)(Pty) Ltd.	(2.37)%	(77.17)	22.59%	14.28	-	-	50.10%	14.28
TAL Hotels & Resorts Ltd.	3.65%	118.86	14.09%	8.90	-	-	31.24%	8.90
Consolidation Adjustments / Eliminations	(158.03)%	(5,144.61)	23.98%	15.16	301.42%	104.61	(391.07)%	(111.44)
TOTAL	**100.00%**	**3,255.51**	**100.00%**	**(63.20)**	**(100.00)%**	**(34.71)**	**100.00%**	**(28.50)**

Footnotes:

i) Apex Hotel Management Services (Pte) Ltd. is in the process of liquidation with effect from December 21, 2016.

ii) Apex Hotel Management Services (Australia) Pty Ltd. has been sold on March 31, 2017.

iii) Chieftain Corporation NV filed for liquidation during the year and dissolved on April 13, 2017.

iv) The carrying value of these investments in Associates has been reported as Nil, as the Group's share of losses exceeds the cost of investments.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 46 : Going Concern assumption

As at the year end, the Group's current liabilities have exceeded its current assets by ₹ 912.93 crores primarily on account of borrowings aggregating ₹ 574.96 crores which fall due within 12 months following the balance sheet date and certain provisions although classified as "Current" are unlikely to result in a cash outflow within that period. Management is confident of its ability to generate cash inflows from operations, liquidate certain non-current investments and raise cash from financing activities so that it would be able to meet its obligations on due dates as it has demonstrated in earlier years. On these considerations, these financial statements are prepared on a going concern basis.

Note 47 : Dividends

Dividends paid during the year ended March 31, 2017 out of General Reserve was ₹ 0.30 per equity share for the year ended March 31, 2016.

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, 2017, retained earnings not transferred to reserves available for distribution was ₹ 156.23 crores.

On May 26, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 0.35 per share in respect of the year ended March 31, 2017, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 41.67 crores, inclusive of dividend distribution tax of ₹ 7.05 crores.

Note 48 : Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'.

	March 31, 2017	March 31, 2016
Loss after tax (owner's share) – (₹ crores)	**(63.20)**	(231.08)
Weighted average number of Equity Shares	**98,92,74,015**	98,92,74,015
Earnings Per Share - Basic and Diluted - (₹)	**(0.64)**	(2.34)
Face Value per Equity Share (₹)	**1**	1

For and on behalf of the Board

N. Chandrasekaran	Chairman
Rakesh Sarna	Managing Director & CEO
Rajeev Newar	Vice President - Finance
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 26, 2017

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 ₹ crores	Reserves & Surplus ₹ crores	Total Assets ₹ crores	Total Liabilities ₹ crores	Invest-ments ₹ crores	Turn-over ₹ crores	Profit/ (Loss) before taxation ₹ crores	Pro-vision for taxation ₹ crores	Profit/ (Loss) after taxation ₹ crores	Pro-posed Divi-dend ₹ crores	Effective share-holding (%)
	Indian													
1.	Piem Hotels Ltd.	March 13, 1968	INR	3.81	580.18	690.35	106.36	177.48	365.22	20.33	4.14	16.19	-	51.57%
2.	Benares Hotels Ltd.	November 03, 1971	INR	1.30	59.86	78.75	17.59	-	51.13	10.73	3.91	6.82	1.95	51.68%
3.	United Hotels Ltd.	November 07, 1950	INR	8.40	14.19	31.27	8.68	0.01	39.50	3.67	1.37	2.30	0.84	55.00%
4.	Roots Corporation Ltd.	December 24, 2003	INR	85.97	192.72	438.85	160.16	-	158.09	(3.78)	-	(3.78)	-	63.25%
5.	TIFCO Holdings Ltd.	September 21, 1977	INR	81.50	139.05	221.83	1.28	167.59	12.84	(4.51)	1.95	(6.46)	-	100.0%
6.	Inditravel Ltd.	February 19, 1981	INR	0.72	17.06	18.59	0.81	8.21	0.79	(0.45)	0.16	(0.61)	-	77.19%
7.	Taj Trade & Transport Co Ltd.	November 02, 1977	INR	3.47	11.28	24.30	9.55	6.72	14.59	0.65	-	0.65	0.35	72.73%
8.	KTC Hotels Ltd.	December 22, 1984	INR	0.60	2.35	5.98	3.03	-	0.51	0.42	-	0.42	-	100.00%
9.	Northern India Hotels Ltd.	August 18, 1971	INR	0.44	24.01	24.65	0.20	0.10	3.24	3.04	0.96	2.08	-	48.03%
10.	Taj Enterprises Ltd.	July 18, 1979	INR	0.50	3.48	4.00	0.02	0.07	0.42	0.34	0.09	0.25	-	74.70%
11.	Skydeck Properties and Developers Private Ltd.	May 13, 1998	INR	0.10	(388.76)	528.74	917.40	528.61	-	(76.86)	-	(76.86)	-	100.00%
12.	Sheena Investments Private Ltd.	February 12, 1990	INR	1.00	1.54	2.56	0.02	0.40	0.14	0.12	0.04	0.08	-	100.00%
13.	ELEL Hotels and Investments Ltd.	July 09, 1979	INR	2.82	609.26	652.39	40.31	18.97	1.14	(12.02)	-	(12.02)	-	85.72%
14.	Luthria and Lalchandani Hotel and Properties Private Ltd.	February 18, 2008	INR	0.01	(0.03)	0.01	0.03	-	-	-	-	-	-	87.15%
	Foreign													
15.	United Overseas Holdings Inc.	August 24, 2015	USD	993.66	(365.43)	968.19	339.96	-	668.73	(266.28)	0.57	(266.85)	-	100.00%
16.	St. James Court Hotel Ltd.	February 17, 2000	GBP	460.02	24.00	907.43	423.41	-	311.78	26.54	(21.01)	47.55	-	72.25%
17.	Taj International Hotels Ltd.	July 5, 1995	GBP	-	26.20	41.15	14.95	-	76.79	5.63	1.09	4.54	-	100.00%
18.	Taj International Hotels (H.K.) Ltd.	December 02, 1980	USD	1,491.55	(1,374.33)	148.15	30.93	0.10	37.25	(140.99)	-	(140.99)	-	100.00%
19.	Samsara Properties Ltd.	January 31, 2006	USD	129.71	(129.71)	-	-	-	0.03	1,715.72	-	1,715.72	-	100.00%
20.	Piem International (HK) Ltd.	September 08, 1994	USD	51.88	150.26	202.20	0.06	174.76	0.95	(0.65)	-	(0.65)	-	51.57%
21.	Apex Hotel Management Services (Pte) Ltd. (Refer Footnote (iv))	January 15, 1999	SGD	-	-	-	-	-	1.46	-	-	-	-	100.00%
22.	Chieftain Corporation NV. (Refer Footnote (iv))	July 13, 1998	GBP	0.08	(0.03)	0.05	-	-	0.01	(0.04)	-	(0.04)	-	100.00%
23.	IHOCO BV.	December 18, 1997	USD	135.94	1,566.22	1,702.78	0.62	1,683.18	4.67	(346.15)	0.19	(346.34)	-	100.00%
24.	Apex Hotel Management Services (Australia) Pty Ltd. (Refer Footnote (iii))	October 02, 2014	AUD	-	-	-	-	-	2.25	0.19	0.13	0.06	-	100.00%

Footnotes:

i) The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2017

ii) Names of subsidiaries which are yet to commence operations - None

iii) This subsidiary is sold during the year. (Refer Note 30(b), Page 238)

iv) These subsidiaries are in the process of liquidation during the year. (Refer Note 30(b), Page 238)

v) Exchange rates as at 31.03.2017: 1 USD = ₹ 64.85; 1 GBP = ₹ 81.38; 1 AUD = ₹ 49.468; 1 SGD = ₹ 46.411

vi) Average exchange rate for the year (for Profit & Loss items): 1 USD = ₹ 66.9685; 1 GBP = ₹ 87.5235; 1 AUD = 50.3841; 1 SGD = ₹ 48.3815

Part "B" : Associates and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Shares held by the company on the year end: No. of shares (Refer Note vi	Shares held by the company on the year end: Amount of Investment ₹ crores	Shares held by the company on the year end: Extent of Holding %	Networth attributable to shareholding as per latest audited Balance Sheet ₹ crores	Profit/ loss for the year: Considered in Consolidation (to the extent of Group's effective shareholding) ₹ crores	Profit/ loss for the year: Not Considered in Consolidation ₹ crores	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
	Associates										
	Indian										
1.	Oriental Hotels Ltd. (Refer note (vii))	March 31, 2017	September 18, 1970	66,166,530	114.90	35.67%	147.06	1.78	-	Note (iii)	-
2.	Taj Madurai Ltd	March 31, 2017	March 16, 1990	912,000	0.95	26.00%	4.77	0.20	-	Note (iii)	-
3.	Taida Trading & Industries Ltd (Refer note (v))	March 31, 2017	July 09, 1959	65,992	0.62	34.76%	-	-	-	Note (iii)	-
	Foreign										
4.	Lanka Island Resorts Ltd.	March 31, 2017	May 26, 1995	19,965,524	32.27	24.66%	11.59	1.29	-	Note (iii)	-
5.	TAL Lanka Hotels Plc	March 31, 2017	June 14, 1980	34,375,640	18.72	24.62%	16.23	1.03	-	Note (iii)	-
6.	Bjets Pte Ltd. (Refer note (v))	December 31, 2016	November 28, 2007	20,000,000	102.59	45.69%	-	-	-	Note (iii)	-
	Joint Ventures										
	Indian										
7.	Taj GVK Hotels and Resorts Ltd.	March 31, 2017	February 02, 1995	16,000,400	40.34	25.52%	89.71	1.08	-	Note (iv)	-
8.	Taj Kerala Hotels and Resorts Ltd.	March 31, 2017	May 07, 1991	14,151,664	15.67	28.30%	14.97	0.26	-	Note (iv)	-
9.	Taj SATS Air Catering Ltd.	March 31, 2017	August 28, 2001	8,874,000	61.82	51.00%	122.00	7.19	-		
10.	Taj Karnataka Hotels and Resorts Ltd.	March 31, 2017	February 15, 1995	1,398,740	1.40	44.27%	(2.80)	0.07	-	Note (iv)	-
11.	Taj Safaris Ltd.	March 31, 2017	October 07, 2004	12,496,667	14.50	28.96%	1.18	(0.33)	-	Note (iv)	-
12.	Kaveri Retreat & Resorts Ltd	March 31, 2017	October 25, 2005	13,176,467	44.80	50.00%	28.64	0.76	-	Note (iv)	-
13.	Taj Madras Flight Kitchen Pvt. Ltd.	March 31, 2017	March 29, 1995	7,944,112	8.56	50.00%	22.63	1.05	-	Note (iv)	-
	Foreign										
14.	IHMS Hotels (SA)(Pty) Ltd.	March 31, 2017	June 07, 2006	86,739,958	57.09	50.00%	(61.17)	14.28	-	Note (iv)	-
15.	TAL Hotels & Resorts Ltd.	March 31, 2017	March 16, 2001	4,946,282	38.03	27.49%	106.24	8.90	-	Note (iv)	-

Notes:

i) Names of Associates/ Joint Venture which are yet to commence operations - None

ii) Names of Associates/ Joint Venture which have been liquidated or sold during the year - None

iii) There is significant influence due to percentage(%) of share holding (more than 20%).

iv) These are joint ventures.

v) 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.

vi) Number of shares includes shares held directly by Parent or through its subsidiaries.

vii) This includes 98,72,360 number of shares held in the form of Global Depository Receipts (GDR).

viii) Exchange rates as at 31.03.2017: 1 USD = ₹ 64.85; 1 LKR = ₹ 0.42; 1 ZAR = ₹ 4.8288

ix) Average exchange rate for the year (for Profit & Loss items): 1 USD = ₹ 66.9685; 1 LKR = ₹ 0.4454; 1 ZAR = ₹ 4.7676

For and on behalf of the Board

N. Chandrasekaran Chairman

Rakesh Sarna Managing Director & CEO

Rajeev Newar Vice President - Finance

Beejal Desai Vice President - Legal & Company Secretary

TAJ
HOTELS · PALACES · RESORTS · SAFARIS

Consolidated Financial Statistics

Year	Capital Account						Revenue Account										
	Share Capital	Reserves and Surplus	Borrow-ings	Gross Block	Net Block	Invest-ments	Gross Revenue	Expen-diture (including Interest)	Depre-ciation	Profit/ (Loss) before Tax	Tax Expenses	Profit/ (Loss) after Tax @	Other compre-hensive Income	Total compre-hensive Income	Net Transfer to General Reserves	Earning Per Share (Basic) *	Earning Per Share (Diluted)*
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	In ₹	In ₹
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	Ω 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	(203.21)	45.91	(157.30)	-	(2.34)	(2.34)
2016-17	98.93	2418.76	3382.98	5792.33	5259.83	1243.71	4065.20	3724.47	299.37	30.58	113.74	(45.60)	23.71	(21.89)	-	(0.64)	(0.64)

¶ Convension of foreign currency bonds into share capital.
€ Split of Shares of face value ₹ 10 each to share of Face value ₹ 1 each
Ω After Right issue of Shares in the Ratio of 5:1
Issue of Ordinary Shares, being warrants exercised pursuant to Rights Issue of Ordinary shares
& Allotment of Shares on Preferential basis to Promoters
¥ Reduction due to Ordinary Shares owned by entities prior to their becoming subsidiaries
§ Conversion of Warrants into Ordinary Shares
¤ After conversion of 18,18,01,228 Compulsorily Convertible Debentures into Ordinary Shares
@ Profit after Tax is after Eliminating Minority's Share of Profit/Loss and after Considering Share of Profit/ Loss in Associates
* Earning Per Share is after Extraordinary Items

To,
The Share Department
The Indian Hotels Company Limited
Mandlik House,
Mandlik Road,
Mumbai 400 001.

Updation of Shareholder Information

I/We request you to record the following information against my/our Folio No.:

General Information:

Folio No.: Name of the first named Shareholder: PAN: * CIN/ Registration No.: * (applicable to Corporate Shareholders) Tel No. with STD Code: Mobile No.: Email Id:	

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit) Bank A/c Type:	MICR: (9 digit) Bank A/c No.: *
Name of the Bank: Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date: Signature of Sole/ First holder

AWARDS – TAJ HOTELS PALACES RESORTS SAFARIS 2016-17

The Taj Mahal Palace, Mumbai

Rambagh Palace, Jaipur

Taj Lake Palace, Udaipur

The Pierre, A Taj Hotel, New York

Taj Hotels Palaces Resorts Safaris

CNBC – TV18 India Risk Management Awards - IHCL awarded 'Firm of the Year' in the hospitality industry

T + L India's Best Awards – Voted Best Hotel Group in India

Business Traveller Awards - Rated Best Business Hotel Chain in India

Business Today India Awards - Taj Hotels Palaces Resorts Safaris was awarded 'Best Company to Work for' in the hospitality industry

The Taj Mahal Palace, Mumbai

Conde Nast Traveler Readers' Choice Awards US – ranked 7th in the list of Top Hotels in India

Condé Nast Traveler US Gold List- Featured on the Condé Nast Traveler US Gold List

Business Traveller Asia-Pacific Awards - Named Best Business Hotel in Mumbai

Umaid Bhawan Palace, Jodhpur

TripAdvisor Travellers' Choice Awards 2017 - Ranked 21st in the list of 'Top 25 Hotels in the World'; 8th in the list of Top 25 Hotels in Asia'; 2nd in the list of 'Top Hotels in India

Conde Nast Traveler Readers' Choice Awards US - named Best Hotel in India and ranked 4th in the Top 50 hotels in the world list

Condé Nast Traveler US Gold List - Featured on the Condé Nast Traveler US Gold List

Taj Lake Palace, Udaipur

Conde Nast Traveller Readers' Travel Awards UK - Named Best Hotel in Asia and the Indian Sub-Continent

Conde Nast Traveler Readers' Choice Awards US – ranked 3rd in the list of 'Top Hotels in India

Condé Nast Traveler US Gold List - Featured on the Condé Nast Traveler US Gold List

Travel+Leisure USA World's Best Awards – ranked 4th in in list of The Best Resort Hotels in India'

TripAdvisor Travellers' Choice Awards – ranked 15th in the list of 'Top 25 Hotels in Asia'

TripAdvisor Travellers' Choice Awards – ranked 3rd in the list of 'Top Hotels in India'

Rambagh Palace, Jaipur

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

Conde Nast Traveller Readers' Travel Awards UK - Ranked 13th on the Conde Nast Traveller Readers' Travel Awards UK 2016

Conde Nast Traveler Readers' Choice Awards US - Ranked 8th in the list of Top Hotels in India

Taj Falaknuma Palace, Hyderabad

Travel + Leisure India's Best Awards – Voted Best Heritage Hotel

Conde Nast Traveler Readers' Choice Awards US - Ranked 11th in the list of Top Hotels in India

Conde Nast Traveller Readers' Travel Awards UK - Ranked 16th on the Conde Nast Traveller Readers' Travel Awards UK

Condé Nast Traveler US Gold List - Featured on the Condé Nast Traveler US Gold List

Taj West End, Bangaluru

Karnataka Tourism Awards - FKCCI Conferred Taj West End, Bangalore with the 'The Best in Luxury Hotel Award' at Karnataka Tourism Awards 2016

Taj Exotica Resort & Spa Maldives

Condé Nast Traveller Readers' Travel Awards – Voted Favorite Overseas Leisure Hotel

Taj Campton Place, San Francisco

Michelin Guide - Awarded second Michelin Star in the Michelin Guide 2016

Taj 51 Buckingham Gate Suites and Residences, London

Forbes Travel Guide Star Ratings - Awarded a four-star rating on the 2016 Forbes Travel Guide Star Ratings

Taj Tashi, Bhutan

Condé Nast Traveler US Gold List - Featured on the Condé Nast Traveler US Gold List

Meghauli Serai, A Taj Safari Lodge, Chitwan National Park

Travel + Leisure US It List 2017 - Featured on the list of Best New Hotels in the world

The Pierre, A Taj Hotel, New York

Forbes Travel Guide Star Ratings - Awarded a five-star rating

THE INDIAN HOTELS COMPANY LIMITED

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A TATA Enterprise

www.tajhotels.com

TAJ

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