IHCL

May 29, 2019

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
Scrip Code: INDHOTEL

Sub: Annual Report- Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Dear Sir,

As required under the Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, please find attached herewith Annual Report for the Financial Year 2018-19 along with the notice of the 118th Annual General Meeting of the Company scheduled to be held on June 20, 2019 at 3.00 P.M. at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai 400 020.

The Annual Report for the Financial Year 2018-19 is uploaded on the website of the Company at www.ihcltata.com.

You are requested to kindly take the same on record.

Sincerely,

BEEJAL DESAI
Senior Vice President - Legal & Company Secretary

Encl: As above

IHCL

ANNUAL REPORT (INTEGRATED)
2018-19

A FULL SUITE OF HOSPITALITY OFFERINGS

THE INDIAN HOTELS COMPANY LIMITED
A TATA Enterprise

ABOUT US

We, The Indian Hotels Company Limited (IHCL), are among South Asia's largest hospitality companies by market capitalisation. Incorporated in 1902, we have nurtured a rich legacy with an ensemble of warm Indian hospitality and world-class services. With hotels spanning iconic locations, living palaces, homestays, trails, exotic resorts, affordable luxury and scenic safaris, we deliver unforgettable experiences and cherished memories for patrons globally. Our hotel brands include Taj, SeleQtions, Vivanta and Ginger. We offer a wide range of services across food and beverages (F&B), spas and boutiques under the brand Expressions. Our elite corporate club – The Chambers caters to distinguished luminaries in India Inc. Our volume catering brand TajSATS enjoys a dominant positioning in the domestic market. Our brands span the entire hospitality value chain across accommodations and ancillary segments.

Inspiring parentage

We are part of the renowned Tata group, a global enterprise comprising 100+ companies under its grand umbrella. A time-tested legacy of over 150 years, group revenues in excess of ~$100 billion and presence in 150+ countries are some of the group's strengths. The Tata group's core values (Integrity, Responsibility, Excellence, Pioneering and Unity) are deeply ingrained in every aspect of our business.

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

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

A FULL SUITE OF HOSPITALITY OFFERINGS

Our overarching purpose is to offer the world iconic Indian hospitality, with all our heart in every process.

We continue to refine our hospitality offerings to elevate the promise of our brands. We have a strong portfolio of iconic and diverse brands which cater to the aspirations of customers across segments of luxury, upscale, affordable luxury and niche, curated experiences. We are strengthening individual service brands in the areas of exclusive business club, food and beverages, boutique and spa to offer a wide spectrum of hospitality services in accommodations and beyond.

With an impressive portfolio of compelling propositions, we are on a journey to make the most of opportunities in hospitality in India and other parts of the world. We are an aspiring enterprise that continuously challenges the status quo to offer curated experiences to patrons across geographies. This entails re-structuring, re-engineering and re-imagining the Company's portfolio in tune with changing times. Our pivotal five-year programme, Aspiration 2022 aims to accomplish this purpose to fortify our leadership in the markets in which we operate. We aspire to become the most iconic and profitable hospitality Company in South Asia; and have made considerable progress in the first full year of implementation of this strategy in FY 2018-19.

With brands and businesses gaining market traction and expansion in select global markets, we are going places. We provide a full suite of hospitality offerings that caters to all existing and emerging needs of consumers.

Performance highlights FY 2018-19

66.6%
Occupancy v/s
65.4% in FY 2017-18

₹4,595 Crores
Revenue
↑10%

₹913 Crores
EBITDA
↑25%

₹287 Crores
Profit after tax
↑184%

Consolidated figures ↑ y-o-y growth

INSIDE THIS REPORT

Read the Full Report Online
www.ihcltata.com/investors/

About this report

REPORTING SCOPE & BOUNDARY

The Indian Hotels Company Limited (IHCL) has embarked on the journey of adopting the Integrated Reporting Framework prescribed by the International Integrated Reporting Council (IIRC). Through this Report, we aspire to provide our stakeholders an all-inclusive depiction of the organisation's financial and non-financial performance. This Report strives to provides insights into our key strategies, operating environment, the operating risks and opportunities, governance structure and the Company's approach towards long-term sustainability. This Report covers all the businesses of the IHCL group, including subsidiaries, joint ventures and other collaborations. In line with our ambition and value creation, this Report is structured around our stakeholders and reflects our transition, successes and future aspirations. It is in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI circular on voluntary adoption of Integrated Reporting, dated February 6, 2017.

REPORTING PRINCIPLE

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

APPROACH TO MATERIALITY

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

RESPONSIBILITY

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

FORWARD-LOOKING STATEMENTS

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

Our Brands

Pg. 40 Taj

Luxury

Pg. 48 SeleQtions

Select Hotels

Pg. 44 Vivanta

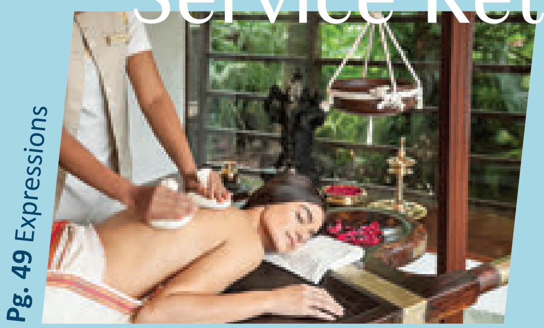
Upscale

Pg. 46 Ginger

Lean Luxe

Service Retail

Pg. 49 Expressions



Volume Catering

Pg. 52 TajSATS

INTRODUCING OUR CAPITALS

The key enablers of our business

We, at IHCL, deploy various resources and nurture relationships towards meeting our organisational objectives. Through our operations, we focus on enhancing the value we create for all our stakeholders and managing these resources and relationships optimally.

Financial Capital

Our financial resources

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

₹7,474 Crores
Capital Employed*

₹711 Crores
Operating Cash Flow*

2.11
Net Debt to EBITDA*

Manufactured Capital

Our assets

The hotels and properties we own or manage, as well as our offices represent the physical infrastructure our business depends on. We invest regularly in these assets and are focussed on improving efficiencies across all of them.

179
Hotels#
(including pipeline)

149
Hotels#
(operational)

22,000+
Rooms#
(including pipeline)

17,888
Rooms#
(Operational)

12,781
Rooms#
(Owned)

5,107
Rooms#
(Managed)

Intellectual Capital

Our know-how and expertise

Our collective capabilities and insight help us craft unique experiences for our guests. Our signature services, brands, standard operating procedures and trademarks represent our intangible assets. We continue to enrich these intangible assets to sustain and enhance our competitive advantage.

686
Trademarks registered#

128
Trademarks applied#

* For FY 2018-19 # As on April 30, 2019

Human Capital

Our people

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

32,670
Employees*

84%
Frontline retention*

Social & Relationship Capital

Our relationships

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

₹8.54 Crores
CSR expenditure*
(including group companies)

Natural Capital

Our natural resources

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

971.5
Specific water consumption*
(Litre/Guest Night)

38.6 kg
Specific Green House Gas (GHG) emissions*
(CO_2/Guest Night)

IHCL AT A GLANCE

Taking Indian hospitality places

In our journey spanning over 118 years, we have grown our portfolio to cater to different segments of hospitality and luxury; and services ranging from volume catering, food and beverages to salon, wellness, boutiques and clubs. Our brands offer our patrons an unmatched blend of warm Indian hospitality and world-class service.

With a sharp focus on improving guest experiences, driving efficiencies and adopting swiftly to emerging trends, we continue to sustain long-lasting associations with our customers, employees, suppliers and other stakeholders. We are present in carefully selected, high-potential markets globally and will continue to expand in the future. Given our prominent industry position and unwavering focus on refreshing and realigning our portfolio in sync with changing guest preferences, we are well poised to take Indian hospitality places.

OUR SCALE

149
Hotels#

82
Locations in India

17,888
Rooms#

32,670
Employees*

* For FY 2018-19 # As on April 30, 2019

IHCL AT A GLANCE

Our purpose

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

Our values

Tajness is the soul of our culture. It is an implicit trust in people to forge invaluable relationships by creating an emotional connect with our various stakeholders. It intrinsically guides all our behaviours. Tajness is the way we do what we do. It is based on the three broad pillars of Trust, Awareness and Joy.

TRUST	AWARENESS	JOY
• Fairness with all stakeholders • Openness and transparency in what we do • Free flow of information • Alignment of all stakeholders • Build and strengthen long-term relationships	• Enhance awareness around our plans, strategies, tactics, processes • Work together to create greater enterprise value • Participative in our decision making • Imbibe a sense of belonging across all stakeholders	• Derive joy and happiness from what we do and how we do it • Serve all stakeholders with joy and utmost dedication • Create and maintain an environment where there is joy and happiness, where people are respected, and diversity is celebrated • Share our success with all stakeholders

IHCL AT A GLANCE

Unlocking potential

It is our constant endeavour to maximise the potential of every brand under the IHCL umbrella.

READ MORE ON PAGES 40-53

OUR BRAND PORTFOLIO

Hotels

TAJ

70 Hotels#

9,504 Rooms#

LOCATIONS
Cities, Authentic Palaces, Resorts, and Safari locations across the globe

TARGET AUDIENCE
Luxury business and leisure world traveller

NATURE OF ARRANGEMENTS
Owned, leased and management contracts

SELEQTIONS

10 Hotels#

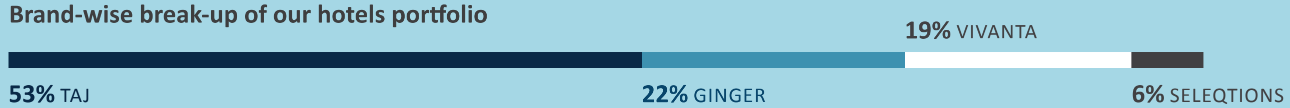
1,003 Rooms#

LOCATIONS
Cities and Resort destinations in India

TARGET AUDIENCE
Discerning business and leisure traveller

NATURE OF ARRANGEMENTS
Owned, leased and management contracts

Brand-wise break-up of our hotels portfolio



VIVANTA

24 Hotels#

3,396 Rooms#

LOCATIONS
Cities and Resort destinations across the globe

TARGET AUDIENCE
Contemporary business and leisure traveller

NATURE OF ARRANGEMENTS
Owned, leased and management contracts

GINGER

45 Hotels#

3,985 Rooms#

LOCATIONS
Unique cities

TARGET AUDIENCE
Young, millennial, business and leisure traveller

NATURE OF ARRANGEMENTS
Owned, leased and management contracts

amã Trails & Stays

9 Properties#

35 Rooms#

LOCATIONS
Offbeat locations across India

TARGET AUDIENCE
Discerning leisure traveller

NATURE OF ARRANGEMENTS
Management contracts

As on April 30, 2019

OUR BRAND PORTFOLIO

Beyond hotels

The Chambers

7
Clubs#

~2,000
Ultra HNI exclusive members#

LOCATIONS
Cities across India and the UAE (Dubai)

TARGET AUDIENCE
Distinguished achievers, corporate leaders and the power elite of India

NATURE OF ARRANGEMENTS
Owned

JIVA

50
Spas#

LOCATIONS
Landmark cities and Resort destinations across the globe

BRAND STYLE
Indian wellness therapies and spa experiences

TARGET AUDIENCE
Wellness seekers

NATURE OF ARRANGEMENTS
Owned

F&B

380+
Bars and Restaurants#

LOCATIONS
Landmark cities and Resort destinations across the globe

BRAND STYLE
Timeless fine dining, high-energy bars, welcoming all-day dining and patisseries

NATURE OF ARRANGEMENTS
Owned

KHAZANA

14
Boutiques#

LOCATIONS
Landmark cities and Resort destinations across the globe

BRAND STYLE
Indian luxury lifestyle retail showcasing regional art forms, and Indian heritage

TARGET AUDIENCE
Discerning shopper and world traveller

NATURE OF ARRANGEMENTS
Owned multi-product retail outlets

niu&nau

39
Salons#

LOCATIONS
Cities and Resorts across India

BRAND STYLE
Urban contemporary beauty and grooming services

TARGET AUDIENCE
Discerning luxury customers seeking personalisation and high-end grooming services, beauty seeker

NATURE OF ARRANGEMENTS
Owned

TAJ sats

6
Units#

LOCATIONS
Cities across India

BRAND STYLE
Contemporary and progressive

SERVICES OFFERED
In-flight catering, Airline lounge management

NON-AIRLINE SERVICES
Institutional catering, Outdoor catering, Corporate gifting

NATURE OF ARRANGEMENTS
Joint venture

As on April 30, 2019

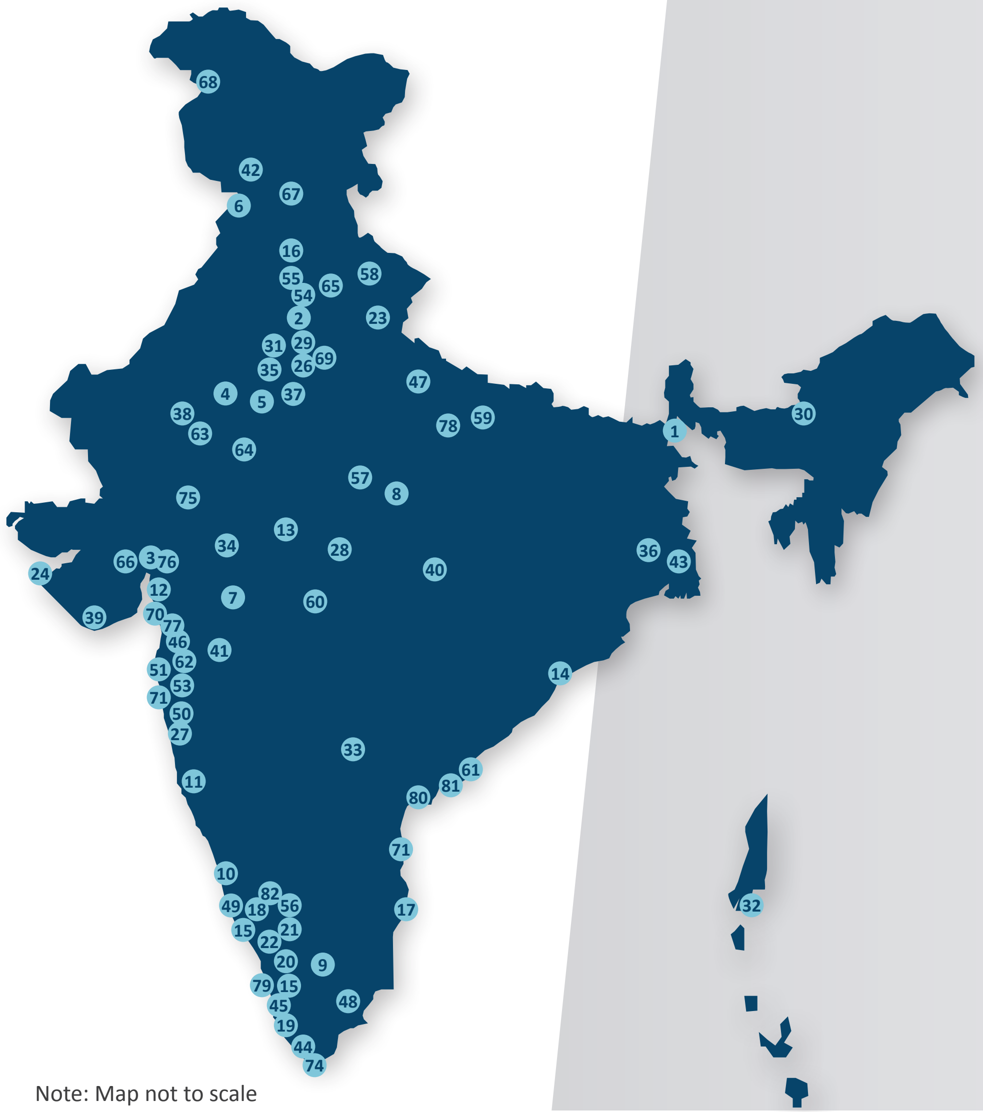
OUR PRESENCE

Delighting customers across the world and entering new markets

We are a leading player across major cities in India and have also forayed into select high-potential markets globally. Going forward, we continue to expand our presence in these geographies while exploring entry in newer markets.

India

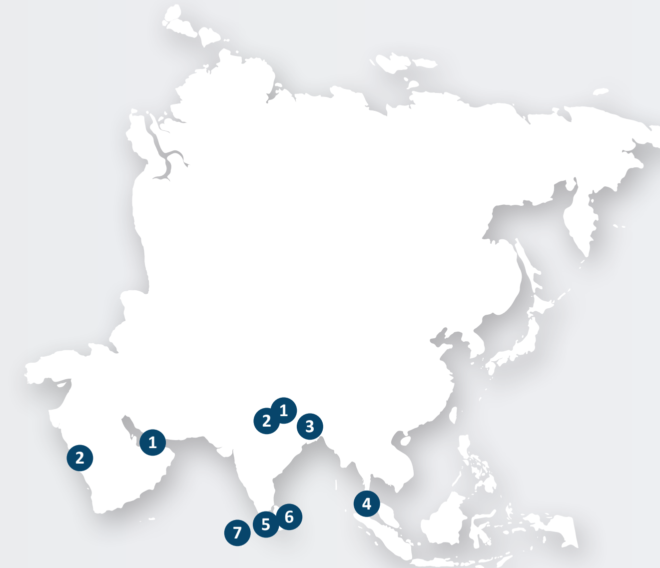
1) Agartala
2) Agra
3) Ahmedabad
4) Ajmer
5) Alwar
6) Amritsar
7) Aurangabad
8) Bandhavgarh
9) Bangalore
10) Bekal
11) Belgaum
12) Bharuch
13) Bhopal
14) Bhubaneshwar
15) Calicut
16) Chandigarh
17) Chennai
18) Chikmagalur
19) Cochin
20) Coimbatore
21) Coonoor
22) Coorg
23) Corbett
24) Dwarka
25) Ernakulam
26) Faridabad
27) Goa
28) Gondia
29) Gurgaon
30) Guwahati
31) Gwalior
32) Havelock
33) Hyderabad
34) Indore
35) Jaipur
36) Jamshedpur
37) Jhansi
38) Jodhpur
39) Junagadh
40) Kanha
41) Karad
42) Katra
43) Kolkata
44) Kovalam
45) Kumarakom
46) Lonavala
47) Lucknow
48) Madurai
49) Mangalore
50) Margaon
51) Mumbai
52) Mysore
53) Nashik
54) New Delhi
55) Noida
56) Ooty
57) Panna
58) Pantnagar
59) Patna
60) Pench
61) Pondicherry
62) Pune
63) Rajasthan
64) Ranthambore
65) Rishikesh
66) Sanand
67) Shimla
68) Srinagar
69) Surajkund
70) Surat
71) Thane
72) Tirupati
73) Tirupur
74) Trivandrum
75) Udaipur
76) Vadodara
77) Vapi
78) Varanasi
79) Varkala
80) Vijayawada
81) Vizag
82) Wayanad



Note: Map not to scale

USA

1) San Francisco
2) Boston
3) New York



Middle East

1) Dubai
2) Makkah

Asia

1) Meghavli
2) Kathmandu
3) Thimpu
4) Langkawi
5) Colombo
6) Bentota
7) Maldives

Africa

1) Lusaka
2) Cape Town

UK

1) London

BUSINESS MODEL

How we create value

INPUTS

FINANCIAL CAPITAL
- Equity capital ₹5,148 Crores
- Net Debt ₹1,925 Crores
- Healthy 48% stake of institutional investors in IHCL:
  - Foreign institutional investors: 12%
  - Domestic institutional investors: 36%

MANUFACTURED CAPITAL
- Fixed Assets: ₹6,538 Crores
- Total land bank area: 970 acres

INTELLECTUAL CAPITAL
- Investments in key brands during the year: ₹922 lakhs

HUMAN CAPITAL
- Investments in employee training ₹7.87 Crores
- Investments in employee engagement initiatives and recognitions ₹32 lakhs

SOCIAL & RELATIONSHIP CAPITAL
- CSR spend during the year: ₹8.54 Crores
- Number of trade body memberships: 20

NATURAL CAPITAL
- Investments in earth check certification: ₹1.38 Crores
- Trained 300 sustainability champions internally

OUR PURPOSE, OUR VALUES

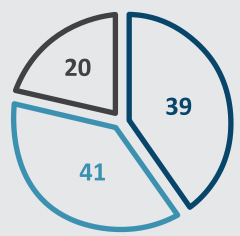
READ MORE ON PAGE 8

OUR ACTIVITIES

READ MORE ON PAGE 34

We build and manage hotels under the following formats
- Through our group companies
- Through management contracts
- By being a holding Company

Our Portfolio (including pipeline) (%)#



- Group Companies
- Management Contracts
- As a holding Company

We also undertake regular activities towards
- Marketing and branding
- Customer engagement
- Dealer and partner engagement

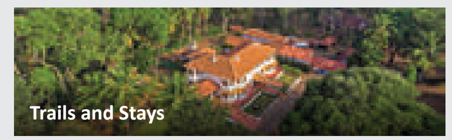
Our brands include Taj, SeleQtions, Vivanta, Ginger

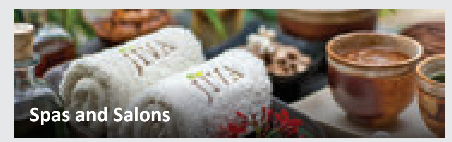
READ MORE ON PAGES 40-53

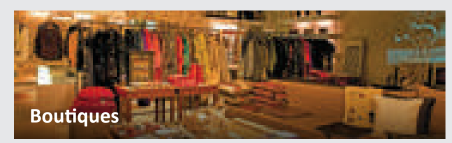
Our wide spectrum of service offerings includes


Volume catering


Food & Beverages


Trails and Stays


Spas and Salons


Boutiques

Our brands include The Chambers, Jiva, Amã, Golden Dragon, Wasabi, Khazana, TajSATs

OUR EXTERNAL ENVIRONMENT & OPPORTUNITIES

- India emerging as a key destination
- Robust consumption growth
- Growing incomes and affordability
- Demand for rooms outpacing supply
- Strong prospects of the global travel and tourism industry

As on April 30, 2019

READ MORE ON PAGE 28

OUR STRATEGIES

Aspiration 2022 focusses on making IHCL the most iconic and profitable hospitality company in South Asia.

It is based on the following

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

READ MORE ON PAGE 30

OUTPUTS

FINANCIAL CAPITAL
- Market capitalisation up 21% y-o-y
- Consistent track record on dividend payout (Consolidated)
- Revenues: ₹4,595 Crores, up 10% y-o-y
- Dividend per share: ₹0.50 (face value ₹1/- share), up 25% y-o-y
- EPS: ₹2.41, up 165% y-o-y

READ MORE ON PAGE 36

MANUFACTURED CAPITAL
- Healthy growth across all assets hotels, service outlets and digital platforms (22 new hotel signings during the year)
- Best-in-class customer service and higher base of loyal customers
- Total room nights during the year: 41,70,000

READ MORE ON PAGES 10-13

INTELLECTUAL CAPITAL
- Top-of-the-mind brand recall among customers
- High brand salience across segments
- Trademarks: 686

READ MORE ON PAGES 40-53

HUMAN CAPITAL
- High employee retention
- Gallup Great Workplace Award
- Revenue per employee: ₹25 lakhs
- Loss Time Injury Frequency Rate (LTIFR): 6.95

READ MORE ON PAGE 58

SOCIAL & RELATIONSHIP CAPITAL
- Partnerships with leading companies in the digital and hospitality sector
- Active participation in industry trade fairs and events
- Long-lasting and rewarding associations with suppliers, customers, vendors and development partners
- Best-in-class customer service and higher base of loyal customers
- Inner Circle members up: 22% y-o-y
- Beneficiaries of CSR initiatives: 2,500+

READ MORE ON PAGES 60 AND 64

NATURAL CAPITAL
- Reduction in our carbon footprint across all locations
- Focus on continuous performance improvement over a rolling baseline for the material aspects of waste, water and energy
- Number of properties powered by renewable energy: 24
- Number of EarthCheck* certified hotels: 81
  | Platinum: 8 | Gold: 60 | Silver: 10 | Bronze: 3

READ MORE ON PAGE 62

* EarthCheck: An international tourism advisory group, developed by the Sustainable Tourism CRC, the world's largest dedicated research centre specialising in sustainable tourism and research

MANAGING CAPITAL TRADE-OFFS

Maximising value creation

We strive to allocate our capital and resources in the best possible way to create sustained value for all our stakeholders. Given the constrained and interconnected nature of the capitals we rely upon, we must make smart choices about where to allocate our resources to generate sustained value.

Our Aspiration 2022 strategy acts as a compass, guiding our decision-making in an integrated manner, allowing us to focus on what matters most to optimise the outcomes of our strategic choices.

Trade-off 1: Balancing short-term performance expectations and long-term value creation

EXPLAINING THE TRADE-OFF	MANAGING THE TRADE-OFF	CAPITALS
We at IHCL, are the pioneers of Indian hospitality and stand tall with a legacy of over 115 years. The sustainable growth demonstrated by IHCL is founded upon the ability to make decisions today that will often bear fruit in future. Our vision to be the most iconic hospitality company requires us to continue renovating and re-investing in our assets to ensure long-term sustained value creation.	We have embarked on a journey of execution of our brandscape strategy, which involves upgrading several of our Vivanta hotels to Taj. This requires investments which are made in view of the long-term potential of the assets to give us enhanced returns on our investments. While we make investments for developing new assets, they deliver results over a longer period of time. Our expertise and focus on asset management and deal structuring helps us constantly minimise the short-term impact while maximising long-term value creation.	Deployed Impacted

Trade-off 2: Managing how and where we allocate our funds

EXPLAINING THE TRADE-OFF	MANAGING THE TRADE-OFF	CAPITALS
The ability to control finance costs and enhance return on capital employed is critical to our business. This requires us to make important choices about where and how to invest. However, our fund allocation to different business objectives cannot be uniform and in view of enhancing the RoCE, we have to lay more emphasis on certain objectives over others.	Aspiration 2022 outlines a S.M.A.R.T development approach wherein we will invest in 'S'trategic, 'M'argin-enhacing opportunities and rely on 'A'sset management and our 'R'elationships to ensure strong returns. 'T'racking the performance of our investments against the business plan on a constant basis lets us take informed decisions on fund allocation. As Aspiration 2022 entails re-structuring, re-engineering and re-imagining the Company's portfolio, we had to carefully re-examine our existing portfolio to unlock value from efficiencies in scale and simplifying the holding structure for greater profitability. We will continue to synergise and engage with partners to ensure that we make the right investments together, creating substantial value for all stakeholders.	Deployed Impacted

Trade-off 3: Balancing customer satisfaction and profitability

EXPLAINING THE TRADE-OFF	MANAGING THE SAME	CAPITALS
IHCL is well known for its customer centricity and our mantra is to provide sincere care for all our guests. In order to improve profitability, and catering to new age customer aspirations of lean luxury, we are taking measures to eliminate wastages, and optimising costs. In doing so, we are focussed on ensuring that customer satisfaction is not compromised.	IHCL has launched targeted cross-functional projects to curb wastage across the organisation and to focus on expanding EBITDA margins, in line with Aspiration 2022. These programmes are trying to ensure that the premium value that our brands command is not lost through margin improvement initiatives. Superior guest satisfaction and loyalty levels allow us to command a rate premium, which in turn help improve our margins.	Deployed Impacted

MD & CEO'S MESSAGE

Seeking new horizons

₹4,595 Crores
Revenue*
↑10%

₹913 Crores
EBITDA*
↑25%

₹287 Crores
Profit after tax*
↑184%

Consolidated figures ↑ y-o-y growth
* For FY 2018-19

Dear Shareholders,

We are happy to share with you that IHCL has progressed well on its five-year strategy, Aspiration 2022. We are moving swiftly in our transformational journey and have exceeded our expectations on select metrics. These include new signings of 22 hotels – highest for us over the past few years, higher than expected margin expansion and healthy growth in profits.

We want to make IHCL the most iconic and profitable hospitality Company in South Asia. We are committed to strengthening our stakeholder communication and have embarked on the journey of adopting Integrated Reporting framework this year. It is our attempt to communicate to our stakeholders how our strategy, governance, performance and prospects in the context of the external environment help us create value in the short, medium and long term.

IMPROVING INDUSTRY PROSPECTS

The global travel and tourism industry continued to see encouraging momentum during FY 2018-19. Interestingly, 2019 marks a decade since the US travel and tourism industry recovered from the depths of economic recession. The recovery coincided with the economic resurgence in emerging markets, translating to a historic growth in travel demand, felt by segments across the travel industry**.

India's travel and tourism sector witnessed healthy growth during the year with the Government's focus on making the country an attractive tourist destination with advanced communication facilities and digital conveniences. Technology and digital innovation have immensely benefitted the travel and hospitality industry in a very short period of time.

Occupancy levels stood robust at 65.3% in 2018 highest in the past 10-years at all-India level*. Favourable demand-supply dynamics aided an upswing in average room rates (ARR) as well as revenue per available room (RevPAR). Global travellers are increasingly demanding more personalised, exclusive and authentic experiences from luxury hotels.

Wellness and sustainability are two emerging dimensions in this segment with our patrons looking for holistic experiences that include nutrition and yoga. Customers are increasingly preferring hotels that have embedded eco-friendly practices in their operations.

*(Source: STR Horwath India Hotel Market Review 2018 report). **(Source: Deloitte)

In parallel, demand is growing rapidly in the midscale and upscale segments. Leading hospitality players like us are well poised to benefit from these trends, given that we offer a full-suite of hospitality services to our guests.

A YEAR OF OUTPERFORMANCE

The industry momentum is reflected in our performance for the year gone by. I am pleased with the progress in the first year of Aspiration 2022, our five-year business strategy. On a consolidated basis, our revenues stood at ₹4,595 Crores and grew by 10% over the previous year. Similarly, our EBITDA margin saw an expansion of 229 basis points to 19.9%. This is the second year in a row that we have achieved positive profit after tax of ₹287 Crores. This metric has also grown rapidly by 184% over FY 2017-18. The net debt to equity ratio has improved to 0.37 and the net debt to EBITDA has declined to 2.11. There is significant room to deleverage our book further. We aim to reduce our net debt to EBITDA levels to less than 2 over the short term. International business, which forms 15% of our operational inventory, witnessed a healthy turnaround owing to an encouraging performance of hotels in USA and the UK. This performance was an outcome of solid execution of our strategies during the year the year.

We have revisited and refreshed our brandscape to cater to diverse, high growth and relevant market segments. We have designed a multi-product, multi-segment brandscape to provide a unique value proposition to each customer segment at different points in their lifecycles.

The robust show by our flagship brand Taj was complemented effectively by brands like Vivanta and Ginger. We repositioned Ginger and forayed into the segment of plantation trails and stays with the launch of Amã Trails & Stays, the first branded product in India's homestay market. In April 2019, we rolled out our new brand SeleQtions, which through its portfolio of niche hotels offers specialised experiences to guests.

With this reimagined brandscape, we augmented our development pipeline significantly. Our new signings spanned London, Dubai, Makkah, New Delhi and Kathmandu. During the year, we retained the landmark Taj Mahal Hotel, New Delhi, renewed our long-term agreement for the legendary Taj Lake Palace, Udaipur and won the bid for The Connaught in Lutyens' Delhi. In April 2019, we took management control of the famed 207-key Cidade de Goa.

FY 2018-19 was a year of outperformance for our Company. Our proactive asset management combined with all-round efforts to improve efficiencies resulted in significant margin expansion and higher value for stakeholders.

AN ASPIRATIONAL ENTERPRISE

Yes, that is what we are at our core and we are re-structuring, re-engineering and re-imagining our portfolio in line with our pivotal Aspiration 2022 strategy. We are embracing a culture of operational excellence to achieve high margins continuously. Our endeavour is to maximise value creation for all our stakeholders.

At the same time, sustainability remains a prerequisite for our operations wherever we do business. Our teams work behind the scenes to ensure resource efficiency.

The Tata Group's core values underpin the way we do business. Inclusion and business responsibility are embedded in our DNA; and we are proud to carry forward the beacon of community service. We promote livelihood (by facilitating skills training), support our neighbourhoods (by retaining their heritage and maintaining tourist sites) and drive societal welfare (through the Taj Welfare Trust and our charity activities). We have also inculcated best practices like procuring local and sustainable materials to accomplish higher benchmarks in our facility management.

The aim of shaping our common future is the basis of all our initiatives towards environmental stewardship, social responsibility and business performance. Overall, we are focussing on our core priorities, deepening synergy between internal teams and external collaborators, and multiplying positive impact.

Before I conclude, I must thank our go-getters, because we are only as good as our people and all our patrons, investors and other stakeholders for their continued guidance and support.

Best Regards
Puneet Chhatwal
Managing Director and CEO

STAKEHOLDER ENGAGEMENT

Enriching local communities

The hospitality industry, by its very nature, places us in locations of great natural and cultural wealth. This carries with it the responsibility to share with local communities the benefits of our operations and craft strategies to preserve these locations for the future wellbeing of all stakeholders and the society at large.

We are keenly aware of the economic, social and environmental impacts of each of our hotels, and the need to enhance positive outcomes while avoiding or mitigating negative externalities.

Our stakeholder engagement methods are customised to meet the needs of each group, as detailed in the table below. Our overall approach is to maintain an open-door policy for stakeholder interaction, in which concerned parties can easily access the appropriate representatives at individual hotels or within the corporate structure. The Environmental, Social and Governance (ESG) - related stakeholder interests are represented to IHCL's sustainability governance bodies through the Company's representatives who directly interact with these stakeholders, such as hotel HR managers on behalf of employees, the investor relations department on behalf of shareholders, and sales & marketing teams on behalf of institutional customers, amongst others.

The key stakeholder groups described below have been identified based on IHCL's existing stakeholder map, through guided interviews with 23 representatives of IHCL's senior management across verticals, and through group discussions with employees in each region of our operational structure.

41,70,000
Total room nights*

50%
Dividend Proposed*

2,600
Suppliers engaged in development initiatives#

₹8.54 Crores
invested in communities through CSR initiatives* (Including group companies)

2
Heritage sites adopted and maintained#

30
Public locations#

* For FY 2018-19 # As on April 30, 2019

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	Employees	Customers	Shareholders	Owners & Partners
WHY THEY ARE IMPORTANT	• Our people are at the core of our business; their actions are based on our Values of Trust, Awareness and Joy. This is our biggest strength and differentiator	• Satisfaction of our institutional and retail customers • Customer loyalty and long-term relationships add to the distinctiveness of the brand	• Support from our shareholders and investors is essential to finance the growth and development of our Company	• Hotel owners are our partners in business operations and in sustainability • Alignment of priorities with owners is critical for efficient operations and business performance
KEY PRIORITIES	• Capability building, and skill development and enhancement • Positive and enabling work environment • Safety and security • Employee wellbeing	• Service quality • Differentiation and product relevance • Safety and privacy • Ethical business practices • Environmental impact	• Financial performance and dividends • Good governance • Transparency • Growth and expansion • Operational and resource efficiencies	• Business performance • Health of assets • Operational and resource efficiencies
HOW WE ENGAGE	• Real-time engagement: VConnect • Daily meetings and briefings • Monthly town halls • Timely internal communications • Published training calendar • Employee committees, union meetings	• Direct feedback from guests during and after each experience • Loyalty programme • Real-time social media engagement • Periodic market research	• Quarterly investor calls, annual investor meets, AGM, public and media announcements • Annual report and sustainability disclosures • A dedicated investor relations department	• Annual partner meet • Ongoing communication from business development department
HOW WE DELIVER VALUE	• ₹1,470.79 Crores of salaries and benefits (Consolidated) • ₹7.9 Crores invested in employees' learning and development • World-class performance management and career development programme for employees	• Focus on delivering superior customer experiences, consistently • 41,70,000 room nights	• 50% Dividend Proposed • Market capitalisation up 21% over the previous year	• Revenues shared with asset owners through licence fees and other partnership models • Emphasis on efficiency and maintenance of infrastructure

STAKEHOLDER GROUP	Suppliers	Local Community	Government & Regulators	Lenders
WHY THEY ARE IMPORTANT	• Our suppliers provide materials and services that influence the quality of our customers' experiences • Supplier relationships ensure efficiency, quality, reliability and an ethical value chain	• A positive relationship with local communities ensures our social licence to operate • Furthering livelihoods, heritage and culture of regions we operate in are important for our destination's sustainability and our long-term business viability	• We comply with the regulations governing our properties and engage with regulators frequently to drive important policies in the sector • We partner the government in various policies and community improvement initiatives	• A positive relationship with lenders enables us to raise growth capital in a timely and cost-effective manner • We have a credit rating of AA+ by CARE and AA by ICRA
KEY PRIORITIES	• Quality and availability of goods and services • Resource efficiency • Supplier development	• Livelihood opportunities • Environmental protection • Community development • Preservation of culture and heritage	• Timely compliance with regulations • Transparent and open operations • Timely tax payments • Support to various schemes of central and state governments	• Timely repayment of both principal and interest amount • Adherence to a healthy credit discipline • Timely updates on financial performance of the Company
HOW WE ENGAGE	• Supplier development initiatives • Supplier feedback surveys throughout the year • Annual suppliers' meet • Onboarding process and constantly open communication channels	• CSR partnerships • Minimisation of environmental footprint • Community welfare programmes • Participation in neighbourhood associations • Annual volunteering calendar	• Participation in government consultation programmes • Representation through trade bodies	• Meetings • Ongoing communication and relationship • Sharing regular updates on financial performance
HOW WE DELIVER VALUE	• ₹7+ Crores worth of goods and services sourced through NGOs and inclusion efforts • 2,600 suppliers engaged in supplier development initiatives • 60% of suppliers are with IHCL for over four years	• ₹8.54 Crores invested as CSR funds towards ongoing livelihoods & heritage-linked programmes • 4,000+ livelihoods for under-served communities supported through our CSR programmes & partnerships • More than 23% of energy sourced from renewable sources like wind and solar	• Timely tax payment • High compliances with regulations • Support government initiatives	• Maintaining high credit discipline • Timely pre-payment of loans

MATERIALITY

Responding to what is important

Defining materiality

We, at IHCL, have adopted a transparent process of engaging with all our stakeholders. We involve our stakeholders in the reporting process and review the issues most material to our business. This is done by engaging with key internal and external stakeholders through guided personal and telephonic interviews and structured email questionnaires, facilitated by an independent third party.

In certain cases, such as for customers and shareholders, internal stakeholders who are deeply familiar with the perspectives of these groups have served as proxies for direct stakeholder involvement in the formulation of material topics for IHCL.

Generating economic value

FINANCIAL PERFORMANCE	CUSTOMER DELIGHT	GROWTH & SCALE	BRAND & REPUTATION
• Strong business performance is a key expectation of our shareholders. It enables us to extend employment and livelihood opportunities to communities and suppliers, enable the growth of our employees, and offer our customers memorable experiences • We are committed to becoming the most iconic and profitable hospitality company in India, specified in our Aspiration 2022 strategy	• The hospitality industry is constantly evolving, with the emergence of new peers and business models. Our customers seek unique and memorable experiences, while also expecting the local flavours that distinguish our brand. Delighting our customers enables us to stay relevant and differentiate ourselves in a dynamic market • We offer customised service offerings, active digital engagement and an exceptional loyalty programme to create memorable experiences for customers across segments and price-points	• Growth and scale implies widening our presence and pursuing business excellence through business intelligence, digitalisation and process improvements. It involves creating shared value for our shareholders, employees, suppliers and local communities; economic rewards for the locations in which we operate; and a range of offerings to our guests in every market segment • We are in the process of aligning brands with high-growth segments, adopting technology to digitise our processes, and building our portfolio while enhancing margins	• As part of the 150 year old Tata Group, our brand and legacy is a core asset. It is essential for us to curate and maintain our brand as an emblem of service excellence among customers, high performance and integrity among shareholders and business partners, sustainability leadership in the industry, and a great place to work for employees • We have undertaken a range of initiatives to strengthen our brand and the value shared with each stakeholder groups, as described in the various sections of this report

TOPIC BOUNDARY | Internal: Operations in all business locations

Embracing environmental stewardship

CLIMATE CHANGE, ENERGY AND EMISSIONS	WATER	WASTE
• We are conscious of the impact of climate change on communities and ecosystems, and we recognise that managing our energy usage is one of the most effective ways of limiting emissions. Further, the adoption of renewables and improved energy efficiency also yields financial benefits for the Company • We are committed to maximising the share of renewables in our energy mix and have set targets for energy efficiency in each hotel	• Water is a critical and scarce resource for local communities and for our industry. We are aware of the increasing water stresses in our areas of operation and the need to strive for maximum water efficiency. Optimising our water consumption is critical for the lives and livelihoods of communities and the future continuity of our business • We have set targets for water efficiency in each hotel and have undertaken an assessment of water security in our most important business locations	• Our hotels operate in locations that are ecologically fragile as well as in dense urban areas. Communities and governments are increasingly demanding improved waste management practices, which are also essential for the wellbeing of employees and guests • We have revised our system for monitoring waste generation and handling, and have committed to phasing out single use plastics

TOPIC BOUNDARY | Internal: Aspects of business within operational control

Deepening social engagement

TALENT MANAGEMENT AND RETENTION	SAFETY AND SECURITY	DEVELOPMENT OF LOCAL COMMUNITIES
• Our entry-level programme with TATA Strive and TISS-SVE (Golden Threshold Program) is providing skilled talent pool for IHCL as well as the hospitality industry • Our talent framework aims to build critical capabilities for success and develop a productive and engaged pipeline of ready talent to fill critical roles • We have taken industry-leading steps to build the capability of our talent across levels, and to enhance their overall wellbeing	• The safety of every person in and around our premises is of paramount importance. Creating a safe work environment for our employees and offering a healthy and safe experience to our customers is a core business requirement. Fire and life safety practices, along with a robust security establishment, are essential to secure the safety of guests, employees and communities • We regularly conduct safety and security training programmes, review and audit our performance, and collaborate with experts to maximise safety and security in our premises	• Collaborative relationships with local communities are the basis of our social consent to operate. In cases where our hotels are located in remote areas, they are often among the main sources of livelihood for the local community. The cultural and physical heritage of these communities are distinctive assets to be preserved for their inherent worth, as well as to continue generating value in a shared future • We implement programmes for youth employability and heritage preservation, and support community enterprises through local sourcing

TOPIC BOUNDARY | Internal: Operations in all business locations
| External: Communities in the vicinity of operating hotels (Only applicable to Development of Local Communities)

IHCL's material issues and its relevance to stakeholders

MATERIAL ISSUES	RELEVANCE TO STAKEHOLDERS							
	Shareholders	Owners	Employees	Suppliers	Local Communities	Customers	Investors	Governments
Generating economic value								
Financial Performance	●	●	●	●	●	●	●	●
Customer Delight	●	●	●	●		●		
Growth & Scale	●	●	●	●	●	●	●	●
Brand & Reputation	●	●	●	●	●	●	●	
Embracing environmental stewardship								
Climate Change, Energy and Emissions	●	●	●		●	●	●	●
Water	●	●	●	●	●	●		●
Waste	●	●	●	●	●	●		●
Deepening social engagement								
Talent Management and Retention		●	●		●	●	●	
Safety and Security	●	●	●	●	●	●		●
Development of Local Communities			●	●	●	●		●

KEY: ● Stakeholders Impacted

OUR EXTERNAL ENVIRONMENT

The trends that shape our markets

At IHCL, we respond swiftly to emerging market trends. We look to capitalise effectively on the macro trends by framing and implementing strategies accordingly. Here are some of the opportunities that will act as facilitators to our future growth.

Strong prospects of the global travel and tourism industry

There are visible signals of improvement in the travel and tourism industry across most markets. According to the data collated by United Nations' World Tourism Organization (UNWTO), global international tourist arrivals is estimated to have grown by 5.6% for CY 2018. This growth has been broad-based across all major world regions. This trend is likely to continue going forward and will augur well for hospitality companies present globally.

TRAVEL & TOURISM GREW

3.9%
y-o-y in CY 2018

Source: WTTC

India emerging as a key destination

Over the past few years, the Government of India has put in place critical enablers to promote India as a travel and tourism destination. Campaigns like ‘Incredible India!’, ‘Atithi Devo Bhava’ and allowance of 100% FDI in the hotel and tourism sector via the automatic route, tax holidays for two-star, three-star and four-star hotels around UNESCO World Heritage sites, speedy visa issuances are some of these initiatives. Growing domestic tourism, rising foreign tourist arrivals and robust travels drive industry optimism.

3X INCREASE IN NUMBER OF INTERNATIONAL TOURIST ARRIVALS IN INDIA

10.6 million
2018

30.5 million
2028 (estimated)

Source: Ministry of Tourism, IBEF report

Robust consumption growth

India has significant demographic advantage owing to its growing share of the working population and a higher proportion of youth in the overall population (over 60% of the population is below the age of 35). This advantage is accentuated further by favourable government policies aimed at facilitating economic activity and driving ease of doing business. These factors contribute to a buoyant trend in domestic consumption and the trend is likely to continue in the foreseeable future. Market leaders with compelling brand recall that provide services across the entire value chain will be among the key beneficiaries from this trend.

STRONG OUTLOOK FOR DOMESTIC CONSUMPTION (₹)

31 trillion
2008

110 trillion
2018

335 trillion
2028 (estimated)

Source: Boston Consulting Group - Retailers association of India: Going for Gold Report, Feb 2019

Growing incomes and affordability

Over the past few years, the Government of India has launched many programmes to bolster income. These include, but is not limited to, improved availability of funds to small-scale and medium-scale enterprises, Seventh Pay Commission payout and income tax benefits announced in the interim Union Budget 2019. This translates to rising affordability. Rapidly growing number of visas in India, higher air travel and traction in e-commerce indicate an improving consumption trend.
These will drive growth of the domestic travel and tourism industry.

RAPID GROWTH IN INDIA'S PER CAPITA INCOME

11.1%
Expected growth

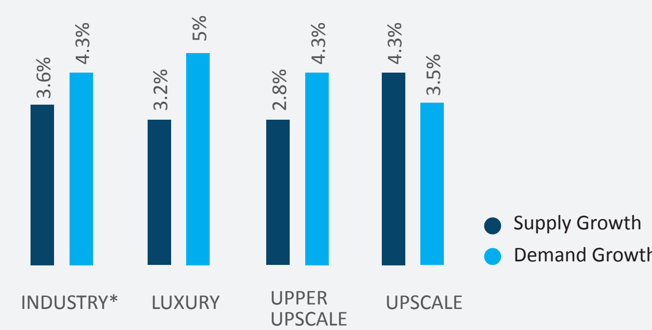
Fastest growth in the past five years

Source: Advanced GDP estimates by the Indian government for FY 2018-19

Demand for rooms outpacing supply

India’s hospitality industry is seeing a gradual but steady turnaround. For the past two years, demand for rooms has grown faster than supply for rooms. This trend is expected to continue and will lead to improvement in occupancy levels and pricing of Indian hospitality players. Market players with significant brand recall have headroom to grow their pricing power in this scenario.

Growth in demand across segments



Source: STR Global
*All figures are for calendar year 2018
**Does not include midscale and budget segments

STRATEGIC FRAMEWORK

Achieving higher scale and consistent profitability

We rolled out our five-year strategic plan called the Aspiration 2022 in FY 2017-18. To make IHCL the most iconic and profitable hospitality company in South Asia, the strategy articulates all the macro and micro focus areas to grow the business, capture emerging opportunities and enhance efficiencies and profitability significantly.

ASPIRATION 2022 STRATEGY IS BASED ON THREE PILLARS

Re-structure

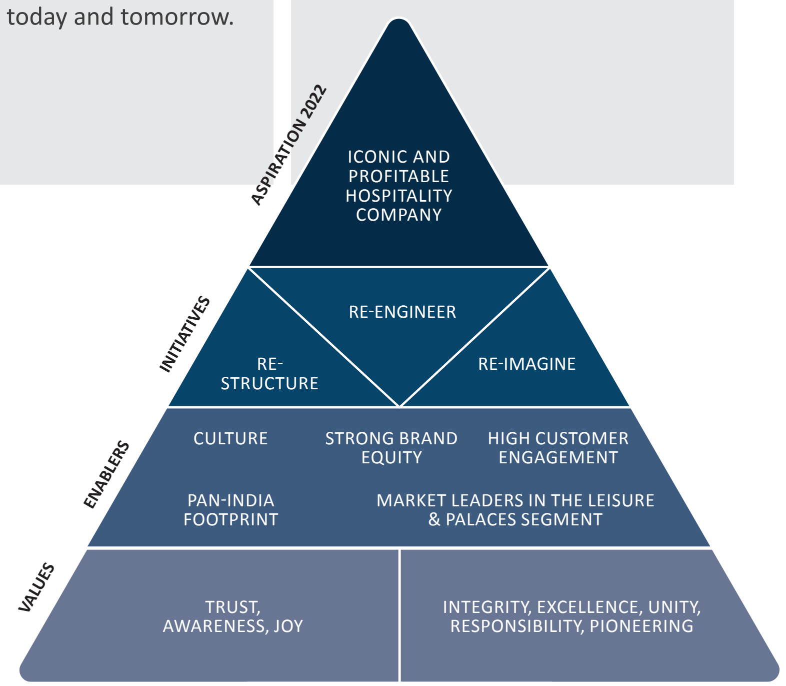
As a part of our plan, we focus on '3S' namely Scale, Simplify and Sell. We are increasing the scale and strength of our business to capture the opportunities presented by a booming travel and tourism industry in India. We are growing inventory across multi-product and multi-segment categories.
We are expanding our land area and exploring possible value-accretive mergers and acquisitions.
We are simplifying our processes for seamless and integrated business functioning. We are restructuring the group's holding structure for optimum efficiency. We are reviewing our portfolio periodically to exit non-performing hotels having bleak prospects and extend the tenure of hotels performing better.

Re-engineer

Re-engineer focusses on expanding margins, embracing technology and engaging with our people. We are expanding margins by strengthening a culture of operational excellence.
We are investing in technology and digitalisation to improve our processes and streamline acquisition and enhance guest experience.
We are leveraging data analytics to understand the evolving aspirations of our customers and accordingly refresh and realign our strategies.
This is achieved by engaging closely with our empowered workforce.
We are building a strong talent pipeline to deliver industry-leading outcomes for today and tomorrow.

Re-imagine

We are re-imagining our service offerings, brandscape and reach. Our 3M approach (Manoeuvre, Manage and Multiply) enables us to build the new IHCL. We are ramping up our service offerings to set new performance benchmarks. We will continue to manoeuvre the ways in which we can enrich traditions and integrate local flavours to offer new age experiences to our guests.
We are managing the brandscape and growing across different segments of luxury, upscale and lean luxe. We are multiplying our reach in select markets by strengthening our sales force.



"Aspiration 2022 is based on a promise to work together to create greater enterprise value, and make IHCL South Asia's most iconic and profitable hospitality company."

PUNEET CHHATWAL
Managing Director and CEO, IHCL

We have performed encouragingly well in the first year and have exceeded some of our targets for the first year.

The table below breaks down Aspiration 2022 in greater detail and shows our progress on most of our targets.

STRATEGIC PRIORITY		FY 2017-18	FY 2018-19	FY 2022-23 (TARGETED)	CAPITALS IMPACTED
SP1 Re-structure	**SP1.1** Scale up business *Operational Inventory*	17,145	17,888	23,000	
	SP1.2 Monetisation and Divestments *(₹Crores)*	0	246	Ongoing	
SP2 Re-engineer	**SP2.1** Expand margins *EBITDA margin (%)*	17.6	19.9	25.0	
	SP2.2 Expand technology *Growth in Gross Bookings from Digital channels (%)*	18	22	23 (CAGR)	
SP3 Re-imagine	**SP3.1** Manage brandscape *Completion % of Brandscape Execution*	25	60	100	
	SP3.2 Multiply portfolio *Number of new signings per year*	5	22	15	

OPERATIONAL HIGHLIGHTS

Delivering robust results through efficiency

Operational excellence is a continuous pursuit for us in order to become a leaner Company.

To strengthen operational efficiency, we are focussing on four broad areas of our business:

Guest engagement

We engage with our valuable patrons continuously to stay closer to them and deliver higher value to them.

Some of the initiatives undertaken during the year include:

- Conducted a Black Tie Charity Ball to celebrate 115 years of The Taj Mahal Palace, Mumbai
- Launched multiple digital platforms like the new consumer facing website and booking apps.
- Provided multiple schemes and offers across our properties

Employee engagement

Our people are the driving force behind our plans, and we ensure to provide them with adequate safety and security across functions, locations and different segments while working with us. We engage in continuous training and have put in place various mechanisms and platforms where they can share their feedback and views.

Process excellence

We have imbibed integrated thinking in our business and are always looking to tap into the synergies across all our segments, and thereby drive process excellence in everything that we do. We do this by:

- Managing revenues across our segments
- Identifying and reducing redundancies to the minimal

Margin enhancement

To enhance and sustain margins, we keep an alert eye to identify various bottlenecks in the operational matrix and redress those areas. Some of the areas where we focus include:

- Efficient procurement of all our resources
- Optimal use of resources like power, fuel and electricity

The outcome of these efforts is reflected in our strong performance during the year.

BEST EVER PERFORMANCE

22
New signings^
Highest in the past 7-8 years

19.9%
EBITDA margin
↑229 bps expansion*

₹287 Crores
Profit after tax*
↑184%

^For FY 2018-19 * Consolidated figures ↑ y-o-y growth

OPERATIONAL HIGHLIGHTS

Improved momentum across segments

Q1

PORTFOLIO EXPANSION

- Signed five new properties, including Taj Makkah, Ginger Vizag and Vivanta Katra
- Signed Taj Bangalore expansion

CORPORATE DEVELOPMENTS

- Conducted our first-ever business conference with participation from GMs, leadership team, owners and partners
- Launched IHCL's renewed corporate brand identity
- Announced centers of excellence for F&B, learning & development, food product innovation and other areas

₹995 Crores
Revenue

Q2

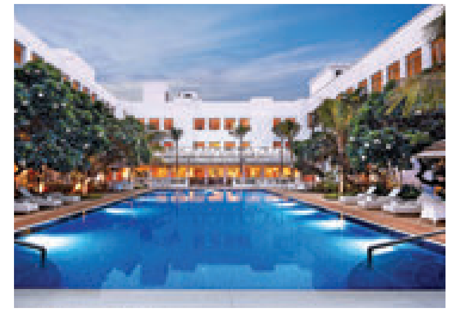
PORTFOLIO EXPANSION

- Signed six new properties, including Ginger Noida, Vivanta Heathrow and Taj Dubai: Deira Water Front
- Signed expansion of Vivanta Vadodara
- Retained the iconic Taj Mahal Hotel, Mansingh Road, Delhi

₹981 Crores
Revenue

CORPORATE DEVELOPMENTS

- Launched leadership code containing simple Do's and Don'ts



Q3

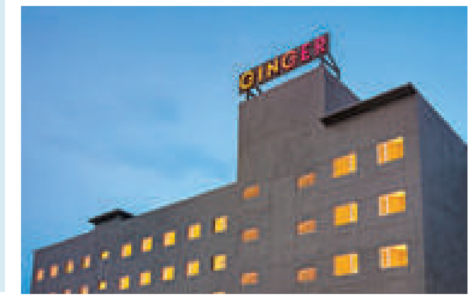
PORTFOLIO EXPANSION

- Signed three new properties including Ginger Nashik
- Reopened Taj Connemara, Chennai
- Extended contract of Taj Lake Palace, Udaipur
- Launched first property under renewed positioning of Ginger in Goa

₹1,338 Crores
Revenue

CORPORATE DEVELOPMENTS

- Conducted Discovery Day with owners and partners to showcase IHCL's development strategy
- Unveiled new safety and security policies



Q4

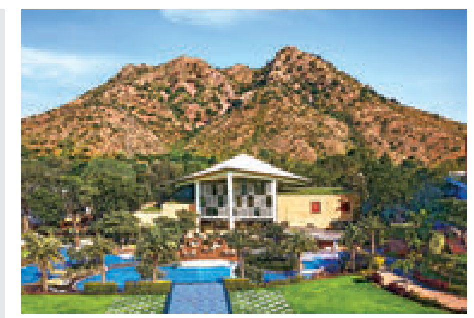
PORTFOLIO EXPANSION

- Signed four new properties, including new Ginger hotel in Srinagar, J&K
- Opened Taj Aravali Resort & Spa, Udaipur and Taj Rishikesh Resort & Spa
- Launched Amã Trails & Stays and SeleQtions
- Unveiled the new brand identity of TajSATS

CORPORATE DEVELOPMENTS

- Conducted Capital Markets Day, 2019
- Launched IGNITE, a knowledge management platform

₹1,282 Crores
Revenue



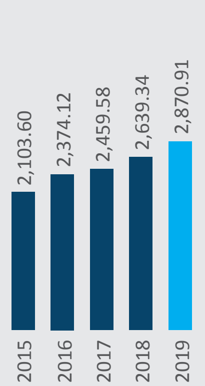
KEY PERFORMANCE INDICATORS

An improving scorecard

Financial metrics

STANDALONE

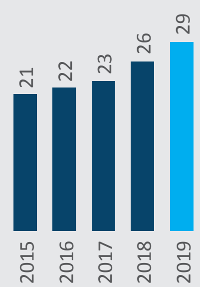
Revenues (₹ Crores)



₹2,870.91 Crores

Improvement in ARRs, occupancies, restaurant sales and banqueting business facilitated revenue growth.

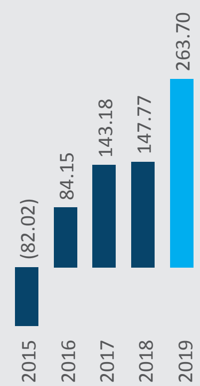
EBITDA margin (%)



29%

Higher operating income, moderate growth in variable cost and fixed overheads fuelled margin.

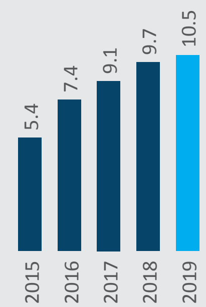
Profit after tax (₹ Crores)



₹263.70 Crores

Robust margin expansion, better asset management and favourable supply-demand gap aided profits.

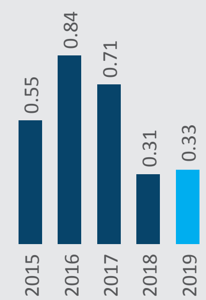
RoCE (%)



10.5%

Optimum use of assets and efficient capital allocation boosted RoCE.

Net debt/Equity (x)

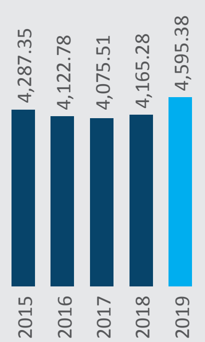


0.33

Reduced liquidity due to long-term security deposit place and prepayments of renewal licence fees for select properties led to marginal uptick in this metric.

CONSOLIDATED

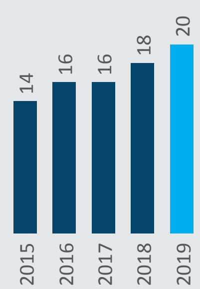
Revenues (₹ Crores)



₹4,595.38 Crores

Revenues driven by higher realisations and occupancies across accommodation and F&B brands.

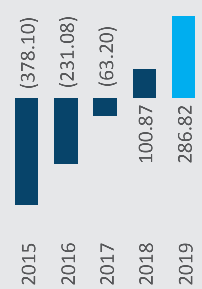
EBITDA margin (%)



20%

Turnaround of international business, cost rationalisation and healthy revenue growth aided margin.

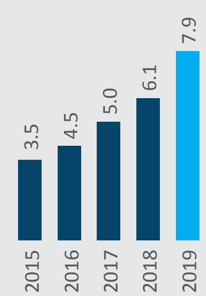
Profit after tax (₹ Crores)



₹286.82 Crores

Profit after tax is at a 11-year high owing to better efficiencies across different brands.

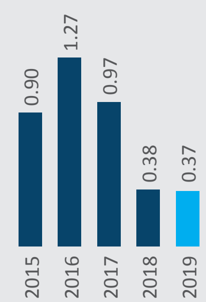
RoCE (%)



7.9%

Improvement in operating and financial performance aided RoCE expansion in the year.

Net debt/Equity (x)

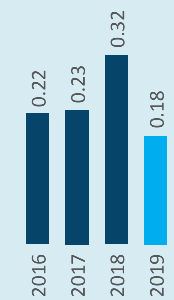


0.37

Increased operating cash flows, adoption of asset-light strategy helped strengthen the balance sheet.

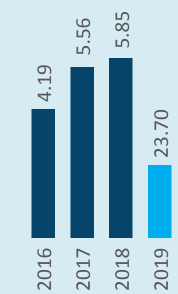
Environmental metrics

Water saved through recycling and rainwater harvesting (KL)



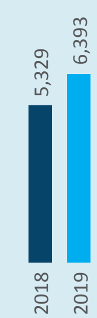
₹0.18 Crores (KL)

CO_2 emissions avoided by embracing renewable energy ($kgCO_2$)



₹23.70 Crores ($kgCO_2$)

Waste diverted from landfills (Tonnes)



₹6,393 Tonnes

BRAND STORY

Taking our brands to newer heights

Our brands are agile, responsive, and go the extra mile to create memorable experiences for our patrons. When a brand establishes new promises to serve its patrons better, its story needs to be told.

Our iconic brand, Taj, continues to grow from strength to strength every year. Additionally, our endeavour is to take our other brands to new heights, not just in accommodations, but across our array of service offerings. Our objective is to maximise the potential of each brand, including those nested under the services segment (The Chambers and Jiva, among others).

We constantly revisit and fine-tune the purpose and performance of our brands. Not just that, we explore prospects to monetise these brands, once they reach a critical mass. This is critical to achieve sustainable growth and profitability for our Company. Our approach is to keep an alert eye on evolving market dynamics and course-correct our branding approach to suit different market segments and not leave any space unexplored.

Our brand strategy is paying rich dividends as reflected in our dominating positioning across all segments.

22

New signings*

*For FY 2018-19

SUPERIOR COMPETITIVE MARKET PERFORMANCE*

India

Taj	Vivanta	Ginger	
101	101	101	RGI FY 2018-19
99	103	100	RGI FY 2017-18

Note:
1) Revenue Generation Index (RGI) is a metric to assess if we are gaining fair share of revenue compared to competition hotels.
2) Comparison is at market class where our properties have a presence.
3) Due to unavailability of comparative data, the following hotels have been excluded - Taj Tashi Bhutan, Meghauli Serai A Taj Safari Chitwan National Park, Taj Pamodzi Lusaka, Ginger Chennai, Ginger Chennai, Vadapalani.

*Source as STR Global

BRAND STORY

TAJ

Offering the world, the crown of Indian hospitality

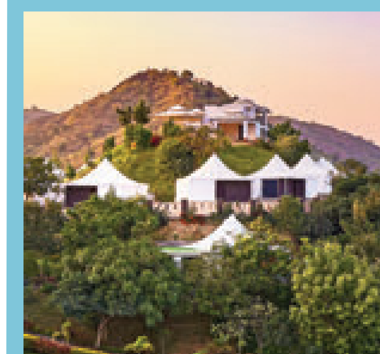
A curation of authentic resplendent living palaces, landmark hotels, idyllic resorts and wildlife safaris, Taj is the hallmark of iconic luxury hospitality across the globe. The brand is recognised for its warm and intuitive service and remains the undisputed leader in Indian hospitality. The brand is present across 47 destinations.

70 Hotels#

9,504 Rooms#

As on April 30, 2019

PROMINENT NEW PROPERTIES ADDED DURING THE YEAR



TAJ ARAVALI RESORT & SPA, UDAIPUR
DECEMBER 2018

TAJ THEOG RESORT & SPA, SHIMLA
FEBRUARY 2019

TAJ RISHIKESH RESORT & SPA, UTTARAKHAND
MARCH 2019

FUTURE STRATEGY

We will continue to consolidate and grow this brand as the most iconic luxury hospitality brand. Our aim is to expand the brand's footprint across landmark cities and leisure destinations in India and globally.

We will add 13 new properties (2,900 rooms) under the brand over the next few years.

KEY HIGHLIGHT

The right name on Mansingh is Taj

FY 2018-19 gave us many reasons to smile, but one of our proudest moments was when we retained our crown jewel property – Taj Mansingh or Taj Mahal, New Delhi. We retained this property at a licence fee of 32.5% of the gross turnover of the hotel for an agreement spanning 33 years. The strategic location of this property makes it an important part of the Taj portfolio.

This will unveil new opportunities for us and we are investing in renovating this property. Our long-term emphasis will be on optimising revenues and maximising profitability of this property.

AGREEMENT FOR THE HOTEL IS FOR

33 Years

KEY HIGHLIGHT

Retaining Taj Lake Palace

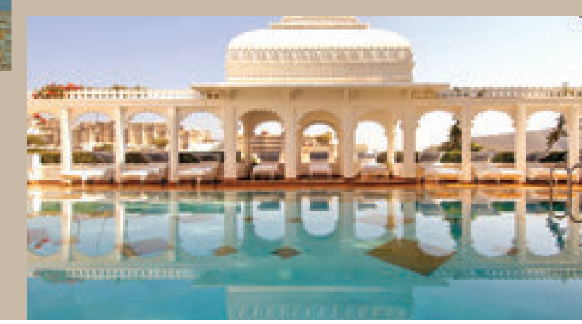
During the year, we renewed our agreement with Shriji Arvind Singh Mewar of Udaipur for the magnificent heritage palace, Taj Lake Palace. This 18th Century property came under the IHCL ambit in 1971 and has gained worldwide recognition since then for its best-in-class offering. It is one of the most photographed hotels in the world and has scored high on delivering superior customer experiences.

Securing and retaining iconic assets like Taj Lake Palace is crucial to IHCL's Aspiration 2022 strategy and is in line with our Aspiration to 'Be the Most Iconic and Profitable Hospitality Company'. Our strong focus on asset management and ability to nurture long-term relations with our partners is demonstrated through this renewal. We are committed to achieve all-round, profitable and responsible growth of this property.

IHCL shall proudly continue its partnership to manage Taj Lake Palace, Udaipur for the next few decades.

65 Rooms

18 Grand suites



BRAND STORY

VIVANTA

Delivering differentiated experiences

Vivanta represents a collection of sophisticated upscale hotels and resorts.

The brand is dynamic, spirited and distinct, delivering unique experiences to contemporary travellers. The brand is operational today across 23 destinations.

24 Hotels[#]

3,396 Rooms[#]

[#] As on April 30, 2019

PROMINENT NEW PROPERTIES ADDED DURING THE YEAR

VIVANTA KATHMANDU
MARCH 2019

VIVANTA KATRA
JUNE 2018

FUTURE STRATEGY

Vivanta will continue to grow rapidly in the upscale segment, responding to the need of contemporary travellers seeking customised solutions. **Vivanta will add three properties (450 rooms), including its first hotel in London, UK in addition to hotels in the domestic market over the next two to three years.**

KEY HIGHLIGHT

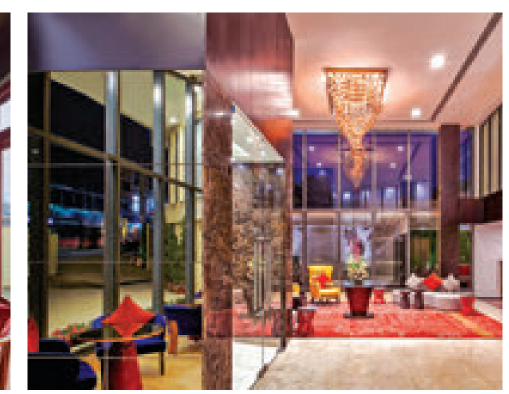
Expanding presence in the Himalayan kingdom

One of the important international properties opened during the year was the Vivanta Kathmandu, in partnership with the CG group. This event marks entry of our second brand in the Himalayan kingdom of Nepal, the first one being Meghauli Serai, A Taj Safari Lodge in Chitwan National Park.

Vivanta Kathmandu, located in the UNESCO World Heritage Site Patan Darbar Square, has 110 rooms and offers both short and long stays in the mesmerising Jhamsikhel district. Guests have a choice of distinctive culinary options with Akari - serving pan-Asian cuisine, a rooftop bar - Koko serving bistro-style food, local Newari dishes at Mynt - the all-day diner. Other facilities include a fitness centre, swimming pool, spa and world-class concierge services that demystify the region's unique cultural and natural splendour.

110 Rooms

2nd Property in Nepal

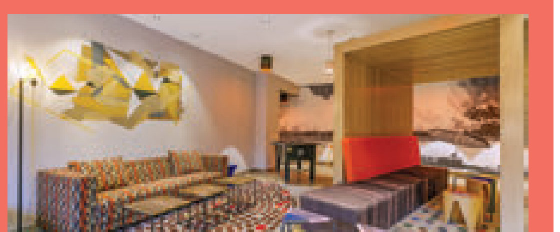


BRAND STORY

GINGER

Capturing the 'mass'ive opportunity

PROMINENT NEW PROPERTIES ADDED DURING THE YEAR



GINGER PANJIM, GOA
DECEMBER 2018

Ginger, operated under our subsidiary, Roots Corporation Limited, is a revolutionary hospitality concept for India's lean luxe segment.These hotels are designed and modelled to provide a refreshing and reviving experience, while facilitating the never-stop lifestyle of its guests. The brand is operational today across 32 destinations

45 Hotels#

3,985 Rooms#

As on April 30, 2019

FUTURE STRATEGY

Ginger will add 12 new hotels (900 rooms) over the next two to three years.

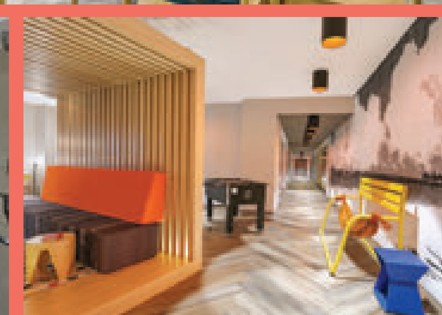
KEY HIGHLIGHT

Introducing India to Lean Luxe

Back in 2004, Ginger pioneered the branded budget stay category in India with a service and product philosophy of Smart Basics. Nearly 15 years later, Ginger has re-imagined the budget accommodation segment to lean luxe, a first-of-its-kind in India. Brand Ginger stands for creating customer experiences around co-existence of distinct concepts such as individual and collective & local and global.

Two-thirds of India's workforce today is made of millennials and they are interested in experiences, not just in buying a product or a service. The re-imagined Ginger is strategically positioned to appeal to their mindset.

Ginger Panjim, Goa is the first property launched under this new positioning and is already receiving a warm and encouraging response from customers, along with a premium in ARRs.



Discover what's new in Panjim, Goa

- Provides more room, per room
- Offers spaces for social and business meetings
- Features Ginger's lean-luxe experiences, global-local music, signature aroma amongst others.

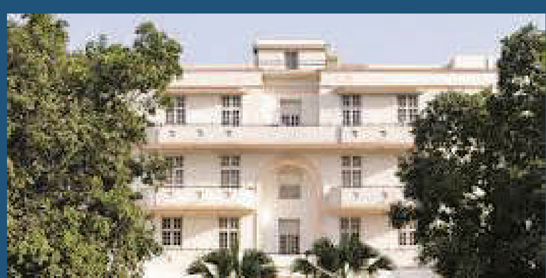
BRAND STORY

SELEQTIONS

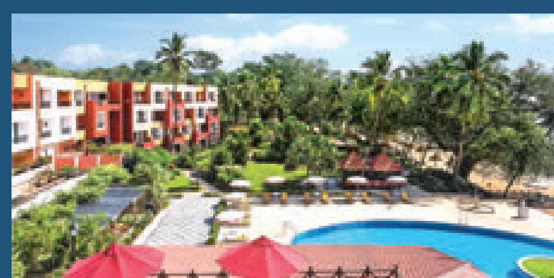
Unique stories for the discerning traveller

A named collection of curated properties with a unique character and strong equity based on their location or theme. The brand is operational today across 10 destinations.

PROMINENT NEW PROPERTIES ADDED DURING THE YEAR



THE CONNAUGHT NEW DELHI
JULY 2018



CIDADE DE GOA
APRIL 2019

10
Hotels#

1,003
Rooms#

As on April 30, 2019

FUTURE STRATEGY

SeleQtions is poised to rapidly expand by bringing into its fold hotels and resorts rich in character, offering owners the opportunity to showcase their independent properties as part of IHCL's named collection. **We will add two hotels (250 rooms) in this brand over the next two to three years.**

EXPRESSIONS

Wide array of service offerings

Expressions is our service retail portfolio that houses our brands offering hospitality ancillary products and services.

- Incorporated in 1975, it is India's premier and iconic corporate club
- Offers its members unparalleled ambience and service
- Present in seven key cities in India and the UAE (Dubai)

FUTURE STRATEGY

- We will revamp member benefits and facilities to provide enhanced guest experiences
- We will expand its footprint significantly and offer members benefits at our hotels spread across different locations

- IHCL's flagship wellness brand that offers holistic services based on the principles of Ayurveda, Naturopathy and Yoga
- Offers signature wellness treatments and therapies
- Over 46 award winning and all natural Spas

FUTURE STRATEGY

- Jiva will feature new spas, wellness programmes, and wider retail offerings

- This brand is home to 380+ multi-cuisine, fine-dining restaurants and lounge bars
- It has two Michelin-starred restaurants of Bombay Brasserie and Campton Place

FUTURE STRATEGY

- We are looking at leveraging our storied F&B outlets more effectively, developing innovative food concepts and exploring new formats

- Luxury lifestyle boutiques that showcase artefacts, garments, and accessories created by master craftsmen of India
- This brand provides sustainable livelihood opportunities for artisans and weavers in India
- These 14 multi-product retail outlets are present in select cities in India

FUTURE STRATEGY

- We will expand stores, develop exclusive curated product lines and retail Tata group products

- With its well established footprint across our city and resort hotels, our salons are poised to return with revamped offering as niu & nau
- Present in 39 locations currently

FUTURE STRATEGY

- We launched the brand in its new avatar, with a superior product and service line up, in a more contemporary setting

BRAND STORY

amã
Trails & Stays

Where time stands still

IHCL's newest offering is a collection of immersive experiences that range from heritage residences to magnificent trails, across unique locations in India. Combining the grace and grandeur of a bygone era with contemporary comfort and warm service, Amã Trails & Stays captures the authenticity of offbeat experiences and brings them to life.

The very first of our residences are present across two destinations under Amã Plantation Trails – a synergistic partnership with Tata Coffee. Amã Plantation Trails is a collection of 9 bungalows and cottages, across scenic coffee and tea plantations in Coorg and Chikmagalur.

35
Rooms[#]

9
Properties[#]

[#] As on April 30, 2019

FUTURE STRATEGY

Amã Trails & Stays will add two more heritage residences in Goa by mid next year and continue to integrate within its fold differentiated stay experiences across distinct locations in India **adding upto 100 residences by 2023**.

BRAND STORY

TAJ sats

CULINARY ART IN MOTION

Taking volume catering higher

A joint venture with SATS Limited, TajSATS with forty years of expertise is the market leader in airline catering and a leading player in commercial catering. This year TajSATS has launched its new identity, a bold re-imagination of its brands that presents it as modern and progressive. The re-branding is a part of the ongoing evolution of TajSATS.

23 million
Meals prepared annually

40+
Domestic and international airline customers

NEW CATERING CONTRACTS

- Philippine Airlines in Delhi
- Sri Lankan Airlines in Bengaluru
- Silk Air in Bengaluru and Kolkata
- Air France in Bengaluru
- Preferred catering partner for Starbucks India
- LOT Polish Airline, Delhi

TAJSATS MISSION

"To profitably operate the largest kitchen capacity in India while staying on the forefront of food production technologies."

FUTURE STRATEGY

We have aligned TajSATS with Aspiration 2022.

TajSATS will explore inorganic ways of growing, foray into new markets, create a central kitchen and review the organisational structure to make it more efficient. It will deploy the tools of branding, communication and technology to achieve these objectives.

Progressing ahead through partnerships

It is our endeavour to operate via an asset-light model. To this end, we aim to reduce the proportion of properties owned by us and ramp up the number of properties we manage. We are looking to increase the share of management contracts in our operational portfolio from 29% currently to 40% over the next two to three years. With reduced risks and higher efficiencies, this is a profitable way to grow our business.

Our development partners will play a prominent role in this journey and together we will travel the extra mile. Given our rich legacy and expertise, we provide full support to our development partners.

Pre-opening support
To set up and launch the hotel

Central materials group
Provides purchasing economies of scale

Technical services and development assistance
At every stage including design and construction

Owner privileges
Include exclusive post-inaugural benefits and opportunities

RISING SHARE OF MANAGEMENT CONTRACTS IN OUR OPERATIONAL PORTFOLIO

25%	29%
FY 2017–18	FY 2018–19

RISKS

Mitigation and management strategies

Our risk management policy encompasses identification and evaluation of business risks. We implement mitigative steps to manage the same on a continuous basis. The Enterprise Risk Management (ERM) exercise is conducted annually with a periodic review. It involves internal participation, scanning of environment, objective setting, risk assessment, control activities, information & communication and monitoring. This framework seeks to create transparency, minimise adverse impact on business objectives and enhance our competitive advantages. Our risk management committee guides this entire process.

THE TABLE EXPLAINS SOME OF THE PROMINENT RISKS AND THE STEPS ADOPTED TO MITIGATE THEM

TYPE OF RISKS	MITIGATION STEPS	SP	CAPITALS IMPACTED
Inadequate returns from investments We have invested in overseas hotels and greenfield projects and there is a risk that we may not generate enough returns from them	• Focussed monitoring of business performances and environment	SP2.1	
Talent acquisition/ development We require additional manpower resources to support our new hotels	• Career and succession planning • Focussed development of talent • Partnership with global business schools to customise programmes for senior leadership team	SP1.1 SP3.2	
Cyber risks These include risks like the recent global hacking incidents on hotel companies, widespread use of apps, sites, vendor sites and others, which expose personal and sensitive guest data	• Insurance against cyber risks • In depth cyber risk assessment and remedial action • Cyber security training and awareness programmes	SP2.2	
Complex structure of hotel owning legal entities Some of our hotel companies are structured into various legal entities, in a subsidiary/associate relationship with parent	• Simplification of structure of legal entities, which is ongoing	SP1.1 SP1.2	
Increasing dependency on Online Travel Agents (OTA) OTAs are emerging as a key customer preferred channel of distribution, due to ease of transaction	• Continuous improvement in website user experience and mobile platform • Educate customers on advantages of direct booking • Enroll OTA guest into loyalty members	SP2.1 SP2.2	
Complex and extensive laws and regulations Changes in levy/tax structure can lead to litigation and unrealistic demands	• Improve coordination with relevant authorities	SP1.1 SP1.2	
High dependence on several technology platforms & systems Fast pace of technology advancement coupled with scarcity of specialised resources could pose risks	• Consistent investment in technology • Strengthen business contingency plans and data recovery processes	SP2.1 SP2.2	
Use of brand name by partners Our partners tend to use our brand names in combination with names of their entities	• Stringent clauses in agreements	SP1.1 SP3.1	
Risks arising out of inorganic growth Our acquisitions carry multiple risks around data security risk, data integrity, alignment with Taj value systems, change management and so on	• Strengthening of business development team for project evaluation • Formation of pre-opening cross-functional teams	SP2.1 SP1.1 SP3.2	
Grey swan events This covers emerging risks, but which are unlikely to occur	• Continuous scan of environment		
Abuse of social media and other media Hospitality industry is more exposed to social media, due to various direct guest interfaces	• Continuous monitoring of comments in social media • Providing timely responses	SP3.1 SP2.2	

PEOPLE

Nurturing our diverse talent

Our growing talent pool is instrumental in driving our strategies and enabling the business to stay ahead in a dynamic business scenario, where today's wow becomes tomorrow's ordinary. We have created a culture that promotes team effectiveness and enables our colleagues to enhance the connect with all our stakeholders. We have implemented various employee initiatives during the year. Some of them are explained here.

Leadership development

- The General Manager Development Programme for cohort 2 adopted the process of experiential learning and was conducted at Nanyang Technological University in Singapore
- We initiated the IHCL Sustainability Leadership Development Programmes for our chief engineers. This was designed and executed in collaboration with National Institute of Industrial Engineering (NITIE), Mumbai. This is focussed on environment, health, safety and sustainability

Both these programmes continue to focus on Action Learning Projects, which are aligned to our Company's goals.

Online learning

- Taj LEAD continues to provide functional and leadership online learning content
- We partnered with American Hotel & Lodging Educational Institute (AHLEI) to provide supervisors and managers functional expertise through an online platform
- We deployed Hello English, an interactive English learning app for 550+ frontline associates
- We also initiated the pilot of the Tajness learning app, which helps bring Tajness values to life

Mindfulness training

- Continuing the senior leadership team's emphasis on emotional intelligence, we conducted a session on mindfulness
- This session focussed on paying attention to the present moment, non-judgmentally and respond appropriately to all involved stakeholders

VConnect

- VConnect is our continuous engagement initiative at IHCL
- It is a virtual space where employees can voice their opinions anonymously, at any point of time
- The initiative is deployed in over 90% of our hotels in India
- The feedback from employees are addressed by managers within ten days of receiving them

14,500+
Employees participated*

4,00,000+
Responses received*

80,000
Qualitative verbatims received*

* Since June 2018


IHCL Strategy Meeting


IHCL Cultural Meeting

Taj Stars Awards


Vconnet

CSR AND SUSTAINABILITY

Community engagement takes us forward

Social inclusion and business responsibility are integral to our DNA and we proudly carry forward the beacon of community service laid by our founder Jamsetji Tata. We are committed to build on our legacy of 'Giving Back to Society' and continue to work diligently in the areas of skilling the underprivileged youth and promoting unique traditional heritage. Our brands and hotels enable sustainable livelihoods for several craftsmen and artisans.

Building livelihoods

SKILL DEVELOPMENT

- 14 Taj-Tata Strive Skill Training Centres offer short practical courses and certification in housekeeping, F&B services, kitchen and bakery trades
- Three-year vocational education programme in association with Tata Institute of Social Sciences (TISS) at 15 of our hotels provide career awareness
- Bridge Programme for service industry jobs in eight locations with Head Held High Foundation

MICRO ENTERPRISES

- Social impact enterprises supported and engaged as supplier; benefitting over 800 families, including women, artisans, differently-abled and cancer-affected people
- Developing plastic-free personal utilities range for Amã Trails & Homestays

1,486+ youth trained and certified through these programme; 250+ of these candidates are working with several of our hotels.

Focussing on heritage conservation and promotion

- Promoted native culinary heritage through our hotels in East India and in partnership with Samvaad, Tata Steel
- Co-created natural and cultural heritage walk with Pardhi youth near Panna Forest Reserve
- Trained women in Benarasi Silk weaving and procured saree uniforms directly from weavers
- Upkeep of Gateway of India precinct, Varanasi ghat and beautification of National Railway Museum

Engaging with local communities and charitable institutions

- Home cooks from local communities work with our teams in many of our kitchens and restaurants in select IHCL hotels; together, we serve guests authentic, local and ethnic cuisines
- Over 600 volunteering activities undertaken; contributing 19,000+ volunteering hours serving local community welfare projects as a part of two Tata Volunteering Months

Our CSR programmes have benefitted over 4,000 people including youth, women, artisans and differently-abled people this year.

Welfare

- Contributed over ₹1 Crore towards flood relief in Kerala and Kodagu through several channels and rendered support through employee volunteering
- Initiated the 'Dil Se Dijiye' campaign to raise funds for supporting care of cancer affected families at Tata Medical Centre, Kolkata

This year, IHCL's corporate responsibility practices and programmes were recognised by SKOCH merit awards, ASSOCHAM awards and our Company was listed among the as 50 Most Inclusive Businesses in India by the Shared Value Initiative and Institute for Strategy and Competitiveness, Harvard Business School.

CSR AND SUSTAINABILITY

Growing responsibly

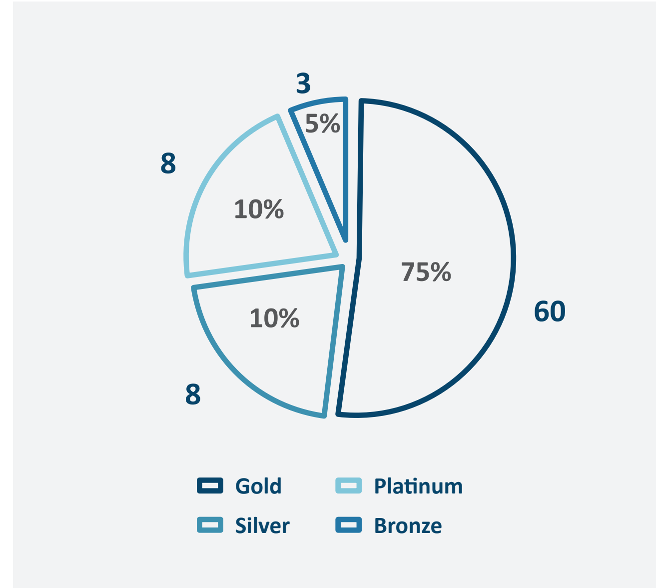
We have identified the following Sustainable Development Goals (SDGs) as our focus areas:

Our sustainability goals will evolve in sync with the changing world that we live in. During the year, we performed well on most sustainability parameters, but we still have a long journey ahead of us in achieving optimal performance on these goals.

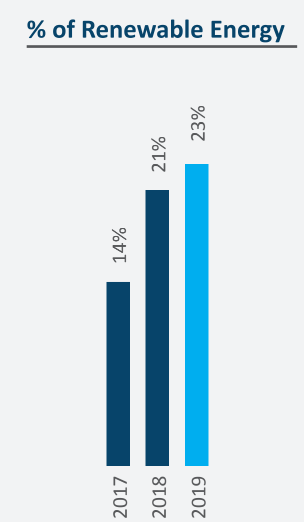
Some of the key initiatives that we undertook during the year are highlighted below:

- We launched IHCL Sustainability Leadership Development Programme, 2019. We are conducting this programme in partnership with NITIE to provide advanced training to our chief engineers in the areas of environment, health, safety and sustainability
- We and Tata STRIVE (a group CSR programme of the Tata group) joined hands with the Mumbai International Airport. The aim is to train and certify 1,500 associates of the airport in the area of housekeeping
- Sustainability workshop for Ginger Corporate Office was conducted by our corporate sustainability team. This session focussed on global megatrends across the hospitality industry, expectations from businesses on sustainability, focus areas on sustainability and GRI reporting standards

Growing number of Platinum and Gold EarthCheck certified hotels (%)



Growing share of renewable energy



Our efforts are making meaningful contribution to the communities around us. The multiple awards and recognitions validate that we are indeed progressing in the right direction. (READ MORE ON PAGES 72-73).

CUSTOMER INITIATIVES

Staying close to our patrons

Our esteemed customers have made us what we are, and we cherish their long-standing association with us. We continuously refresh and realign our strategies to meet and exceed their evolving needs and preferences. Our customers encompass the entire spectrum of guests from those seeking best-in-class luxury experiences to the millennials focussed on niche and localised experiences. Eminent personalities from the world of politics, business, sports and entertainment have lauded our services and are amongst our loyal patrons. Our brand concepts and service offerings are geared to make their experience an unforgettable one.

During the year, we conducted following key high-profile events to step up engagement with our customers:

- Hosted a Black Tie Charity Ball on December 15, 2018 at The Taj Mahal Palace Mumbai to celebrate its 115th Anniversary
- Celebrated 40 years of The Taj Mahal New Delhi in August 2018, showcasing treasured memories since 1978
- 'Best Rate Guarantee' and 'Book Direct' campaigns targeted at loyalty audience

Taj InnerCircle
An award-winning loyalty programme

Taj Experiences Gift Card
Innovative prepaid cards

Warmer Welcomes
A loyalty partnership programme offering members of Shangri-La's Golden Circle and Taj InnerCircle reciprocal benefits

Timeless Weddings
Timeless experiences that are customised and differentiated

Partnerspeak

SOUMITRA BHATTACHARYA
(Managing Director of Bosch Ltd.)

"I like staying at the Taj because of its warmth and professionalism, what you refer to as Tajness. Your service with a smile, and your effort to go the extra mile is what keeps me coming back to the Taj. You make us feel at home. What we like best about our association with the Taj is the ethics and values of the Taj Group."

DEB DEEP SENGUPTA
(President and Managing Director, SAP Indian Subcontinent)

"IHCL is an iconic brand, committed to creating value through Culture, Commerce & Connectedness.
This purpose-driven approach to business continues to resonate with SAP's own philosophy, thereby creating magic through our partnership.
Going forward, we hope to see IHCL become future ready and achieve new benchmarks backed by its unmatched hospitality and local heritage."

VIKRAM MADHOK
(Managing Director of Abercrombie & Kent)

"When we at Abercrombie & Kent book our clients at Taj Hotels, we rest comfortably knowing well that our guests are in good hands.

The hotel group is synonymous with quality & offers experiences, which our clients are in search of when they visit India, Bhutan, Sri Lanka & the Maldives.

Their Palace hotels sit in a league of their own, affording guests to relive a bygone era truly casting unforgettable moments in pure luxury."

GOVERNANCE

Leading by example

We have put in place stringent ethical standards with the objective to benefit all our stakeholders. Our core values are those of the Tata group - integrity, excellence, unity, responsibility and pioneering spirit. These values guide our interaction with our customers, colleagues and other key stakeholders.

Values, principles, standards and norms of behaviour

We have adopted the Tata Code of Conduct, which lays down principles for management and employees to carry out their responsibilities in an ethical manner. Adherence to the Code of Conduct is also essential for our key business partners. All senior executives have to annually sign off and adhere to the Anti-Bribery and Anti-Corruption policy. The Prevention of Sexual Harassment Policy is strictly enforced at all levels of the organisation and reinforced through regular trainings. All these policies are placed on our intranet and corporate website for easy access to all employees globally. Training on these guidelines is part of the annual learning and development calendar of associates at our hotels, and is included in interactions with partners, such as the annual supplier meetings. We have also set up a Whistle Blower Policy to safeguard the interests of our employees.

Governance structure

At IHCL, governance, ethics and sustainability are the overall responsibility of the Board, with its Committees playing key roles in identifying, mitigating and managing ESG risks and material issues.

The Corporate Social Responsibility and Sustainability Committee reviews our sustainability performance, recommends realignments and reviews policies governing sustainability and CSR practices.

At the management level, the Sustainability Advisory Committee meets every quarter to mentor the sustainability and CSR teams.

Its role includes reviewing performance, addressing major operational concerns, vetting new initiatives and suggesting improvements in implementation.

The Sustainability and CSR teams report to the Global Head of Human Resources, and liaise closely with the Engineering, Procurement, HR, and Learning and Development departments in each hotel. Security, Food Safety, Fire and Life Safety being critical sustainability related verticals within the Company, these teams report directly to the IHCL Board.

BOARD

Responsible for governance, ethics and sustainability

COMMITTEES

Responsible for identifying, mitigating and managing ESG risks and material issues

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

Reviews IHCL's sustainability performance, recommends realignments and reviews policies governing the sustainability and CSR practices

Going strong on compliance

With effect from April 1, 2019, most of the recommendations made by the Kotak Committee on corporate governance will come into effect. These recommendations were approved by the Securities and Exchange Board of India (SEBI) on March 28, 2018, and are aimed at taking the governance practices at India Inc. a step further.

We, at IHCL, have embraced most of these recommendations, ahead of time, in view of the benefits they entail for all our stakeholders.

BOARD OF DIRECTORS

The team that governs us

N. CHANDRASEKARAN
Chairman

N. Chandrasekaran is the Chairman of Tata Sons. He is also the Chairman of several group companies, including IHCL, Tata Motors, Tata Steel, Tata Power, Tata Global Beverages and Tata Consultancy Services (TCS) – of which he was the Chief Executive Officer (CEO) from 2009-17. He joined TCS from university and rose through the ranks to become its CEO and Managing Director. He was appointed as a Director on the board of the Reserve Bank of India (RBI) in 2016. He is also the Chairman of IIM Lucknow as well as the President of the Court at IISc Bengaluru. He is a member of the International Advisory Council of Singapore's Economic Development Board, MIT's Presidential CEO Advisory Board and of Bocconi University's International Advisory Council. He is also the Co-Chair of the India US CEO Forum. His business leadership has been recognised by several corporate and community organisations and he has received numerous awards. He has also been awarded several honorary doctorates by leading Universities in India and across the world. He is an avid photographer and a passionate long-distance marathon runner.

M NR

DEEPAK PAREKH
Non-Executive Independent Director

Deepak Parekh's astute business acumen and farsightedness has not only made HDFC the leader in mortgages but has also transformed it into India's leading financial services conglomerate. The Government of India honoured him with one of the highest civilian awards, the 'Padma Bhushan' in 2006. He is on the board of several leading corporations across diverse sectors. He is the non-executive chairman in India of Siemens Limited and BAE Systems India (Services) Pvt. Limited. The Mayor of London in 2017 named him as the first of a network of international ambassadors for championing London across the globe. He is a Fellow of The Institute of Chartered Accountants in England & Wales.

C NR R A

NADIR GODREJ
Non-Executive Independent Director

Nadir Godrej is the Managing Director of Godrej Industries and Chairman of Godrej Agrovet. He has contributed to the development of a variety of industries by participating in industry bodies such as CII, the Compound Livestock Feed Manufacturers Association of India, Indian Chemical Council, and Oil Technologists' Association of India. Currently, he is the President of Alliance Française de Bombay. For his contribution to Indo-French relations, the French Government has honoured him with the awards of 'Chevalier de l'Ordre National du Mérite' and 'Chevalier de la Légion d'Honneur'. A Bachelor of Chemical Engineering from the Massachusetts Institute of Technology and a Master of Chemical Engineering from Stanford University, he completed his MBA from the Harvard Business School.

C S

M NR R A CSR

Committees

NR Nomination and Remuneration	R Risk	A Audit	S Stakeholders relationship	CSR Corporate Social Responsibility and Sustainability
M Member	C Chairman			

IREENA VITTAL
Non-Executive Independent Director

Ireena Vittal is among India's most respected consultants and advisors. She was a partner with McKinsey & Co. for 16 years where she served global companies on issues of growth and sustainable scale up. She has co-authored several studies relating to agriculture and urbanisation and served government and public institutions to design and implement solutions core to India's development in the same areas of inclusive urban development and sustainable rural growth. Earlier, she worked with Nestle and MaxTouch. She serves on various boards, including IHCL, Titan, Godrej Consumer, HDFC and Wipro and non-profits such as VIdhi Legal, Wateraid and Educate Girls, among others. She holds a B.Sc. in Electronics and a PGDM from IIM, Calcutta.

M R A CSR

VIBHA PAUL RISHI
Non-Executive Independent Director

Vibha Paul Rishi is an experienced marketing professional with stints in Indian and international markets. Her last role was as the Executive Director, brand and human capital of Max India, prior to which she was the Director, marketing and customer strategy at the Future group. She has been with PepsiCo for 17 years in leadership roles in the areas of marketing and innovation in India, the US and the UK. She was also one of the founding team members of PepsiCo and Titan in India. She holds a BA degree in economics from Delhi University and a Master of Business Administration degree with a specialisation in marketing from the Faculty of Management Studies, New Delhi.

M NR

GAUTAM BANERJEE
Non-Executive Independent Director

Gautam Banerjee serves as the Senior Managing Director of The Blackstone Group, Private Equity Group. He has experience leading various business units in PWC. He serves as an Independent Director of Singapore Airlines, Singapore Telecommunications Limited, GIC (Singapore's Sovereign Wealth Fund) and Piramal Enterprises. He was the Vice Chairman of the Singapore Business Federation and served on the board of APEC Business Advisory Council. He was a Nominated Member of Parliament in Singapore from 2007 to 2009. He qualified as a Chartered Accountant in London and was awarded the Public Service Medal by the Singapore Government in 2014. He is a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Singapore Chartered Accountants (ISCA). He was awarded an Honorary Doctor of Laws (LLD) from the University of Warwick, UK.

VENU SRINIVASAN
Non-Executive Non Independent Director

Venu Srinivasan is the Chairman and Managing Director of Sundaram-Clayton Limited and TVS Motor Company Limited, one of the largest two-wheeler manufacturers in India. He also serves on the board of Tata Sons Ltd., TVS & Sons and Cummins India. He has an engineering degree from the College of Engineering, Chennai and a Master's Degree in Management from the Purdue University, USA. In recognition of his contribution to management, he was conferred with 'Doctor of Management' by his alma-mater, Purdue University in 2014. He has held various important positions in the Indian Industry, such as: Chairman of National Safety Council, Government of India; President, Confederation of Indian Industries (CII) for the year 2009-10 and President, Society of Indian Automobile Manufacturers for the period 1999-2001. He is also Vice Chairman/trustee in various Tata trusts.

MEHERNOSH S. KAPADIA
Non-Executive Non Independent Director

Mehernosh S. Kapadia has been associated with IHCL and various other Tata companies for over four decades. His ability to anticipate and navigate future challenges has helped the Company create long-term success. During his tenure at the house of Tata, he has undertaken multiple leadership roles liaising with Central and State Governments as well as Statutory Authorities. He is the Chairman of Taj Air Limited – a leading charter aviation brand and Vice Chairman of TajSATS Air Catering Limited – India's top volume caterer. Being a board member on several other companies of the Tata group he continues to work closely with senior leadership.

M S

PUNEET CHHATWAL
Managing Director and Chief Executive Officer

Mr. Chhatwal brings over three decades of leadership experience at highly acclaimed hotel groups in Europe and North America. He joined IHCL in 2017 and spearheads the Company's operations as its MD and CEO. He has won numerous awards, including the prestigious Carlson Fellowship, and was rated as one of Europe's 20 extraordinary minds in Sales, Marketing and Technology – HSMAI European Awards 2014. He was also the first alumni to be included in the ESSEC-IMHI Hall of Honour 2014.

C CSR

M S

SENIOR MANAGEMENT

The team that leads us

PUNEET CHHATWAL
Managing Director and Chief Executive Officer

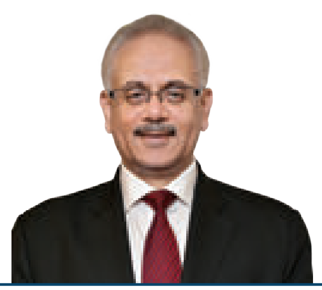
Mr. Chhatwal brings over three decades of leadership experience at highly acclaimed hotel groups in Europe and North America. He joined IHCL in 2017 and spearheads the Company's operations as its MD and CEO. He has won numerous awards, including the prestigious Carlson Fellowship, and was rated as one of Europe's 20 extraordinary minds in Sales, Marketing and Technology – HSMAI European Awards 2014. He was also the first alumni to be included in the ESSEC-IMHI Hall of Honour 2014.

GIRIDHAR SANJEEVI
Executive Vice President and Chief Financial Officer

Mr. Sanjeevi has built a broad-based career over 30 years across multiple businesses - consumer businesses, financial services, retail and pharma in Asia and Europe. A Chartered Accountant and an MBA from IIM Ahmedabad, he has won several awards, including Most Influential CFOs of India award from CIMA in 2015 and 2016 and CFO of the Year for Excellence in Finance in Managing a Turnaround from IMA, 2013.

DR. P. V. RAMANA MURTHY
Executive Vice President and Global Head - Human Resources

Dr. Murthy brings over 33 years of rich experience in the field of human resource management from both Indian and multi-national organisations. He holds a Ph.D. in Strategic Human Resource Management and an Executive Master's degree in Organisational Psychology from INSEAD, Singapore. He has also attended an advanced Human Resource Executive programme from Michigan Ross School of Business in 2009. He believes in scientific people practices and has been specialising in Talent Management, Leadership and Organisational Culture. Some of the work at IHCL in these areas is now considered as global best practices.



ROHIT KHOSLA
Executive Vice President - Operations (North and West India)

Mr. Khosla joined IHCL in 1999 as Executive Assistant Manager, Taj Palace, New Delhi and has held several positions within the group since then. Currently, he oversees hotel operations in the Northern, Eastern and Western states of India, along with the International properties of Taj Tashi Bhutan, Vivanta Kathmandu and operations of Taj Safaris Wilderness Lodges. He is a Post Graduate from Institute of Hotel Management, Mumbai and has won numerous accolades in his career. He is a member of the Executive Committee of the Hotel Association of India, SKAL and the CII National Tourism Committee.

PRABHAT VERMA
Executive Vice President - Operations (South, International & Ancillary Business)

Mr. Verma joined IHCL in 1990 as a Management Trainee with the flagship Taj Mahal Palace & Towers and worked there until 1999. He has been the General Manager of some of the leading hotels of IHCL namely Taj Malabar Resort & Spa, Cochin, Taj Coromandel, Chennai, Taj 51 Buckingham Gate Suites and Residences and St. James' Court, A Taj Hotel London. He was also Senior Vice President Operations for the South Region prior to his present role. He is the recipient of 'Young General Manager' of the Year 5-Star Deluxe category by FHRAI in 2005 and the 'International Cooperation Award between the UK and India' in 2012 by Asian Voice.

SUMA VENKATESH
Executive Vice President – Real Estate & Development

Ms. Venkatesh heads the Company's Development, Technical Services and Projects functions and oversees IHCL's initiatives for growth through greenfield developments, acquisitions, licences and management contracts. Over the last 16 years with IHCL, she has been involved in tripling the group's inventory. Ms. Venkatesh is an Electrical Engineer and holds a Master's Degree in Management Studies from the Mumbai University. She has over 26 years of cross-functional experience across industries. Before joining IHCL, she has worked in different functions across multiple industry sectors in India.

RAJENDRA MISRA
Executive Vice President and General Counsel

Mr. Misra has over 27 years of rich business legal experience and is an expert in Litigation Management, Intellectual Property Management, Contracts Management and Competition and Corporate laws. He has worked in leadership positions across leading corporations in Hospitality, FMCG and Metals industries. He holds a degree in L.L.B. and a Post-Graduate Diploma in Patents Law, besides undertaking the Hawkesmere Course on International Intellectual Property Law from London. Hehas pioneered the image mark registration of Taj Mahal Palace, Mumbai. He has featured consistently in The Legal 500 in the GC Powerlist: India and was recently felicitated by Indian Corporate Counsel Association and the Law Society of England & Wales as top 25 General Counsel of India.

BEEJAL DESAI
Senior Vice President - Legal and Company Secretary

Mr. Desai holds an L.L.B. degree from Mumbai University and is a Fellow Member of the Institute of the Company Secretaries of India. He has previously worked across various leadership positions with different organisations across diversified sectors and has over 32 years of cross-functional experience in the areas of Legal, Secretarial, Corporate Governance, Compliance and Investor Relations. He also closely liaises with SEBI, Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and various regulatory authorities. He has pioneered digitalisation of various legal and compliance projects within the organisation and won several awards.

RENU BASU
Senior Vice President - Global Sales and Marketing

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

MR. S. Y. RAMAN
Vice President - Group Internal Audit

S. Y. Raman has more than 30 years of work experience, all of which are with the Tata Group - 16 years with Tata Global Beverages Limited and 14 years with IHCL. At IHCL, he has served as Head of Finance at Taj SATS Air Catering Limited, the erstwhile Taj Business SBU and Taj GVK Hotels & Resorts Limited. His stints at Tata Global Beverages Limited included positions of Head of Finance in an overseas JV assignment, CFO at Mount Everest Mineral Water Limited and CFO at NourishCo Beverages Limited. He is an Honours graduate in Commerce (from St Xavier's College, Kolkata), a Chartered Accountant, a Cost Accountant and a Company Secretary.

AWARDS & ACCOLADES

Our cherished moments

GALLUP GREAT WORKPLACE AWARD
IHCL received the prestigious GALLUP Great Workplace Award 2019. An eight-time winner of the award, IHCL is the only Indian hospitality company on the list.

EARTHCHECK CERTIFICATIONS
IHCL set a global benchmark in hospitality for environmental sustainability with eight of its hotels being awarded Platinum certifications and 60 hotels receiving Gold certifications.

NATIONAL CSR LEADERSHIP CONGRESS AND AWARDS
IHCL won the National Award for Best Environment Sustainability 2018.

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) NATIONAL AWARDS
IHCL received a Certificate of Recognition for Excellence in Corporate Governance.

ETHICAL BOARDROOM CORPORATE GOVERNANCE AWARDS
IHCL received top honours at the Ethical Boardroom Corporate Governance Awards 2018.

CFI.co CORPORATE GOVERNANCE AWARDS
IHCL's iconic brand Taj was awarded the Best Hospitality Corporate Governance Award in India.

INDO-GERMAN CHAMBER OF COMMERCE (IGCC)
IHCL was recognised by the IGCC for its Outstanding Contribution towards Best Sustainable Business Practices by a Large Enterprise.

FREDDIE AWARDS
Taj InnerCircle was bestowed with the special 210 Award in the hotel category for the Middle East/Asia/Oceania region for Strongest Performing Program off the Radar of Voters.

TELEGRAPH UK TRAVEL AWARDS
Taj ranked #2 in the list of the 'World's Best Hotel Groups'.

CONDE NAST TRAVELLER US & UK GOLD LIST
Umaid Bhawan Palace, Jodhpur, one of the most awarded hotels in the world, featured on the globally acclaimed Gold List.

CONDÉ NAST TRAVELLER HOT LIST
Taj Exotica Resort & Spa, Andamans was acknowledged as one of the Best New Hotel Openings in the World.

MICHELIN GUIDE
Quilon, Taj's award-winning coastal Indian cuisine restaurant in London, retained its Michelin Star for the 12th successive year.

Management Discussion and Analysis

ECONOMIC ENVIRONMENT AND INDUSTRY INSIGHT

INDIA, SOUTH ASIA AND THE GLOBAL ECONOMY

INDIA: THE YEAR IN REVIEW

India continued to build its lead as one of the fastest growing large economies in the world during FY 2018-19. Recent estimates as per the Central Statistical Office pegged GDP growth for FY 2018-19 at 7% led by government expenditure on roads and affordable housing, strong gross capital formation and improved exports. A moderate, but resilient private consumption and steady construction activity remain enablers to this growth (Source: Monetary Policy Committee of RBI, April 2019). Domestic consumption is expected to grow into a $6 trillion opportunity by 2030 (Source: WEF Future of Consumption in Fast-Growth Consumer Markets: India, January 2019). Healthy savings by Indian households (22% of their income), higher proportion of young, working population and policy reforms are the long-term drivers for India's economic growth in future.

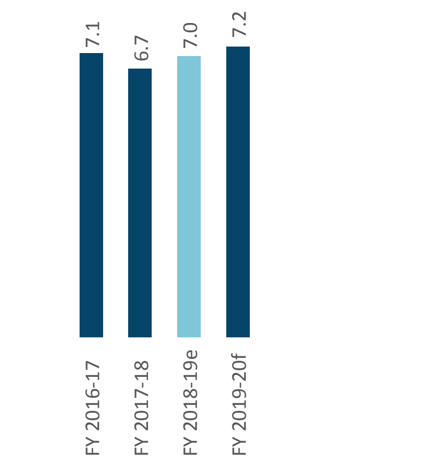
7%

Estimated GDP growth for FY 2018-19

(Source: CSO)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

India's GDP growth (%)



Source: CSO, RBI
e = estimate; f = forecast

Inflation, as measured by the Consumer Price Index (CPI), remained modest for major part of the year owing to benign food inflation (forms ~46% of CPI). The soft food inflation appears to be structural in nature given the increased agricultural productivity in India. Wholesale Price Index (WPI) inflation too remained in low single digits in FY 2018-19 on account of marginal increase in fuel prices.

Weak inflation propelled the Reserve Bank of India (RBI) to go back to its 'neutral' stance from 'calibrated tightening' (briefly adopted between October and December 2018). The apex bank announced a 25 basis points cut in repo rate in its last policy of the financial year, in a bid to improve economic growth, as well as inflation. The Government of India adopted prudent policies and hence has managed to keep fiscal deficit in a narrow band during the year. This metric is pegged at 3.4%, slightly higher than the targeted level of 3.3%.

The Indian Rupee (INR) remained weak for most part of the year and hit an all-time low of ₹74.48 against the US Dollar (USD) due to higher oil prices, improving US yields, weak domestic fundamentals and outflows from domestic markets.

ADVANTAGES OF INDIAN ECONOMY

India's economy will most likely be powered by private consumption, investments and exports in future.

Private consumption: Softer interest rates, improving farm realisations and higher disposable incomes will enable this metric.

Investments: Overall investments rebounded in FY 2018-19 with fixed investments growing 12.2%, up from 7.6% in FY 2017-18. Moreover, the investment ratio (investment/GDP) is estimated to have surged to 32.9% after being range bound at 30-31% in the past four to five years.

Exports: India's exports grew at a healthy pace in FY 2018-19, albeit on a low base. The primary factors propelling India's exports during the year under review were the easing constraints posed by Goods and Services Tax (GST) implementation, improved manufacturing and tailwinds of 2017 global trade revival.

SOUTH ASIA AND GLOBAL ECONOMY: THE YEAR IN REVIEW

Amongst South Asian countries, excluding India, growth was moderate to good. In Sri Lanka, growth accelerated to an estimated 3.9% in 2018 on the back of a recovery in the agriculture and services sectors. In Nepal, economic activity registered a 6.3% growth in FY 2017-18 (July 16 to July 15). Growth in the Maldives is estimated at 8% for 2018 mainly due to contributions from investments and services.

Rising trade tensions between the US and China; financial tightening amid normalisation of monetary policies in larger advanced economies; tighter credit policies in China; volatile crude oil prices and moderating industrial production resulted in a slow-down of global economic activity notably in the second half of 2018. Amongst the advanced economies, the United States' economy grew by 2.9% as per 2018 estimates, higher than the previous two years. Growth in the United Kingdom moderated from 1.7% in 2017 to 1.3% in 2018 mainly due to the uncertainty of its exit from the European Union (Source: World Bank Report on Global Economic Prospects, January 2019).

OUTLOOK

India is expected to lean towards domestic factors to drive its progress owing to a weak global economic environment. In FY 2019-20, India's economy is likely to grow by 7.2% (Source: RBI). The country's GDP growth will primarily be driven by continued momentum in private investment, as well as gross capital formation, growth in bank credit and strong financial flows to the commercial sector. Normal monsoon and lower oil prices will also augur well for the economy.

However, India has been witnessing some downside on the domestic front since April 2019. Primarily, these were weakness in consumption led by automobiles and two-wheelers, reduction in non-banking financial companies credit funding, impact on exports from moderating global demand and political uncertainty in anticipation of general elections, which has led to mixed views on whether the downside is transient or structural. There have been some recent forecasts, which have pegged the estimated growth of the Indian economy to sub-7% levels.

The headwinds that the global economy is facing, including faster-than-anticipated deceleration in global growth, volatility in financial markets, geo-political events and worsening trade disputes could further impact businesses in developed markets as well as emerging markets and cause a plateauing of growth.

INDUSTRY INSIGHT

GLOBAL HOSPITALITY AND TOURISM INDUSTRY

Travel and tourism industry contributed 10.4% to total GDP and registered healthy growth of 3.9% in 2018 (Source: World Travel and Tourism Council (WTTC)). In the past five years, one out of every five jobs was created by this industry. International tourist arrivals grew by 5.6% in 2018 representing a strong year of progress for global travel and tourism industry (Source: United Nations World Tourism Organization). The growth in arrivals was broad-based, with Africa, Asia Pacific and Europe growing by 7.3%, 6.1% and 5.7%, respectively. The Americas recorded a 2.9% rise in international tourist arrivals. Global air passenger traffic increased by 6.4% for the year, until November 2018 (Source: International Air Transport Association).

Regional hotels' performance in 2018 was generally positive, with Europe, the Americas and Asia Pacific flourishing across each of the three key performance indicators (KPIs): occupancy rates, average daily rates and revenue per available room. North Africa was the standout performer of 2018 with double-digit growth, partly due to a low base in markets like Egypt. In contrast, the Middle East recorded declines across all three measurement parameters. However, hotel performance metrics need to be viewed in the context of supply trends.

Global inbound air travel bookings rose by 6% in 2018 (Source: WTCC) with Asia Pacific, Europe and Africa leading from the forefront. During the year, outbound air travel bookings growth was strongest in Asia Pacific (7.8%) and Africa (7.4%). In Europe and the Americas, the segment expanded at 6.1% and 4.9%, respectively.

The Middle East was again the slowest growing region for both inbound and outbound bookings.

Global domestic air travel bookings thrived at 5.8% in 2018, supported by strong double-digit growth in Asia Pacific (14.0%) and the Middle East (10.9%). The segment also performed well in Europe and the Americas, with 5.4% and 4.0% growth, respectively. Africa was the only region to report a decline of 0.9% in domestic air travel bookings.

INDUSTRY MEGATRENDS

The hospitality industry has been undergoing tremendous changes and disruptions over the last two decades. The key trends that are reshaping the industry are listed here:

- Virtual communities across social networks like TripAdvisor and Google, among others influence tourists and lead to more transparency
- Online Travel Agents (OTAs) have altered distribution channels, facilitated a shift towards large brands and have built enduring relations with travellers
- Digitalised guest experiences through apps are increasingly helping hoteliers manage many aspects of the guest cycle and experience
- Booming global tourism, owing to enablers like low-cost carriers and healthy GDP growth in emerging markets
- Rising trend of experience economy wherein customers request extreme personalisation, unique experiences, and so on
- Generations Y and Z have different requirements and needs compared to older generations
- Sustainability approach of hotels is growing as patrons become increasingly sensitive towards environmental and social issues

OUTLOOK

The hospitality industry is evolving with the advent of new technology and concepts. While technology plays a significant role as a differentiator in the industry, sustainable practices are growing fast to become a major determinant of success for tourism businesses. Overall, hoteliers need to understand what's at stake and focus on the following five dimensions:

- **Standardisation can no longer be the norm:** It is becoming critical to personalise and tailor services to the needs and preferences of travellers
- **Technology as an accelerator for business:** Technology will be at the core of the hotel experience both in rooms, and before and after the trip. This will lead to the development of new concepts and more innovation in the industry
- **Social responsibility is an economic obligation:** It is essential for governments and corporations to build real, sustainable business models for the travel and tourism industry
- **Develop more responsive and durable business models:** Agility and resilience is very important for efficiently mitigating risks facing the industry
- **Manage talents actively:** Attracting, developing and retaining the right talent in the hospitality industry continues to remain a core challenge

INDIAN HOSPITALITY AND TOURISM INDUSTRY

Travel and tourism industry contributed 9.2% to India's GDP and registered a growth of 6.7% in 2018 (Source: WTTC). The industry supported 43 million jobs in the country (8.1% of total employment). India offers a diverse portfolio of niche tourism products, including cruises; adventure; medical; wellness; sports; meetings, incentives, conventions and exhibitions (MICE) eco-tourism; films; rural and religious tourism. The country has been recognised as a destination for spiritual tourism for domestic and international tourists. Besides, the introduction of a new category of visa—the medical visa or M visa—is expected to encourage medical tourism in India. Several other factors promoting tourism, in general and hospitality, in particular are:

- Focus on improving infrastructure, including airports, roads and rail connectivity across the country
- Positive amendments to Coastal Regulation Zones Rules are expected to facilitate development of beach resorts across the coastline
- Digitisation of services, including payment mechanisms
- E-visas offered to nationals of 166 countries is expected to increase foreign travellers
- New avenues of funding Real Estate and Hospitality assets through institutional equity by way of listing Real Estate Investment Trusts (REIT) and Initial Public Offers (IPOs) of certain hospitality companies
- Introduction of the Insolvency and Bankruptcy Code (IBC) to resolve insolvencies efficiently, which in turn gives rise to opportunities for expansion

The industry's concern however, are high GST rates, which at 28% for room tariffs above ₹7,500 are amongst the highest in South East Asia positioning the country as an expensive destination in comparison with regional peers. Further, the recent turmoil within the airline industry in India leading to a decline in flights has impacted travel, notwithstanding the high demand for air travel.

INDIAN HOSPITALITY INDUSTRY INSIGHT

India's gateway cities outpaced most of their counterparts in the Asia Pacific region in 2018 (Source: India Hotel Market Review 2018). The three pivotal metrics for like-for-like hotels reported an improvement in 2018 with Occupancy at 67% (+1.7%points), Average Daily Rate (ADR) at ₹5,920 and RevPAR at ₹3,968 over 2017. The demand for rooms has outpaced supply of rooms over the past six years and this trend continued in 2018 as well. Hyderabad, Delhi, Mumbai and Pune recorded the highest demand growth. Barring Goa and Kochi, all key markets saw a positive RevPAR growth in 2018.

Multiple growth enablers

- Expectation of robust number of inbound visitors
- Emergence of aspirational young millennial travellers
- Revival in corporate and business travel in India
- Rapidly evolving connectivity across country

2018: A year of milestones

- All India occupancy at a 10-year high
- All India ADR highest since 2012
- RevPAR for Mumbai, Hyderabad, Pune and Jaipur at a 10-year high
- RevPAR for Ahmedabad, Bengaluru and Delhi highest since 2010, 2011 and 2012, respectively

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

Occupancy Rates (%)

City	FY 2018-19	Number of IHCL hotels
Business		
Bangalore	68.1%	8
Chennai	62.7%	8
Delhi & NCR	70.5%	14
Hyderabad	62.0%	5
Kolkata	66.8%	2
Mumbai	74.1%	8
Pune	74.0%	5
Leisure		
Ahmedabad	69.6%	3
Goa	72.6%	6
Jaipur	59.6%	5
Kerala	66.3%	10
Pan-India	**65.9%**	**132**

Among different hotel segments, midscale, economy and luxury have done better than upscale hotels in terms of ADR. Food and beverage (F&B) and banquets continue to carry significant revenue share, increasing even at lower-tier hotels. Meetings, events and weddings remained prominent growth drivers.

OUTLOOK

India's hotel industry is on an upswing on the back of robust prospects in the domestic tourism industry, increasing foreign tourist arrivals, improving forex inflows, high demand for air travel and muted supply growth. These factors corroborated by domestic macroeconomic data suggest the road ahead will bring higher revenues and margins for the hospitality industry in the country. Growth in upscale and budget hotels, in particular is expected to be buoyant with other segments too witnessing healthy momentum.

Review of the Business

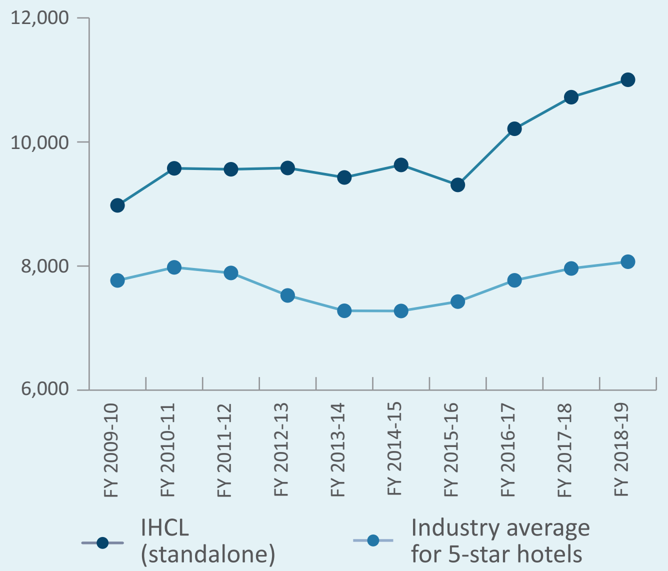
CONSOLIDATED BUSINESS

BUSINESS OVERVIEW

IHCL delivered a robust performance during FY 2018-19. It scored well on all parameters, including new hotel additions, revenues as well as profitability. In its first full year of implementation, the five-year strategy—Aspiration 2022—helped the Company make a strong headway towards its targets. IHCL has a strong presence across most segment and enjoys good pricing power across it's properties and is well poised to further strengthen this metric in the future.

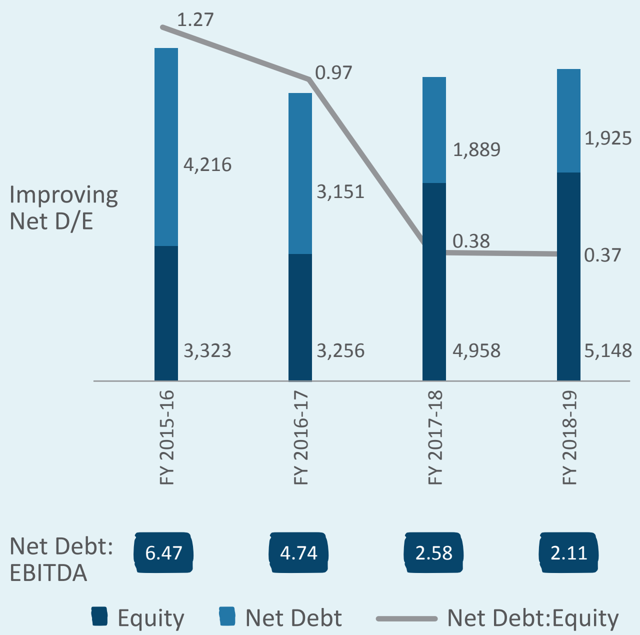
MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Strong Pricing Power



Note: - Industry Average ARR = Industry ARR – IHCL Hotels ARR.

Growth and Margin Expansion While Preserving Balance Sheet health



COE: Learning and Development

- Conducted an internal survey to identify and design capability building training modules
- Based on the responses received, the COE:
  - Developed and implemented a Supervisory Development Programme to build basic leadership capability in supervisory-level team members
  - Relaunched the internal induction programme to incorporate IHCL's values and brand architecture
  - Developed vocational modules to build functional capabilities in frontline team members

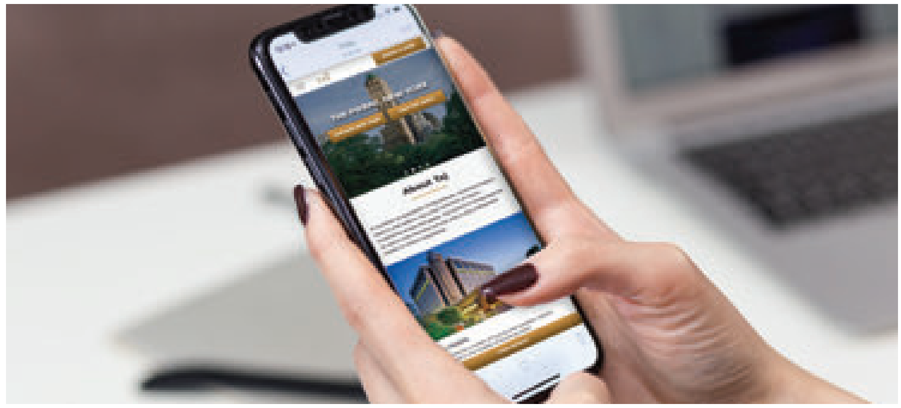
COE: Food and Beverage (F&B)

- Established new F&B standards for Vivanta brand
- Re-engineered IHCL's portfolio of beverage offerings
- Re-designed the concept of 'mini bar'
- Enhanced competencies of its emerging F&B leaders
- Shared best practices across the brands
- Assisted new hotels with restaurant concepts
- Re-positioned existing restaurant brands

COE: Housekeeping

- Conducted knowledge sharing sessions between the R&D Cell of Diversey India Limited and IHCL's Mumbai team
- Led a contingent of five housekeepers to participate in the International Housekeeper's Summit in Sri Lanka
- Positioned IHCL hotels in line with latest global trends in styling, flowers and horticulture

Driving excellence across IHCL
The Center of Excellence (COE), instituted in April 2018, is responsible for managing and reviewing processes, sharing best practices, cost management and building people capability. The COE establishes synergies across IHCL properties resulting in better efficiencies, higher quality, innovation and resource optimisation.



PRODUCT UPGRADE/RENOVATION

IHCL embarked upon an ambitious renovation plan for multiple hotels, including Taj Exotica Resort & Spa, Goa; Taj West End, Bangalore; Savoy, Ooty; St James' Court, London; Taj Samudra, Colombo; Taj Lands End, Mumbai; Taj Palace, New Delhi; Taj Bengal, Kolkata; and Taj Mahal, Lucknow among others.

During FY 2018-19, the following projects were undertaken:

- Completed renovation of 44 rooms in Taj Exotica Resort & Spa, Goa
- Added new lounge for the Hermitage villas in Taj Fort Aguada Resort & Spa, Goa and completed six rooms in Taj Holiday Village, Goa
- Renovated the lobby and opened an all-day diner to raving reviews at Taj West End, Bengaluru
- Completed first phase of renovation at Savoy, Ooty that includes 19 rooms, restaurant, bar, banquet and public areas
- Refurbished the lobby at Taj Yeshwantpur, Bengaluru
- Re-launched 157 rooms and the public spaces of Taj Connemara, Chennai in October 2018 after complete renovation
- Changed lobby furniture and renovated the spa at Taj Mahal Palace, Mumbai
- Renovated 80 rooms, along with the lobby and atrium lounge at Taj Lands End, Mumbai
- Modernised the lobby, tea lounge, porch and drive way at Taj Palace, New Delhi
- Completed renovation of 44 rooms at Taj Bengal, Kolkata
- Refurbished the Chinese restaurant (Chinoiserie) and renovated the lobby at Jai Mahal Palace, Jaipur
- Refurbed the lobby, coffee shop, bar, swimming pool deck at Taj Hari Mahal, Jodhpur

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

- Renovated 110 rooms, along with the spa and fitness centre at St James' Court, London
- Completed renovation of all rooms, including the all-day diner at Taj MG Road, Bengaluru
- Completed renovation of the bar and banquet hall at Taj Mahal, Lucknow
- Renovated 40 rooms and lobby at Taj Ganges, Varanasi
- Renovated rooms and suites on three Club floors and the Club lounge at Taj Coromandel, Chennai
- Completed renovation of the lobby, 52 rooms on the lobby block, the all-day diner, 28 cottages and 10 villas at Taj Fisherman's Cove, Chennai
- Finished renovation of another 61 rooms on the 2nd floor at Taj Samudra, Colombo
- Built the Jiva spa and renovated the heritage rooms at Taj Kumarakom Resort & Spa, Kottayam
- Renovated three floors and the Indian restaurant, Firdaus, at Taj Krishna, Hyderabad
- Added six rooms to the Mardana wing in Umaid Bhawan Palace, Jodhpur

SALES AND MARKETING INITIATIVES

Digital
IHCL's digital platforms ensure a seamless customer experience every time they engage with it. During FY 2018-19 the Company made requisite investments and launched multiple platforms, including:

- New IHCL website for delivering corporate news, engaging with investors and others
- New Vivantahotels.com and SeleQtionshotels.com in keeping with our reimagined brandscape
- New consumer-facing website for superior user experience
- An upgraded, user-friendly mobile app for reservations
- Table management and booking app for restaurants

These products have received encouraging response from IHCL's patrons as reflected in higher conversion rate from e-commerce, higher number of transactions and healthy growth in web revenues.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

The Company's digital strategy focusses on the following objectives:

- Maximise revenues generated through its digital platforms at lowest costs
- Stay ahead of the curve and update platforms to ensure best-in-class user experience
- Present all essential information about all IHCL properties on the Company's website
- Keep the booking flow simple and quick
- Complete every task on the website (booking, information gathering) in three or lesser steps
- Drive incremental revenue beyond rooms through online platforms of IHCL
- Build a customer data repository and drive higher data analytics

Loyalty

Taj InnerCircle is IHCL's award winning loyalty programme, offering guests unparalleled services.

- In April 2018, Taj InnerCircle won the prestigious 210 Award for the Middle East, Asia, Oceania region at the Freddie Awards Event. Freddie awards are among the most prominent awards for frequent traveller programmes. The 210 award is meant to recognize an up and coming programme delivering value to members that may not yet be on the radar of as many frequent travelers.
- Taj InnerCircle launched a new loyalty partnership with Sixt Rent a Car, a global car rental organisation with an international network of more than 2,200 stations and presence in over 110 countries. This collaboration enables Taj InnerCircle members to earn points for eligible spends on the Sixt network and also redeem Taj InnerCircle Points for Sixt vouchers, which can be used for Sixt services in select countries.

Taj Holidays

Taj Holidays is a collection of distinct holiday offers across 50+ IHCL hotels crafted meticulously for the discerning traveller. The multi-faceted approach of experiences with every stay at a Taj allows the hotel guest to explore, amplify and leverage the depth and breadth of the group in a holistic way. During FY 2018-19, IHCL promoted authentic palaces, beach resorts, hill stations and wildlife resorts to enhance and strengthen its domestic and international business through offline and online mediums.

Timeless Weddings

Timeless Weddings at the Taj is all about royalty, exuberance and sheer magnificence – the perfect setting for a fairy-tale wedding. IHCL ensures that the weddings held in its premises are no less than a blissful experience for both parties. Timeless Weddings put together themes and experiences, which make dream weddings a beautiful reality in various settings (palaces, beach destinations, city culture capitals and private island resorts and others). IHCL endeavours to celebrate and define the segment with iconic or thematic stories and pioneer the way weddings are celebrated in India. A legendary wedding is a legacy of mindfulness, absolute detailing, attentive service, magical settings, inspired cuisine, wellness and beauty.

Partnership marketing

We increased direct digital bookings from domestic and international travellers with compelling propositions on stays, holidays and other experiences. We garnered opportunities for synergy with Tata group companies across verticals and our travel and airline partners—Tata SIA Airlines (Vistara) in India and frequent flyer partners in North America, Asia Pacific, Europe and the Middle East—for this. We also partnered with leading banks and networks, including American Express® with embedded product offerings, promotions and campaigns driving awareness, engagement, loyalty and spends at our hotels and restaurants.

Taj Experiences Cards

Taj Experiences Cards continued to drive advocacy, build brand salience and garner traction from new audiences for our brands and hotels. Our prepaid card product maintained exponential growth, more than doubling in value year-on-year, with design premiumisation on cards and collateral. Additionally, the introduction of eGift Card variants for key festive and gifting occasions, high ROI campaigns and technological enhancements—including mobile app purchases, the flexibility of online and real-time reload—along with revalidation and

The Company continues its legacy of hosting the world's premier leaders, royalty and celebrities. Some of the esteemed Heads of State and prominent personalities who visited our properties during FY 2018-19 were:

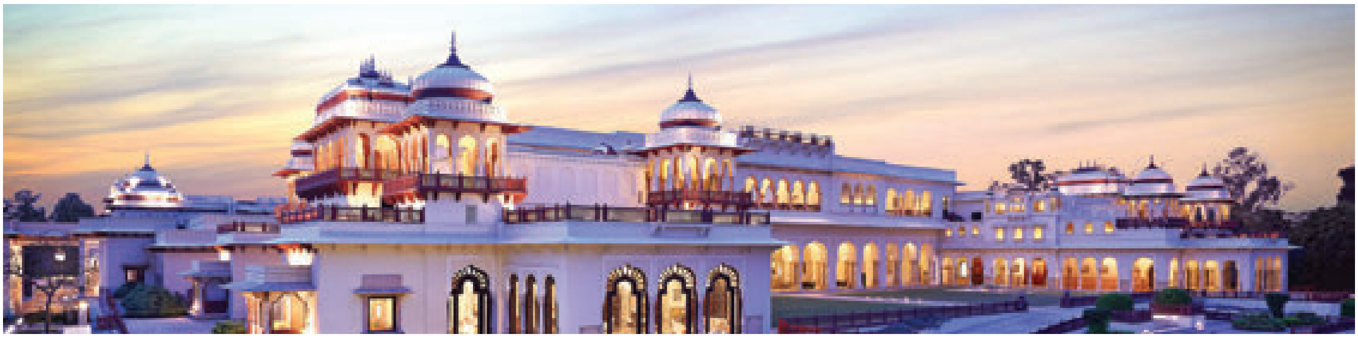
Heads of States and VIPs	CEOs and Prominent Personalities
HRH Prince Albert, Sovereign Prince of Monaco	Dr. Volkmar Denner, Chairman of the Board and CEO, Robert Bosch AG.
HRH Prince Daniel of Sweden	Ms. Kristalina Georgieva, Global CEO, World Bank
Hon. Pravind Kumar Jugnauth, Prime Minister of Mauritius	Mr. Darius Admacyzk, Chairman & CEO, Honeywell
Mr. Mark Rutte, Prime Minister of the Netherlands	Mr. Hikmet Ersek, President & CEO, The Western Union Company
Mr. Danny Faure, President of Seychelles	Mr. Kevin Sneader, Global Managing Partner, McKinsey & Company
H.E. Mr. Cyril Ramaphosa, President of South Africa	Mr. Michael Train, President, Emerson
H.E. Mr. Giuseppe Conte, Prime Minister of Italy	Ms. Susan Credle, Global Chief Operating Officer, FCB
Hon. Ranil Wickremesinghe, Prime Minister of Sri Lanka	Mr. Stephen Schwarzman, Chairman & CEO, The Blackstone Group
H.E. Mr. Mauricio Macri, President of Argentina	
H.M. Queen Máxima of the Netherlands	
H.M. King Jigme Khesar Namgyel Wangchuck of Bhutan	

the deployment of B2B issuance tools for our corporate clients steered the growth of this product.

TATA BUSINESS EXCELLENCE MODEL

IHCL continued its journey on the path of excellence using the Tata Business Excellence Model (TBEM). The TBEM assessment criteria, which is based on the Malcolm Baldrige framework, is at the heart of the business excellence assessment process. As a part of the assessment, all systems and processes of a company are thoroughly reviewed with reference to the Model to ascertain the areas of strength, identify opportunities for improvement and sharing of best practices among Group companies.

IHCL was assessed under TBEM in FY 2017-18 and identified as an Emerging Industry Leader. The Company continues to consolidate on the promising practices identified in the previous year viz. Taj.Live (the Social Media Command Centre), Taj Swagat (New Employee Orientation Programme) and Cross Exposure Training amongst several other best practices. This process has created a culture of innovation within the Company. A case in point has been the recognition of the Company's entry 'Waste to Gold – Towards Circular Economy', which was adjudged to be among the Top 4 projects under the 'Social Innovation Implemented' category in the recently conducted competition Tata InnoVista. Tata InnoVista is a Group platform for innovation where more than 8,700 teams from over 55 Tata companies participate.



Environment, Health and Safety

ENERGY MANAGEMENT

During FY 2018-19, the hotels participating in the Earth Check programme together used a total of 280,670,696 MJ from renewable energy sources both through Green Power Agreements with their electricity providers, as well as onsite and offsite renewable energy, including wind farms and solar panels. Thereby, the Company avoided 63.93 KT CO_2, comparable to taking 21,453 cars off the road. The Company's renewable energy consumption has increased from 7 % to 22.87% of the total energy mix over the last three years.

WASTE MANAGEMENT

Waste management is an integral part of IHCL's environment management endeavours and the Company promotes waste reduction, as well as segregation and recycling. Of the 80 hotels covered under the EarthCheck programme, 43 have achieved 100% recycling of organic waste. This prevented 5,648.142 tonnes of organic waste from going to landfills in FY 2018-19, which is equivalent to 569 shipping containers.

WATER MANAGEMENT

IHCL has completed a water security assessment of hotels in key cities to identify water-related risks and strengthen preparedness to manage them. Overall, the Company saved 1,769,293,882.9 KL of water through rainwater harvesting and recycling of greywater by utilising onsite wastewater treatment plants. The amount of recycled and reused water is equivalent to 708 Olympic-sized swimming pools.

SUSTAINABLE SOURCING

The Company emphasises on local procurement and encourages vendors from the underprivileged sections of society. This includes supporting vendor development and actively seeking out vendors from rural communities and NGOs.

IHCL addressed 2018 theme #BeatPlasticPollution with its first-ever 'Zero Single Use Plastic Hotel', Taj Exotica Resort & Spa, Andamans. The Company is proud to not have felled a single tree during the construction of this resort. The hotel has an onsite bottling plant that eliminates the use of plastic bottles, a waste disposal system that converts wet waste to gas and compost, along with a sanitation treatment. During the year, the Company eliminated more than 2 million single use plastic straws from its operations.

CULTURE BUILDING

The Company has undertaken wide-ranging steps to integrate sustainability and environmental initiatives into its day-to-day operations. IHCL's associates in Mumbai, Bengaluru and Delhi participated in three workshops and a webinar on the topic of sustainability in the hospitality sector, where external experts conducted these sessions. Associates and guests across 75 hotels participated in Earth Hour this year, creating awareness about environmental issues as part of the global Earth Hour movement.

SAFETY

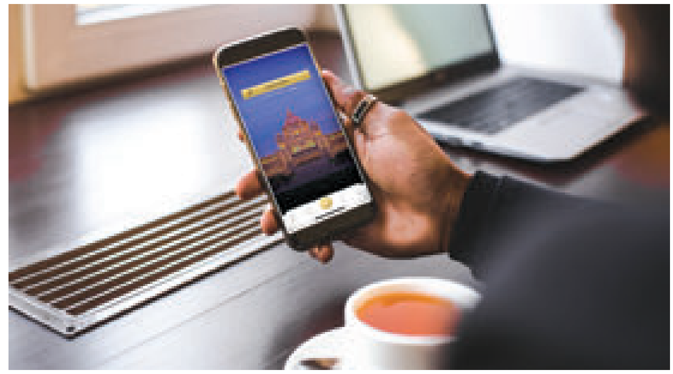
During FY 2018-19, the Fire and Life Safety (FLS) audits were revised to move from a score-based annual audit to a risk-based bi-annual audit. The Company conducted the IHCL Safety Champions programme aimed at building capability on safety practices at hotels, where 60 engineers and security colleagues participated. Additionally, standard operating procedures (SOPs) on safety such as Safe Sewage Treatment Plant Operations, Safe Banqueting Operations, Visitors Access Control, Contractor Safety Management, Permits to Work, Personal Protective Equipment and Gemba Walk were introduced. These SOPs were further reinforced with the Progressive Consequence Management for Safety Non-Compliances Policy.

Safety updates are now part of all Executive Committee (ExCom) and Board meetings. Besides, the leadership of IHCL is committed to making hotels a safe and secure place for all stakeholders.

FOOD SAFETY, HYGIENE AND CLEANLINESS

Food safety continues to be an area of strength for IHCL. Rigorous monitoring of food safety practices supported by bi-annual audits ensure adherence to Food Safety and Standards Authority of India (FSSAI) requirements, as well as hygiene. The Company focusses on hygiene and cleanliness standards, which are always at the highest levels in IHCL.

Information Technology



The guiding principles of Aspirations 2022 drive IHCL's technology initiatives. The Company focusses on scaling technology, process re-engineering, and intelligently leveraging strength and volumes at the Group level to create value and service excellence.

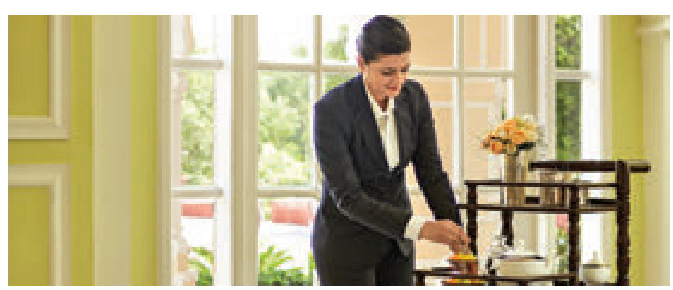
IHCL has engaged best-in-class hospitality vendors and solution providers for the Company's Information Technology (IT) infrastructure and business solutions. Its efficient systems, stable infrastructure, secured landscape and support mechanism add to the Company's economic value and competitive edge. Over the preceding years, IHCL has centralised its systems and migrated them into cloud infrastructure to build resilience and scalability.

During FY 2018-19, the Company invested in emerging guest-facing technology platforms to enhance the overall experience of guests. These included a user-friendly mobile app for reservations, a table management and booking app for restaurants, simple internet connectivity for guests' devices with good bandwidth and an easy-to-use post-stay feedback system.

Further, IHCL launched brand websites in line with the re-imagined brandscape and a corporate website focussed on providing relevant information to all internal and external stakeholders. The websites and mobility apps are powered by a robust reservation system that seamlessly connects with systems used by the travel industry. The Company also invested in building a customer 360^0 system, which with process improvements will enable better customer engagement. Other improvements were broad-based across Data Management, Virtualisation, Gigabit Networks and technology investments to enhance employee engagement. The Company continues to pursue emerging technologies with a focus on enhancing guest experience and productivity.

IHCL complies with IT laws, regulations and processes in various countries where it operates. It engaged a leading consulting firm to implement compliance with GDPR (EU Law) requirements across all its hotels during FY 2018-19. The control framework has been designed according to the guiding principles of the 'Enterprise Risk Management' (ERM) model and follows Payment Card Industry Data Security Standard (PCI DSS) compliance and other regulations issued from time to time. Accordingly, in FY 2018-19 the Company invested in real-time monitoring solutions of its IT assets to enable detection of cyber security attack, if any, on its networks.

Compliance



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

Compliance with laws and regulations is an essential part of IHCL's business operations. The Company is subject to national and regional laws and regulations in such diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes. In order to ensure that it is compliant with such laws and regulations the Company focusses on increasing awareness, documentation and supplements the expertise of internal professionals with independent consultants, as may be required from time to time.

Risk Governance

READ MORE IN DETAIL ON OUR RISK MITIGATION AND MANAGEMENT STRATEGIES ON PAGES 56-57

Internal control Systems and their Adequacy

The Company has institutionalised an adequate system of internal controls, with documented procedures covering all corporate functions and hotel operating units. Internal controls provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The internal audit process (Taj Positive Assurance Model) provides a positive assurance, based on the audits of operating units and corporate functions. It converges process framework, risk and control matrix and a scoring matrix, covering all critical and important functions inter alia revenue management, hotel operations, purchase, finance, human resources and safety.

A framework for each functional area is identified based on risk assessment and control, allowing the unit to identify and mitigate high-risk areas. These policies and procedures are updated periodically and monitored by the Group Internal Audit.

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

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

The Board's Audit Committee oversees the adequacy of the internal control environment through periodic reviews of audit findings and monitoring implementations of internal audit recommendations through compliance reports. The Statutory Auditors have opined in their report that there are adequate internal controls over financial reporting at IHCL.

Management Discussion and Analysis of Operating Results and Financial Position

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

RESULTS OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2019

Standalone Financial Results

The following table sets forth financial information for the Company for the year ended March 31, 2019

₹ Crores

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Income		
Revenue from Operations	2,780.41	2,583.95
Other Income	90.50	55.39
Total Income	**2,870.91**	**2,639.34**
Expenditure		
Food and Beverages Consumed	246.76	232.64
Employee Benefit Expenses	703.85	649.61
Depreciation and Amortisation Expense	169.10	151.34
Other Expenditure	1,100.36	1,072.90
Total Expenditure	**2,220.07**	**2,106.49**
Profit Before Finance costs and Tax	**650.84**	**532.85**
Finance costs	158.64	193.43
Profit Before Exceptional Items and Tax	**492.20**	**339.42**
Exceptional Items	(74.66)	(55.19)
Profit Before Tax	**417.54**	**284.23**
Tax Expense	153.84	136.46
Profit After Tax	**263.70**	**147.77**

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

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

a) REVENUES

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

₹ Crores

Particulars	Year Ended		% Change
	March 31, 2019	March 31, 2018	
Room Income	1,155.01	1,094.69	6
Food, Beverage & Banqueting Income	1,136.65	1,027.80	11
Other Operating Income	488.75	461.46	6
Non-operating Income	90.50	55.39	63
Total Income	**2,870.91**	**2,639.34**	**9**
Statistical information			
Average rate per room (₹)	11,003	10,722	3
Occupancy (%)	68	67	1

- Room sales increased by 6%, compared to the previous year, primarily driven by improved average rate per room (ARR) and occupancies across hotels
- F&B income increased by 11% over the previous year, driven by increase in restaurant sales and banqueting business by ₹50.13 Crores and ₹58.72 Crores, respectively
- Other Operating Income primarily comprises income from management fees, laundry, spa & health club, telephone and business centre rents, among others. Other operating income increased by 6% over the previous year, driven by an increase in management and operating fee (₹12.05 Crores) Export incentive income (₹4.80 Crores), Spa and health club income (₹4.33 Crores), Epicure Membership fee (₹3.00 Crores), Chamber membership fees (₹2.18 Crores) and Shop rentals (₹2.77 Crores), partially offset by declining telephone income and mobile tower rentals
- The newly opened Taj Resort & Spa, Andamans and the re-opened Taj Connemara, Chennai also contributed to the increased income from accommodations and food and beverages
- Non-Operating Income increased by ₹35.11 Crores, compared to the previous year. This increase was mainly driven by dividend income (₹19.02 Crores), gain on investment in mutual funds ₹11.32 Crores, profit on disposal of non-core assets (₹13.70 Crores) and a revaluation gain on receivables ₹2.38 Crores. Interest income was lower than the previous year by ₹11.01 Crores since the previous year had the benefit of interest from temporary investments of rights issue proceeds in fixed deposits with banks

b) OPERATING EXPENSES

The operating expense increased by 5% from ₹ 2106.49 Crores to ₹ 2220.07 Crores during the current year.

i) Food and Beverages Consumed

	March 31, 2019	March 31, 2018	Change
	₹ Crores	₹ Crores	(%)
Food and beverages consumed	246.76	232.64	6

The increase in consumption of food and beverages is variable to income from food, beverages and banqueting business, which increased by 11% over the previous year.

ii) Employee Benefit Expenses and Payment to Contractors

	March 31, 2019	March 31, 2018	Change
	₹ Crores	₹ Crores	(%)
Employee benefit expenses and payment to contractors	703.85	649.61	8

The employee benefit expenses were higher than the previous year, mainly due to salary revisions, wage settlement, associated payroll of new hotels opened and increase in performance linked incentives accruals during the year.

iii) Depreciation and Amortisation Expenses

	March 31, 2019	March 31, 2018	Change
	₹ Crores	₹ Crores	(%)
Depreciation and amortisation expenses	169.10	151.34	12

The increase in depreciation charge for the year was mainly due to additions to assets during the latter part of the previous year arising out of the Company's renovation program and the full year impact of the opening of Taj Exotica Resort & Spa, Andamans and Taj Connemara, Chennai.

iv) Other Expenditure

	March 31, 2019	March 31, 2018	Change
	₹ Crores	₹ Crores	(%)
Other Operating Expenses	543.49	513.25	6
General expenses	556.87	559.65	-
Total	**1,100.36**	**1,072.90**	**3**

The Other Expenditure increased by 3% from ₹ 1,072.90 Crores to ₹ 1,100.36 Crores in the current year.

Other operating expenses increased from ₹ 513.25 Crores in previous year to ₹ 543.49 Crores. This was primarily due to an increase in power and fuel costs arising from tariff increases, new hotel openings, banqueting costs and other operating costs variable to higher business volumes.

General expenses at ₹ 556.87 Crores were at a similar level as compared to the previous year. Licence Fees, which is linked to underlying revenues of licenced properties, increased by ₹ 10.06 Crores along with increases in certain administrative and support service costs offset by lower spends on advertising by ₹ 15.84 Crores.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

c) FINANCE COSTS

	March 31, 2019	March 31, 2018	Change
	₹ Crores	₹ Crores	(%)
Finance Costs	158.64	193.43	18

Finance Costs for the current year at ₹ 158.64 Crores were lower than the preceding year by ₹ 34.79 Crores, mainly due to repayment of debts during the latter half of the previous year out of rights issue proceeds.

d) EXCEPTIONAL ITEMS

Exceptional Items includes items as under:

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
	₹ Crores	₹ Crores
Exceptional Items-Derivative Contracts		
Change in fair value of Derivative contracts	(41.03)	25.51
Exceptional Items-Investment		
Provision for impairment of investment in a subsidiary that incurred losses	(31.71)	(80.50)
Provision for impairment of investment in a Joint Venture	(1.92)	-
Exceptional Items-Exchange Gain/(Loss)		
Exchange Gain/(Loss) on long-term borrowings/assets (net)	-	(0.20)
Total	**(74.66)**	**(55.19)**

e) GROSS DEBT AND NET DEBT

	March 31, 2019	March 31, 2018	Change
	₹ Crores	₹ Crores	(%)
Gross Debt	1,784.05	1,783.88	-
Less: Cash and cash equivalents	88.93	121.28	(27)
Less: Current Investments	193.43	301.45	(36)
Net debt	**1501.69**	**1,361.15**	**10**

There was no change in the gross debt during the year. However, Cash and Current Investments reduced during the year, thereby resulting in an increase in the net debt.

Cash Flow

₹ Crores

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
Net Cash from operating activities	546.81	481.12
Net Cash from/(used in) investing activities	(372.44)	(1,387.63)
Net Cash from/(used in) financing activities	(206.72)	1,012.79
Net Increase/(Decrease) in cash and cash equivalents	**(32.35)**	**106.28**

Operating Activities
During the year, net cash generated from operating activities improved from ₹ 481.12 Crores in the previous year to ₹ 546.81 Crores from improved business performance.

Investing Activities
During the year, the net cash outflow from investing activities amounted to ₹ 372.44 Crores, compared to ₹ 1387.63 Crores in the previous year.

The Company incurred ₹ 246.88 Crores towards capital expenditure, a majority of which was towards the Taj Exotica Resort & Spa, Andaman and Taj Connemara, Chennai projects, as well as renovations at certain hotels. The Company placed long-term security deposits for hotel operation, prepayment of licence fees on renewals of certain leased properties and bidding for new properties amounting to ₹ 105 Crores. This was funded out of cash generated from operating activities.

Pursuing a strategy of deleveraging its Balance Sheet, the Company made further investments in its US subsidiaries through IHOCO ₹ 149.84 Crores to repay debt; recapitalised Roots Corporation Ltd. to the extent of ₹ 50.11 Crores and Taj Safaris Ltd. to the extent of ₹ 6.15 Crores, which was largely funded out of cash generated from operating activities.

As on March 31, 2019, ₹ 193.43 Crores were invested in Liquid Mutual Funds.

₹546.81 Crores
Net cash generated in the year

Financing Activities
During the year, the net cash utilised for financing activities was ₹ 206.72 Crores as against a cash inflow of ₹ 1,012.79 Crores in the previous year, mainly from proceeds of rights share issued.

Cash generated from operations was utilised to repay long-term borrowings, interest and dividend payments.

Financial Ratios for Standalone Financials

₹ Crores

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
Net Debt to Total Capital (Gross Debt less cash, cash equivalents and current investments / Net debt and Net worth)	0.25	0.24
Net Debt to Equity (Gross Debt less cash, cash equivalents and current investments / Equity Capital and Other Equity)	0.33	0.31
Interest Service Coverage Ratio (Profit before tax + Net Finance Costs + Depreciation + Provision for diminution in the value of long-term Investments) / Net Finance Costs)	5.32	4.09
Net profit margin (Profit after tax / Turnover)	9.2%	5.6%
Return on Net Worth (Profit after tax / Average Equity Capital and Other Equity)	5.9%	4.1%
Return on Capital Employed (EBIT / Average Capital Employed (Equity Capital + Other Equity + Borrowings + Current Maturities of Non-Current Borrowings + Current Borrowings)	10.5%	9.7%

The Company has maintained a healthy capital structure as is evident from its Debt to Equity ratio. Improved business, optimisation of operating costs and lower finance costs resulted in improved net margins and consequently improved return on net worth.

Consolidated Financial Results

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

The following table sets forth the Consolidated Financial results for year ended March 31, 2019

₹ Crores

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
Income		
Revenue from Operations	4,512.00	4,103.55
Other Income	83.38	61.73
Total Income	**4,595.38**	**4,165.28**
Expenditure		
Food and Beverages Consumed	404.05	376.44
Employee Benefits Expenses	1,470.79	1,346.62
Depreciation and Amortisation Expense	327.85	301.20
Other Expenditure	1,807.43	1,710.14
Total Expenditure	**4,010.12**	**3,734.40**
Profit before Finance Costs and Tax	**585.26**	**430.88**
Finance Costs	190.13	269.04
Profit before Tax, Exceptional Items and share of profit of equity accounted investees	**395.13**	**161.84**
Exceptional Items	6.58	22.45

₹ Crores

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
Profit before Tax, before Non-Controlling interests and share of profit of equity accounted investees	**401.71**	**184.29**
Provision for Taxes	157.12	121.06
Profit after Tax, before Non-Controlling interests and share of profit of equity accounted investees	**244.59**	**63.23**
Add : Share of Profit of Associates and Joint Ventures (net of tax)	51.53	40.29
Less : Non-Controlling interest in Subsidiaries	9.30	2.65
Profit after Tax attributable to Owners of the Company	**286.82**	**100.87**

Income
Revenue from operations increased by 10% from ₹ 4,103.55 Crores to ₹ 4,512.00 Crores, primarily driven by improved business performance in the domestic as well as international portfolio. While growth in the domestic portfolio was driven by a pick up in volumes, tariffs and food and beverage revenues, the international portfolio was mainly due to increase in room tariffs.

Operating Expenses
Operating Expenses were commensurate to the size of the business and inventories resultant from expansions, new hotels and renovated products. The increase in employee benefit costs were in line with the industry and local requirements. Increase in other expenses was in line with increased business activities. The depreciation charge for the year was higher in the current year due to the impact of completed renovations at hotels and new hotels opened within the domestic portfolio.

Finance Costs
Finance Costs for the year ended March 31, 2019, at ₹ 190.13 Crores were lower than the preceding year by ₹ 78.91 Crores mainly due to retirement of debt out of the proceeds from rights issue during the latter half of the previous year.

Exceptional Items
Exceptional Items include the following:

₹ Crores

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
Change in fair value of derivative contracts	(41.03)	25.51
Expenditure on projects written off for commercial reasons		(2.57)
Provision of financial exposure in an associate	(0.63)	(0.56)
Exchange Gain/ (Loss) on Long-term Borrowings/Assets (Net)		0.07
Incentive fees received pursuant to amendment to a Management Service Agreement	48.24	-
	6.58	**22.45**

Profit after Tax attributable to Owners of the Company
Profit after tax, Non-Controlling interest and share of profit of equity accounted investees attributable to owners of the Company for the year was higher at ₹ 286.82 Crores as compared to ₹ 100.87 Crores for the previous year on account of improved business, margins, and lower finance costs.

Cash Flow

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

₹ Crores

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Net Cash from operating activities	711.43	492.05
Net Cash from/(used) in investing activities	(388.15)	(528.73)
Net Cash from/(used) in financing activities	(343.26)	95.72
Net Increase/(Decrease) in cash and cash equivalents	**(19.98)**	**59.04**

Operating Activities

Net cash from operating activities increased from ₹ 492.05 Crores in the previous year to ₹ 711.43 Crores in the current year, mainly due to improved business across the portfolio.

Investing Activities

Cash used for investing activities was ₹ 388.15 Crores in the current year mainly owing to expansions and renovations during the year funded out of cash from operating activities.

Financing Activities

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

Financial Ratios for Consolidated Financial Statements

₹ Crores

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Net Debt to Total Capital (Gross Debt less cash, cash equivalents and current investments / Net debt and Net worth)	0.27	0.28
Net Debt to Equity (Gross Debt less cash, cash equivalents and current investments / Equity Capital and Other Equity)	0.37	0.38
Interest Service Coverage Ratio (Profit before tax + Net Finance Costs + Depreciation + Provision for diminution in the value of long-term Investments) / Net Finance Costs)	5.29	3.03
Net profit margin (Profit after tax / Turnover)	6.2%	2.4%
Return on Net Worth (Profit after tax / Average Equity Capital and Other Equity)	5.7%	2.5%
Return on Capital employed (EBIT / Average Capital Employed (Equity Capital + Other Equity + Borrowings + Current Maturities of Non-Current Borrowings + Current Borrowings)	7.9%	6.1%

FINANCIAL HIGHLIGHTS

₹ crores

	STANDALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
Total Income	2,870.91	2,639.34	4,595.38	4,165.28
Profit Before Exceptional Items and Tax	492.20	339.42	395.13	161.84
Profit Before Tax	417.54	284.23	401.71	184.29
Profit After Tax, Non - controlling Interests & Share of Associates & Joint Ventures	263.70	147.77	286.82	100.87
Total Assets	7,880.54	7,703.73	9,583.76	9,374.54
Equity Share Capital	118.93	118.93	118.93	118.93
Other Equity	4,364.81	4,275.03	4,229.07	4,062.17
Non-controlling interests	-	-	799.86	777.39
Total Equity	4,483.74	4,393.96	5,147.86	4,958.49
Borrowings	1,784.05	1,783.88	2,325.98	2,427.43
Net Debt	1,501.69	1,361.15	1,925.48	1,889.06
Net Debt : Equity Ratio	0.33:1	0.31:1	0.37:1	0.38:1
Book Value per Share of ₹ 1/- each - In ₹	37.70	36.95	43.28	41.69
Earnings Per Share - Basic and Diluted - In ₹	2.22	1.34	2.41	0.91
Dividend proposed Per Share - In ₹	0.50	0.40	0.50	0.40

BOARD'S REPORT

To the Members

The Directors have pleasure in presenting the 118th Annual Report on the performance of your Company together with its Audited Financial Statements for the Financial Year 2018-19:

FINANCIAL RESULTS

₹ crores

	Standalone		Consolidated	
Particulars	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Total Income	**2870.91**	**2639.34**	**4595.38**	**4165.28**
Profit before Depreciation, Finance Costs, Tax and Exceptional items and share of equity accounted investees	**819.94**	**684.19**	**913.11**	**732.08**
Less: Finance Costs	158.64	193.43	190.13	269.04
Less: Depreciation	169.10	151.34	327.85	301.20
Profit before Tax & Exceptional Items and share of equity accounted investees	**492.20**	**339.42**	**395.13**	**161.84**
Add/(Less): Exceptional Items	(74.66)	(55.19)	6.58	22.45
Profit before Tax	**417.54**	**284.23**	**401.71**	**184.29**
Less: Provision for Tax	153.84	136.46	157.12	121.06
Profit after Tax, before Non- Controlling interest and share of equity accounted investees	**263.70**	**147.77**	**244.59**	**63.23**
Add: Share of Profit of Associates and Joint Ventures net of tax	NA	NA	51.53	40.29
Less: Non- Controlling Interest	NA	NA	9.30	2.65
Profits after Tax attributable to Owners of the Company	**263.70**	**147.77**	**286.82**	**100.87**
Retained earnings: Balance brought forward	411.84	268.71	(56.86)	(193.63)
Other Comprehensive Income attributable to Owners of the Company	(6.53)	(5.80)	(6.56)	(7.11)
Transfer from Reserve Fund	-	42.42	-	42.42
Realised gain on Equity Shares through Other Comprehensive Income	-	0.41	-	42.84
Adjustment on account of Joint Venture	NA	NA	(2.48)	-
Amount Available for Appropriation	**669.01**	**453.51**	**220.92**	**(14.61)**
Appropriations:				
Dividend on equity shares (excluding tax)	47.57	34.62	47.57	34.62
Tax on dividends	5.74	7.05	7.42	7.63
Transfer to Debenture Redemption Reserve	11.93	-	11.93	-
Total Appropriations	**65.24**	**41.67**	**66.92**	**42.25**
Retained Earnings: Balance carried forward	603.77	411.84	154.00	(56.86)

FINANCIAL HIGHLIGHTS – STANDALONE

IHCL's operational inventory stands at 149 hotels with 17,888 rooms. During Financial Year 2018-19, three Taj properties in Udaipur, Shimla and Uttarakhand and two Vivanta properties in Katra and Kathmandu were opened. Additionally, your Company re-opened the Taj Connemara, Chennai and successfully retained the iconic Taj Mahal Hotel, Mansingh Road, Delhi through a bidding process. Your Company also launched IHCL's corporate brand identity, SeleQtions and Ama Trails & Stays brands. The Group's portfolio includes 46 hotels under the Ginger brand, which has an aggregate inventory of 4,021 rooms. Your Company continues to pursue expansion both in the domestic and international market, and unlocking value by monetizing its assets to achieve sustainable and profitable growth.

Income

The Total Income for the year ended March 31, 2019 at ₹ 2,870.91 crores represents a growth of 9% over Financial Year 2017-18. Within the overall revenue, Room Revenue increased by 6%, driven by improved average rate per room and occupancies. Food and Beverage Revenues increased by 11% over Financial Year 2017-18, aided by growth in restaurant sales and banqueting income. Other Operating Income, Management and Operating Fees also increased by 6% as compared to Financial Year 2017-18.

Dividend Income was higher by ₹19.02 crores supplemented by gain from investment in mutual funds of ₹11.32 crores and profit on disposal of non-core assets of ₹13.70 crores. However, interest income was lower than the Financial Year 2017-18 by ₹11.01 crores due to further deployment of temporary surplus from the rights issue proceeds.

Depreciation and Finance Costs

Depreciation at ₹169.10 crores was higher than Financial Year 2017-18 mainly due to depreciation on capitalisation arising from renovations at hotels and new hotel openings. Finance costs for the year ended March 31, 2019 at ₹158.64 crores was lower than Financial Year 2017-18 cost of ₹193.43 crores mainly due to repayment of debt out of rights issue proceeds.

Profit before Tax and Exceptional Items

Profit before Tax and Exceptional Items stood at ₹492.20 crores, which represents an increase of 45%, as compared to the Financial Year 2017-18 .

Exceptional Items

Exceptional Items include exchange loss on change in Fair value of Cross currency swap derivative contracts ₹41.03 crores and a provision for impairment due to losses in an overseas subsidiary of ₹31.71 crores. Corresponding figures for Financial Year 2017-18 were a gain of ₹25.51 crores and impairment of ₹80.50 crores.

Borrowings

The total borrowings stood at ₹1,784.05 crores as on March 31, 2019 as against ₹1,783.88 crores as on March 31, 2018.

Profit before and after tax

The Profit before Tax for the Financial Year 2018-19 was at ₹417.54 crores, as compared to ₹284.23 crores for Financial Year 2017-18. The Profit after Tax for the year under review was at ₹263.70 crores, as compared to ₹147.77 crores for Financial Year 2017-18 .

FINANCIAL HIGHLIGHTS – CONSOLIDATED

The consolidated income of your Company for the year ended March 31, 2019 aggregated ₹4,595.38 crores as against ₹4,165.28 crores for Financial Year 2017-18. Revenue from operations increased by 10% from ₹4,103.55 crores to ₹4,512.00 crores, primarily driven by improved business performance in the domestic as well as international portfolio.

Profit before Tax and Exceptional Items and share of profits of equity accounted investees stood at ₹395.13 crores as compared to ₹161.84 crores in Financial Year 2017-18.

Profit after Tax attributable to Owners of the Company aggregated to ₹286.82 crores for the year significantly improved when compared to previous year's figure of ₹100.87 crores. The improvement was on account of improved business, margins, and lower finance costs.

APPROPRIATIONS

Dividend

Board of Directors recommend a dividend at the rate of 50% i.e. ₹0.50 per share (Previous Year ₹0.40 per share). The dividend on Equity Shares, if approved by the Members would involve a cash payout of ₹71.69 crores, including dividend distribution tax of ₹12.22 crores.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has adopted the Dividend Distribution Policy which is attached as Annexure-I. Payment of Dividend is as per the said Policy.

Debentures

During Financial Year 2018-19, neither the Company raised any debt by way of Debentures, nor were any debentures redeemed.

Capital Expenditure

During Financial Year 2018-19, your Company incurred ₹246.88 crores towards capital expenditure, a majority of which was towards the Taj Exotica Resort & Spa, Andaman and Taj Connemara, Chennai projects, as well as renovations at certain hotels.

Fixed Deposits

Your Company does not accept and/or renew Fixed Deposits from the general public and shareholders. There were no over dues on account of principal or interest on public deposits other than the unclaimed deposits at the end of Financial Year 2018-19 which is ₹0.39 crore (Previous year ₹0.69 crore).

Loans, Guarantees or Investments

Your Company falls within the scope of the definition "infrastructure company" as provided by the Companies Act, 2013 ('Act'). Accordingly, the Company is exempt from the provisions of Section 186 of the Act with regards to Loans, Guarantees and Investments.

Transfer to reserves

An amount of ₹11.93 crores has been transferred from Retained Earnings to Debenture Redemption Reserve in order to allocate sufficient funds towards future redemption of debentures. Further the Board has decided to retain the entire amount of profits for Financial Year 2018-19 in the profit and loss account.

CORPORATE SOCIAL RESPONSIBILITIES ('CSR')

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure II of this Report in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is also available on the website of your Company at **https://www.ihcltata.com/investors/.** For other details regarding the CSR Committee please refer to the Corporate Governance Report, which is a part of the Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEM AND ADEQUACY

According to Section 134(5)(e) of the Act, the term Internal Financial Control ('IFC') means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company's internal control systems are commensurate with its size and the nature of its operations. The Company has a strong and independent in-house Internal Audit ('IA') department. The Audit Committee also deliberates with the members of the management, considers the systems as laid down and meets the internal auditors and statutory auditors to ascertain their views on the internal financial control systems. Further details are provided in the Management Discussion and Analysis Report which forms a part of the Annual Report.

VIGIL MECHANISM

Your Company's Vigil Mechanism provides a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of Directors and Employees who avail of the mechanism and also have provided them direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Company has revised the Whistle-Blower policy to insert "reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information (UPSI)" in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and the revised policy was approved by the Audit Committee and the Board. The said policy is available on the Company's website at **https://www.ihcltata.com/investors/**.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form No. MGT-9 as per Sections 92(3) and 134(3) of the Act read with the Rules framed thereunder are given as Annexure III, which forms part of this Report. The Annual Return for Financial Year 2017-18 is also available on the Company's website at **www.ihcltata.com**

AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee, number of meetings etc. 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 *inter alia* provides for the parameters to grant omnibus approval(s) by the Audit Committee. The Policy is available on the Company's website at **https://www.ihcltata.com/investors/.**

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. A statement on RPT's specifying the details of the transactions, pursuant to each omnibus approval granted, has been placed on a quarterly basis for review by the Audit Committee.

All contracts/arrangements/transactions entered by the Company during the year under review with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act.

Further, in Financial Year 2018-19, there were no material transactions of the Company with any of its related parties.

Accordingly, the Company has not provided Form No. AOC-2.

RISK MANAGEMENT

The Risk Management Committee ('RMC') is entrusted with the responsibility to frame, implement and monitor the Risk Management plan and also ensure its effectiveness. The Company has a Risk Management Policy in accordance with the provisions of the Act and the Listing Regulations. The Audit Committee has an oversight in the area of financial risk and controls. Other details including details pertaining to various risks faced by your Company, and also development and implementation of risk management policy are provided in the Management Discussion and Analysis Report which forms part of this Report.

CONSOLIDATED FINANCIAL STATEMENTS

Your Company announces its consolidated financial statements on a quarterly basis. As required under the Listing Regulations, consolidated financial statements of the Company and its Subsidiaries, prepared in accordance with the Accounting Standards, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the consolidated financial statements of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has 21 Subsidiaries, 8 Joint Ventures and 6 Associates as on March 31, 2019.

During Financial Year 2018-19, there has been no change in the Company's subsidiary / associates / joint ventures.

The Company has adopted a Policy for determining Material Subsidiaries in line with Regulation 16 of the SEBI Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website which can be accessed at **https://www.ihcltata.com/investors/**.

Pursuant to the provisions of Section 129(3) of the Act and the Rules framed thereunder, a statement containing the salient features of the financial statements of the subsidiaries, is attached to the Financial Statements in Form No. AOC-1 which forms part of this Report.

Pursuant to the provisions of Section 136 of the Act, the Company will make available the said financial statements and related detailed information of the Subsidiary Companies upon the request by any Member of the Company or its Subsidiary. The Financial Statements of the Company and its subsidiaries will also be kept open for inspection by any Member at the Registered Office of the Company and the Subsidiary Companies on all working days (i.e. Monday to Friday) during the business hours and also at the venue of the AGM till the time the meeting is in process. The separate audited accounts in respect of subsidiaries are also available on the website of your Company at **https://www.ihcltata.com/investors/**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL ('KMP')

Appointments

The Company has on the recommendations of the Nomination and Remuneration Committee ('NRC') and in accordance with the provisions of the Act and the Listing Regulations, appointed Mr. Mehernosh Kapadia, who retired as an Executive Director of the Company on May 23, 2018 and Mr. Venu Srinivasan as Additional Directors of the Company with effect from August 10, 2018, subject to approval of the Members at the Annual General Meeting ('AGM'). They shall hold office as Additional Directors upto the date of the forthcoming AGM. Pursuant to Section 152 and other applicable provisions of the Act, and the Articles of Association of your Company, one-third of the Directors (other than Independent Directors) as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Mr. Puneet Chhatwal retires by rotation and being eligible, offers himself for re-appointment in accordance with provisions of the Act.

The approval of the shareholders for their appointments/ re-appointment as Directors has been sought in the Notice convening the AGM of your Company. The disclosures pertaining to Directors being appointed/ re-appointed as required pursuant to Regulation 36 of the Listing Regulations, Clause 1.2.5 of the Secretarial Standards 2 are given in the explanatory statement to the Notice convening the AGM, forming part of the Annual Report.

Further during the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee of the Company.

Independent Directors
In terms of Section 149 of the Act, and Regulation 16(1) of the Listing Regulations Mr. Deepak Parekh, Mr. Nadir Godrej, Ms. Ireena Vittal, Mr. Gautam Banerjee and Ms. Vibha Paul Rishi are the Independent Directors of the Company as on March 31, 2019. The Independent Directors have submitted a declaration that each of them meet the criteria for independence as laid down under Section 149(6) of the Act read with Rules framed thereunder and Regulation 16 of the Listing Regulations and that they are not aware of any circumstance or situation, which exists or is anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence as required under Regulation 25 of Listing Regulations.

Key Managerial Personnel (KMP)
Pursuant to the provisions of Section 203 of the Act, the KMP's of your Company for Financial Year 2018-19 were Mr. Puneet Chhatwal, Managing Director & CEO, Mr. Mehernosh Kapadia, Executive Director - Coporate Affairs (Retired as Non- Executive Director w.e.f. May 23, 2018) Mr. Giridhar Sanjeevi, Executive Vice President & CFO, and Mr. Beejal Desai, Senior Vice President - Legal & Company Secretary.

BOARD MEETINGS

During the year under review, five Board Meetings were held and the intervening gap between the meetings did not exceed the period of one hundred and twenty days, the details of which are given in the Corporate Governance Report.

BOARD EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provisions of the Act and the Listing Regulations.

At a separate meeting of Independent Directors, performance of Non-Independent Directors and the Board as a whole was evaluated. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated after taking into account the views of Executive Directors and Non-Executive Directors in the aforesaid meeting.

The Board evaluated its performance after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. Further, the performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are in line with the Guidance Note on Board Evaluation issued by SEBI on January 5, 2017.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee Meeting like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the Board meeting that followed the meeting of the Independent Directors and the meeting of NRC, 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.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR

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 and the Rules frame thereunder Listing Regulations.

Qualifications: 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, age, gender and who possesses adequate experiance in banking and finance, accounting and taxation, ecomonics, legal and regulatory matters, consumer industry, hospitality sector and other disciplines related to the Company's business.

Positive Attributes: Apart from the duties of Directors as prescribed under the Act, the Directors are expected to abide by the respective code of conduct as applicable to them.

POLICY ON REMUNERATION OF DIRECTORS

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

The key principles governing your Company's Remuneration Policy and connected matter as provided in section 178(3) of the Act has been disclosed in the Corporate Governance Report which forms part of this Report.

It is affirmed that the remuneration paid to Directors, KMP and all other employees is as per the Remuneration Policy of your Company. The Remuneration Policy for Directors, KMP and other Employees is uploaded on the website of your Company at **https://www.ihcltata.com/investors/**.

PARTICULARS OF EMPLOYEES

The disclosure pertaining to remuneration and other details as 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 particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Act, the Report along with Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said Annexure is open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes affecting the financial position of the Company subsequent to the close of Financial Year 2018-19 till the date of this Report.

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

STATUTORY AUDIT

At the 116th AGM of the Company held on August 21, 2017, B S R & Co LLP ('BSR'), Chartered Accountants (Firm Registration No. 101248W/W-100022), were appointed as the Statutory Auditors of the Company by the Members for a term of five consecutive years effective from August 21, 2017. BSR has furnished a certificate of their eligibility and consent under Sections 139(1) and 141 of the Act and the Rules framed thereunder for their continuance as Statutory Auditors of the Company for Financial Year 2019-20.

The Report of the Statutory Auditors along with the Notes to Schedules forms part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation, disclaimer or adverse remark.

The Statutory Auditors of the Company have not reported any fraud as specified in Section 143(12) of the Act.

COST AUDIT

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

SECRETARIAL AUDIT

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/S Neville Daroga & Associates, Company Secretaries to undertake the Secretarial Audit of your Company for the Financial Year 2018-19. The Secretarial Audit Report is annexed herewith as Annexure IV. The Report does not contain any qualifications, reservation or adverse remarks or disclaimers.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

During Financial Year 2018-19, the Company has complied with the relevant provisions of Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy : The Company has a longstanding history of stewardship through efficient management of all its assets and resources. The Company's conscious efforts are aligned with the Tata ethos of keeping communities and environment at the heart of doing business. In line with IHCL's commitment to safeguard the environment, we have been the flagbearers of responsible tourism through elimination of two million plastic straws accross all our properties. Our renewable energy proportion has taken a leap of 23% from 7% in the past three years. In this rapidly transforming world, our sustainability goals will certainly evolve as our industry grow and as per the needs arising in the society.

B. ***Technology Absorption:*** Nil

C. ***Foreign Exchange Earnings and Outgo:***

- Earnings : ₹ 732.47 crores
- Outgo : ₹ 84.31 crores

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 Financial Year 2018-19.

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 annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed and that there are no material departures;

(ii) they 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) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance within 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 annual accounts for the Financial Year ended March 31, 2019 on a 'going concern' basis;

(v) they have laid down internal financial controls for the Company which are adequate and are operating effectively;

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

PREVENTION OF SEXUAL HARASSMENT

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 ('POSH Act') and the Rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace.

An Internal Committee (IC) has been constituted in accordance with the provisions of the POSH Act to redress complaints received regarding sexual harassment and all the provisions regarding the constitution are complied with.

INTEGRATED REPORTING

IHCL has embarked on the journey of the Integrated Reporting framework prescribed by the International Integrated Reporting Council ('IIRC'). This is the first year of our journey on Integrated Reporting. Through this Report, we aspire to provide to our stakeholders an all-inclusive depiction of the organisation's value creation using both financial and non-financial resources. The Report strives to provide insights into our key strategies, operating environment, the operating risks and opportunities, governance structure and the Company's approach towards long-term sustainability.

ACKNOWLEDGEMENT

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

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

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

On behalf of the Board of Directors

N. Chandrasekaran
Chairman

Mumbai, April 30, 2019

Registered Office:
Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: L74999MH1902PLC000183
Tel.: 022 66395515 Fax: 022 22027442
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Website: **www.ihcltata.com**

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

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.

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 500 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 500 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.

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

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 upgradations 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

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.

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.

Disclosures

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

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 CSR ACTIVITIES

BRIEF OUTLINE

As one of the most widely recognized Indian hospitality brands, your Company's management is conscious of its responsibility as a custodian of Indian heritage and culture and towards the welfare and development of communities around its operations. In line with the founder's vision, over the years, your Company has worked with many government and non-government bodies to help build the livelihoods of less privileged communities – not just in its surroundings, but also in identified deserving areas beyond its neighbourhood. A majority of our hotels also engage in promoting cleanliness and hygiene in their neighbourhood and undertake local community welfare activities. A few hotels are engaged in the preservation and promotion of heritage sites.

OVERVIEW OF OUR PROGRAMMES FURTHERING COMMUNITY DEVELOPMENT

We are committed to build on our legacy of 'Giving Back to Society' and continue to work diligently in the areas of skilling the underprivileged youth and promoting social inclusion of low income group youth, artisans, women and differently abled in our workforce & value chains.

Livelihoods through Skilling

- 14 Taj-Tata Strive Skill Training Centres offering short practical courses and certification in housekeeping, food & beverage services, kitchen and bakery trades

- Three Year Vocational Education Programme in association with Tata Institute of Social Sciences ('TISS') at 15 of our hotels Career awareness & bridge programmes for service industry in nine locations 2300+ youth trained and certified through these programmes with 250+ choosing to work with several of our hotels

Livelihoods through Micro Enterprises

- Support to partners furthering livelihoods of cancer-affected families, differently abled & women; three partners supported this year for procuring goods that further our commitment towards supplier diversity & social inclusion

- Development of plastic-free personal utilities range for Ama Trails & Home Stays

Heritage Conservation & Promotion

- Promoting native culinary heritage with Samvaad @ Tata Steel

- Home cooks from local communities work with our teams in many of our kitchens and restaurants; together, we serve guests authentic, local and ethnic cuisines to our guests

- Natural & cultural heritage walk with Pardhi youth near Panna Forest Reserve

- Training women in Benarasi Silk Weaving

- Gateway of India precinct, Varanasi ghat maintenance and National Railway Museum beautification

Our CSR programmes have totally benefitted over 4000 beneficiaries including youth, women, artisans and differently-abled people this year.

We also contributed over ₹ 1 Crore towards flood relief in Kerala & Kodagu through several channels along with support rendered through employee volunteering and have initiated the 'Dil Se Dijiye' campaign to raise donations to support care of cancer affected families at Tata Medical Centre, Kolkata.

This year IHCL's corporate responsibility practices & programmes were recognized by SKOCH merit awards, Assocham awards for effective collaboration with Tata Strive and listing as 50 Most Inclusive Businesses in India by the Shared Value Initiative in association with Institute for Strategy and Competitiveness, Harvard Business School.

Nurturing the Taj Culture for Social Responsibility and Volunteering

In the context of widening social inequity in modern society, especially in India, it is important for future leaders to understand, experience and appreciate the complexity of marginalization and inequity in our society. Today's urbane, globally well-versed Indian youth's exposure and lived-experiences with Indian disadvantaged community groups (like rural and low-income families; talented but opportunity-deprived women, artisans from remote India; dalit and tribal youth; differently abled and so on) is reducing.

Guided by the founder's values, your Company is sensitive of this and endeavors to drive policies and programmes that continue to build the bridges needed for a more humane and inclusive society while continuing to nurture our DNA as a respected business house with a social purpose. Year on year we enable social responsibility immersion stints for our future managers to experiencing the life and challenges of remoter India and dis-advantaged sections of our society. This year, 71 of our young managers from the Hotelier Development Programme undertook a 45 day CSR stint, taking up 25 projects aimed at promoting their spirit of volunteering and delivering community development goals. Their projects ranged across themes like enabling community based tourism in tribal regions to supporting education and finding market connects for traditional artisans, differently abled and women's micro enterprises. These projects were undertaken in partnership with our hotel teams, CSR partners, voluntary sector organizations and Tata Group companies. Throughout the year, over 1900 volunteers contribute over 5000 hours supporting several charitable initiatives and under-privileged communities in their vicinity as a part of our regular volunteering initiatives in association with Tata Engage

Your Company's CSR Policy outlines key programs, initiatives and mechanisms followed for driving Corporate Social Responsibility; this is updated on the website of your the Company i.e. at **www.ihcltata.com/investors**

Your Company encourages its partner companies to adopt the Company's CSR policy, focus areas and approach and supports participating partner companies to deploy programmes and activities in line with this policy.

1. The composition of the CSR and Sustainability Committee is as follows:
   (i) Mr. Puneet Chhatwal - Chairman
   (ii) Mr. Nadir Godrej
   (iii) Ms. Ireena Vittal
2. Average net profit of the Company for last three financial years for the purpose of computation of CSR: ₹ 315.93 crores
3. The prescribed CSR Outlay (two per cent of the average net profit as per item 2 above) of the Company: ₹ 6.32 crores
4. Details of CSR Spent during the financial year: ₹ 6.35 crores
5. Amount unspent, if any: NIL

The manner in which the amount was spent during the FY 2018-19 is detailed in the table below:

₹crores

CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or programs (1) Local area or other (2) Specify the state & district where projects or programs were undertaken	Annual outlay (budget) project or programs-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency *
Livelihoods Development Programmes: Certified Skill Training with embedded on-the-job exposure, spoken English & work-readiness inputs	Vocational skilling & promotion of livelihoods Sch VII (ii)	Mumbai, Airoli, Lonavala, Jaipur, Chhindwara, Varanasi, Bengaluru, Hyderabad, Goa, Trivandrum, Agartala, Uri, Chamoli & Pitthoragadh	2.00	2.03	-	Direct + Implementing Agency
Responsible Neighbour Programmes: Education, training and promotion to preserve unique art forms; Adoption or maintenance of public spaces such as gardens, bus stops and roads, cleanliness, beautification and horticulture, and community education for public hygiene and cleanliness Support for beautification, cleanliness and promotion of Gateway of India, Mumbai & National Rail Museum, Delhi Welfare activities for local charity homes, orphanages, other such community requests-based activities	Promotion and development of traditional arts and handicrafts Sch VII (v) Environmental sustainability Sch VII (iv) Restoration of buildings and sites of historical importance Sch VII (v) Support towards eradicating poverty & malnutrition Sch VII (i)	Across multiple Taj hotel sites	2.65	2.67	-	Direct + Implementing Partners
Scholarships for education in hospitality	Promoting Education Sch VII (ii)	Mumbai, Kolkata, Delhi, Bengaluru	1.67	1.65		Direct + Implementing Partners
Total			**6.32**	**6.35**		

* The Company executes its CSR endevors in partnership with Government, Non- Governmental organisations and Tata Partners who have the capacities required for community services.

CSR and Sustainability Committee hereby confirms that the implementation and monitoring of CSR programmes is in compliance with the CSR objectives and policy of the company.

Puneet Chhatwal
Managing Director and Chief Executive Officer
Chairman, CSR Committee

Nadir Godrej
Independent Director
Member, CSR Committee

Mumbai, April 30, 2019.

ANNEXURE III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019
[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	41.54%
2	Restaurants and mobile food service activities	561	40.88%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	KTC Hotels Limited The Gateway Hotel, Shanmugham Road, Marine Drive, Ernakulam- 682011	U55101KL1984PLC004105	Subsidiary	100	2 (87)
2	United Hotels Limited Vivanta by Taj - Ambassador, Sujan Singh Park, New Delhi- 110003	U74899DL1950PLC001861	Subsidiary	55	2 (87)
3	Roots Corporation Limited Godrej & Boyce Complex, Gate No.8, Plant No. 13, Office Building Vikhroli (E), Mumbai- 400 079	U55100MH2003PLC143639	Subsidiary	67.11	2 (87)
4	Taj Sats Air Catering Limited Mandlik House, Mandlik Road, Mumbai- 400001	U55204MH2001PLC133177	Subsidiary	51	2 (87)
5	Piem Hotels Limited President, 90 Cuffe Parade, Mumbai- 400005	U55101MH1968PLC013960	Subsidiary	51.57	2 (87)

Sr. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
6	Taj Trade and Transport Company Limited Mandlik House, Mandlik Road, Mumbai- 400001	U60300MH1977PLC019952	Subsidiary	89.51	2 (87)
7	Inditravel Limited Mandlik House, Mandlik Road, Mumbai- 400001	U74999MH1981PLC023924	Subsidiary	96.67	2 (87)
8	Northern India Hotels Limited Tajview Hotel, Fatehabad Road, Taj Ganj, Agra 282001	U55101UP1971PLC003838	Subsidiary	94.17	2 (87)
9	Skydeck Properties and Developers Private Limited Mandlik House, Mandlik Road, Mumbai- 400001	U45200MH1998PTC114881	Subsidiary	100	2 (87)
10	Sheena Investments Private Limited Mandlik House, Mandlik Road, Mumbai- 400001	U65990MH1990PTC055375	Subsidiary	100	2 (87)
11	Luthria & Lalchandani Hotel & Properties Pvt. Ltd Mandlik House, Mandlik Road, Mumbai- 400001	U55100MH2008PTC178963	Subsidiary	100	2 (87)
12	ELEL Hotels and Investments Limited Mandlik House, Mandlik Road, Mumbai- 400001	U70101MH1969PLC014326	Subsidiary	85.72	2 (87)
13	Taj Enterprises Limited Taj Palace Hotel, Sardar Patel Marg, New Delhi- 110021	U55101DL1979PLC009746	Subsidiary	90.59	2 (87)
14	Benares Hotels Limited Nadesar Palace Compound, Varanasi 221002	L55101UP1971PLC003480	Subsidiary	53.70	2 (87)
15	Taj International Hotels (H. K.) limited 42nd floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	Foreign Company	Subsidiary	100	2 (87)
16	IHOCO BV Teleportboulevard 140, 1043 EJ Amsterdam	Foreign Company	Subsidiary	100	2 (87)
17	St. James Court Hotels Limited Crowne Plaza, St. James, Buckingham Gate, Westminster, London SWIE6AF	Foreign Company	Subsidiary	89.39	2 (87)
18	Taj International Hotels Limited Crown Plaza London St James, Buckingham Gate, Westminster, London SWIE6AF	Foreign Company	Subsidiary	100	2 (87)
19	Piem International (H. K) Limited 42/F, Central Plaza, 18 Harbour Road, Wanchai, Hongkong	Foreign Company	Subsidiary	100	2 (87)
20	BAHC 5 78 Shenton Way, #26-02A, Singapore 079120	Foreign Company	Subsidiary	100	2 (87)
21	United Overseas Holding Inc Corporation Service Company, 251, Little Falls Drive, Wilmington, County of New Castle, Delaware 19808	Foreign Company	Subsidiary	100	2 (87)
22	Taida Trading and Industries Limited Mandlik House, Mandlik Road, Mumbai 400 001	U13100MH1959PLC011396	Associate	48.74	2 (6)
23	Oriental Hotels Limited Taj Coromandel, 37 M. G. Road, Chennai 600034	L55101TN1970PLC005897	Associate	37.05	2 (6)
24	Taj Madurai Limited Taj Coromandel, 37, M.G. Road, Chennai 600034	U55101TN1990PLC018883	Associate	26	2 (6)

Sr. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
25	TAL Lanka Hotels Plc 25, Galle Face Centre Road, Colombo, Sri Lanka	Foreign Company	Associate	24.62	2 (6)
26	Lanka Island Resorts Limited 25, Galle Face Centre Road, Colombo, Sri Lanka	Foreign Company	Associate	24.66	2 (6)
27	Bjets Pte Limited 80 Raffles Place, #32-01, UOB Plaza 1, Singapore 048624	Foreign Company	Associate	45.69	2 (6)

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

i) Category-wise Shareholding

Name of the Shareholder	No. of Shares held at the beginning of the year (i.e 01/04/2018)				No. of Shares held at the end of the year (i.e 31/03/2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	0	0	0	0.00	0	0	0	0.00	0.00
a) HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	464,856,979	0	464,856,979	39.09	464,856,979	0	464,856,979	39.09	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other….	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	**464,856,979**	**0**	**464,856,979**	**39.09**	**464,856,979**	**0**	**464,856,979**	**39.09**	**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)	**464,856,979**	**0**	**464,856,979**	**39.09**	**464,856,979**	**0**	**464,856,979**	**39.09**	**0.00**
B. Public Shareholding									
1. Institutions									
Mutual Funds / UTI	174,812,353	155,820	174,968,173	14.71	293,819,794	155,820	293,975,614	24.72	10.01
Financial Institutions / Banks	81,727,433	9,900	81,737,333	6.87	27,867,048	9,900	27,876,948	2.34	-4.53
Alternate Investment Fund	1,440,000	0	1,440,000	0.12	3,473,013	0	3,473,013	0.29	0.17
Central Government / State Government(s)	1,500	0	1,500	0.00	1,500	0	1,500	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	34,360,205	0	34,360,205	2.89	18,285,758	0	18,285,758	1.54	-1.35
Foreign Institutional Investors	190,929,391	11,880	190,941,271	16.06	144,359,887	11,880	144,371,767	12.14	-3.92
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Others									
Foreign Financial Institutions / Banks	5,850	0	5,850	0.00	5850	0	5,850	0.00	0.00
Sub-Total (B)(1)	**483,276,732**	**177,600**	**483,454,332**	**40.65**	**487,812,850**	**177,600**	**487,990,450**	**41.03**	**0.38**

Name of the Shareholder	No. of Shares held at the beginning of the year (i.e 01/04/2018)				No. of Shares held at the end of the year (i.e 31/03/2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	80396302	75,855	80472157	6.77	78332197	62,075	78394272	6.59	-0.17
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	110,565,216	12,877,084	123,442,300	10.38	108,884,902	10,719,347	119,604,249	10.06	-0.32
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	22,129,454	632,240	22,761,694	1.91	22,670,756	692,523	23,363,279	1.96	0.05
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	3295054	0	3295054	0.28	9442	0	9442	0.00	-0.28
Directors and relatives	66720	0	66720	0.01	68720	0	68720	0.01	0.00
Foreign Nationals	32129	0	32129	0.00	25439	0	25439	0.00	0.00
Non-residents	5707030	45,141	5752171	0.48	6402632	34,687	6437319	0.54	0.06
Clearing Members	633240	0	633240	0.05	3958651	0	3958651	0.33	0.28
HUFs	3103189	0	3103189	0.26	3022580	103	3022683	0.25	-0.01
Investor Education and Protection Fund (IEPF) Authority	1388480	0	1388480	0.12	1526962	0	1526962	0.13	0.01
Sub-total (B)(2):-	**227,316,814**	**13,630,320**	**240,947,134**	**20.26**	**224,902,281**	**11,508,735**	**236,411,016**	**19.88**	**-0.38**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**710,593,546**	**13,807,920**	**724,401,466**	**60.91**	**712,715,131**	**11,686,335**	**724,401,466**	**60.91**	**0.00**
Total (A) + (B)	**1,175,450,525**	**13,807,920**	**1,189,258,445**	**100.00**	**1,177,572,110**	**11,686,335**	**1,189,258,445**	**100.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0
Grand Total (A+B+C)	**1,175,450,525**	**13,807,920**	**1,189,258,445**	**100.00**	**1,177,572,110**	**11,686,335**	**1,189,258,445**	**100.00**	**0.00**

ii) Shareholding of Promoters (including the Promoter Group)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (i.e 01/04/2018)			Shareholding at the end of the year (i.e 31/03/2019)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	Tata Sons Private Limited (Promoter)	433,219,860	36.43	-	433,219,860	36.43	-	-
2	Tata Investment Corporation Limited*	16,071,539	1.35	-	16,071,539	1.35	-	-
3	Ewart Investments Limited*	2,127,705	0.18	-	2,127,705	0.18	-	-
4	Tata Chemicals Limited*	10,689,348	0.90	-	10,689,348	0.90	-	-
5	Tata Industries Limited*	665,278	0.06	-	665,278	0.06	-	-
6	Tata Capital Limited*	17,640	0.00	-	17,640	0.00	-	-
7	Oriental Hotels Limited*	752,398	0.06	-	752,398	0.06	-	-
8	Taida Trading & Industries Limited*	187,818	0.02	-	187,818	0.02	-	-
9	Taj Madurai Limited*	1,125,393	0.09	-	1,125,393	0.09	-	-
	TOTAL	**464,856,979**	**39.09**	**0.00**	**464,856,979**	**39.09**	**0.00**	**0.00**

* A part of Promoter Group.

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

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year (i.e. as on 01/04/2018)		Date	Increase/ Decrease in share holding		Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Tata Sons Private Limited (Promoter)	433,219,860	36.43	--	--	--	433,219,860	36.43
2	Tata Investment Corporation Limited*	16,071,539	1.35	--	--	--	16,071,539	1.35
3	Ewart Investments Limited*	2,127,705	0.18	--	--	--	2,127,705	0.18
4	Tata Chemicals Limited*	10,689,348	0.90	--	--	--	10,689,348	0.90
5	Tata Industries Limited*	665,278	0.06	--	--	--	665,278	0.06
6	Tata Capital Limited*	17,640	0.00	--	--	--	17,640	0.00
7	Oriental Hotels Limited*	752,398	0.06	--	--	--	752,398	0.06
8	Taida Trading & Industries Limited*	187,818	0.02	--	--	--	187,818	0.02
9	Taj Madurai Limited*	1,125,393	0.09	--	--	--	1,125,393	0.09

* A part of Promoter Group.

(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 (i.e. 01/04/2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Reliance Capital Trustee Company Limited	69,259,654	5.82	01 April 2018				
				06 April 2018	-128	Sale	69,259,526	5.82
				11 May 2018	-240,000	Sale	69,019,526	5.80
				25 May 2018	140,000	Purchase	69,159,526	5.82
				01 June 2018	633	Purchase	69,160,159	5.82
				22 June 2018	-450,000	Sale	68,710,159	5.78
				06 July 2018	-150	Sale	68,710,009	5.78
				20 July 2018	330,000	Purchase	69,040,009	5.81
				27 July 2018	625,000	Purchase	69,665,009	5.86

Sl. No.	Name	No. of Shares at the beginning (i.e. 01/04/2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				17 August 2018	595,234	Purchase	70,260,243	5.91
				31 August 2018	100,000	Purchase	70,360,243	5.92
				07 September 2018	274,552	Purchase	70,634,795	5.94
				14 September 2018	100,000	Purchase	70,734,795	5.95
				21 September 2018	175,137	Purchase	70,909,932	5.96
				29 September 2018	197,149	Purchase	71,107,081	5.98
				05 October 2018	-317,307	Sale	70,789,774	5.95
				12 October 2018	184,273	Purchase	70,974,047	5.97
				19 October 2018	211,000	Purchase	71,185,047	5.99
				26 October 2018	526,000	Purchase	71,711,047	6.03
				02 November 2018	1,900,050	Purchase	73,611,097	6.19
				09 November 2018	462,894	Purchase	74,073,991	6.23
				16 November 2018	548,759	Purchase	74,622,750	6.27
				23 November 2018	72,832	Purchase	74,695,582	6.28
				30 November 2018	100,000	Purchase	74,795,582	6.29
				07 December 2018	527,000	Purchase	75,322,582	6.33
				14 December 2018	1,233,477	Purchase	76,556,059	6.44
				21 December 2018	1,848,113	Purchase	78,404,172	6.59
				31 December 2018	999,998	Purchase	79,404,170	6.68
				04 January 2019	27,500	Purchase	79,431,670	6.68
				11 January 2019	200,000	Purchase	79,631,670	6.70
				18 January 2019	1,957,000	Purchase	81,588,670	6.86
				25 January 2019	1,000,000	Purchase	82,588,670	6.94
				01 February 2019	393,954	Purchase	82,982,624	6.98
				08 February 2019	1,900,146	Purchase	84,882,770	7.14
				15 February 2019	500,000	Purchase	85,382,770	7.18
				22 February 2019	100,002	Purchase	85,482,772	7.19
				01 March 2019	-27,323	Sale	85,455,449	7.19
				08 March 2019	559,841	Purchase	86,015,290	7.23
				15 March 2019	3,972,429	Purchase	89,987,719	7.57
				22 March 2019	1,098,281	Purchase	91,086,000	7.66
				30 March 2019	1,605,722	Purchase	92,691,722	7.79
2	HDFC Trustee Company Limited	45,697,863	3.84	01 April 2018				
				06 April 2018	182,700	Purchase	45,880,563	3.86
				04 May 2018	500,000	Purchase	46,380,563	3.90
				18 May 2018	573,000	Purchase	46,953,563	3.95
				25 May 2018	45,000	Purchase	46,998,563	3.95

Sl. No.	Name	No. of Shares at the beginning (i.e. 01/04/2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				01 June 2018	1,403,062	Purchase	48,401,625	4.07
				08 June 2018	1,752,067	Purchase	50,153,692	4.22
				15 June 2018	846,000	Purchase	50,999,692	4.29
				22 June 2018	1,283,000	Purchase	52,282,692	4.40
				29 June 2018	959,000	Purchase	53,241,692	4.48
				20 July 2018	651,541	Purchase	53,893,233	4.53
				27 July 2018	200,000	Purchase	54,093,233	4.55
				24 August 2018	135,000	Purchase	54,228,233	4.56
				14 September 2018	182,320	Purchase	54,410,553	4.58
				21 September 2018	693,000	Purchase	55,103,553	4.63
				29 September 2018	612,000	Purchase	55,715,553	4.68
				05 October 2018	747,000	Purchase	56,462,553	4.75
				12 October 2018	1,456,000	Purchase	57,918,553	4.87
				19 October 2018	545,000	Purchase	58,463,553	4.92
				26 October 2018	975,000	Purchase	59,438,553	5.00
				02 November 2018	2,557,000	Purchase	61,995,553	5.21
				07 December 2018	308,900	Purchase	62,304,453	5.24
				14 December 2018	200,000	Purchase	62,504,453	5.26
				08 February 2019	935,000	Purchase	63,439,453	5.33
				15 March 2019	2,403,000	Purchase	65,842,453	5.54
				30 March 2019	1,460,000	Purchase	67,302,453	5.66
3	Government Pension Fund	44,189,120	3.72	01 April 2018				
				27 April 2018	-50,000	Sale	44,139,120	3.71
				04 May 2018	-20,000	Sale	44,119,120	3.71
				18 May 2018	-30,000	Sale	44,089,120	3.71
				01 June 2018	-100,234	Sale	43,988,886	3.70
				08 June 2018	-127,549	Sale	43,861,337	3.69
				15 June 2018	-170,597	Sale	43,690,740	3.67
				22 June 2018	-298,026	Sale	43,392,714	3.65
				29 June 2018	-457,031	Sale	42,935,683	3.61
				06 July 2018	-339,581	Sale	42,596,102	3.58
				12 July 2018	-212,369	Sale	42,383,733	3.56
				20 July 2018	-63,624	Sale	42,320,109	3.56
				27 July 2018	-71,866	Sale	42,248,243	3.55
				3 August 2018	-186,478	Sale	42,061,765	3.54
				10 August 2018	-1,959,707	Sale	40,102,058	3.37
				17 August 2018	-1,048,602	Sale	39,053,456	3.28

Sl. No.	Name	No. of Shares at the beginning (i.e. 01/04/2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				24 August 2018	2,664,849	Purchase	41,718,305	3.51
				29 September 2018	155,687	Purchase	41,873,992	3.52
				05 October 2018	367,019	Purchase	42,241,011	3.55
				12 October 2018	20,591	Purchase	42,261,602	3.55
				26 October 2018	174,178	Purchase	42,435,780	3.57
				04 January 2019	-100,000	Sale	42,335,780	3.56
				11 January 2019	-46,777	Sale	42,289,003	3.56
				18 January 2019	-139,190	Sale	42,149,813	3.54
				25 January 2019	-96,212	Sale	42,053,601	3.54
				01 February 2019	-748,765	Sale	41,304,836	3.47
				08 February 2019	-626,111	Sale	40,678,725	3.42
				15 February 2019	-32,758	Sale	40,645,967	3.42
				22 February 2019	-699,842	Sale	39,946,125	3.36
				01 March 2019	-869,317	Sale	39,076,808	3.29
				08 March 2019	-1,591,893	Sale	37,484,915	3.15
				30 March 2019	-4,878,575	Sale	32,606,340	2.74
4	ICICI Prudential Life Insurance Company Limited	17,571,981	1.48	01 April 2018				
				06 April 2018	-507,818	Sale	17,064,163	1.43
				20 April 2018	-576,675	Sale	16,487,488	1.39
				11 May 2018	-821	Sale	16,486,667	1.39
				29 June 2018	-50,266	Sale	16,436,401	1.38
				03 August 2018	-3,033	Sale	16,433,368	1.38
				10 August 2018	-684,735	Sale	15,748,633	1.32
				24 August 2018	-102,192	Sale	15,646,441	1.32
				05 October 2018	2,060,531	Purchase	17,706,972	1.49
				19 October 2018	205,000	Purchase	17,911,972	1.51
				02 November 2018	-726	Sale	17,911,246	1.51
				09 November 2018	-64,761	Sale	17,846,485	1.50
				30 November 2018	-76,674	Sale	17,769,811	1.49
				07 December 2018	-139,405	Sale	17,630,406	1.48
				21 December 2018	-200,583	Sale	17,429,823	1.47
				31 December 2018	1,925	Purchase	17,431,748	1.47
				04 January 2019	21,508	Purchase	17,453,256	1.47
				11 January 2019	17	Purchase	17,453,273	1.47
				25 January 2019	1,961,263	Purchase	19,414,536	1.63
				08 February 2019	-276	Sale	19,414,260	1.63

Sl. No.	Name	No. of Shares at the beginning (i.e. 01/04/2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				22 February 2019	552	Purchase	19,414,812	1.63
				01 March 2019	110,100	Purchase	19,524,912	1.64
				08 March 2019	3,620,850	Purchase	23,145,762	1.95
				15 March 2019	4,946,082	Purchase	28,091,844	2.36
				22 March 2019	112,985	Purchase	28,204,829	2.37
				30 March 2019	2,779,695	Purchase	30,984,524	2.61
5	ICICI Prudential Balanced Advantage Fund	20,121,105	1.69	01 April 2018				
				06 April 2018	88,873	Purchase	20,209,978	1.70
				13 April 2018	2,362,999	Purchase	22,572,977	1.90
				20 April 2018	300,000	Purchase	22,872,977	1.92
				11 May 2018	1,225	Purchase	22,874,202	1.92
				25 May 2018	-25,507	Sale	22,848,695	1.92
				01 June 2018	-47,980	Sale	22,800,715	1.92
				15 June 2018	-295	Sale	22,800,420	1.92
				22 June 2018	-7	Sale	22,800,413	1.92
				12 July 2018	2,637,857	Purchase	25,438,270	2.14
				27 July 2018	-378	Sale	25,437,892	2.14
				24 August 2018	1,532,427	Purchase	26,970,319	2.27
				31 August 2018	767,886	Purchase	27,738,205	2.33
				07 September 2018	411,961	Purchase	28,150,166	2.37
				29 Septmber 2018	-9	Sale	28,150,157	2.37
				19 October 2018	252,040	Purchase	28,402,197	2.39
				26 October 2018	368,568	Purchase	28,770,765	2.42
				23 November 2018	7,396	Purchase	28,778,161	2.42
				31 December 2018	-24,599	Sale	28,753,562	2.42
				01 February 2019	144,054	Purchase	28,897,616	2.43
				08 February 2019	-64,240	Sale	28,833,376	2.42
				15 March 2019	-342,068	Sale	28,491,308	2.40
				30 March 2019	-7,396	Sale	28,483,912	2.40
6	Life Insurance Corporation of India	80,743,678	6.79	01 April 2018				
				06 April 2018	-3,096,502	Sale	77,647,176	6.53
				13 April 2018	-4,087,742	Sale	73,559,434	6.19
				20 April 2018	-3,586,041	Sale	69,973,393	5.88
				27 April 2018	-2,030,194	Sale	67,943,199	5.71
				04 May 2018	-204,017	Sale	67,739,182	5.70
				11 May 2018	-1,195,641	Sale	66,543,541	5.60
				18 May 2018	-943,635	Sale	65,599,906	5.52
				25 May 2018	-362,634	Sale	65,237,272	5.49
				01 June 2018	-4,411,338	Sale	60,825,934	5.11
				08 June 2018	-1,159,095	Sale	59,666,839	5.02

Sl. No.	Name	No. of Shares at the beginning (i.e. 01/04/2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				15 June 2018	-4,309,650	Sale	55,357,189	4.65
				22 June 2018	-1,071,905	Sale	54,285,284	4.56
				29 June 2018	-428,994	Sale	53,856,290	4.53
				06 July 2018	-1,941,286	Sale	51,915,004	4.37
				12 July 2018	-2,633,784	Sale	49,281,220	4.14
				20 July 2018	-3,635,370	Sale	45,645,850	3.84
				27 July 2018	-1,799,560	Sale	43,846,290	3.69
				14 December 2018	-56,285	Sale	43,790,005	3.68
				21 December 2018	-194,715	Sale	43,651,575	3.67
				31 December 2018	-268,631	Sale	43,521,374	3.66
				04 January 2019	-230,201	Sale	43,421,374	3.65
				11 January 2019	-166,963	Sale	43,354,411	3.65
				18 January 2019	-1,980,032	Sale	41,441,342	3.48
				25 January 2019	-4,211,944	Sale	39,142,467	3.29
				01 February 2019	-3,808,974	Sale	37,632,368	3.16
				08 February 2019	-2,560,705	Sale	36,581,762	3.08
				15 February 2019	-2,070,089	Sale	35,562,279	2.99
				22 February 2019	-2,568,859	Sale	35,063,509	2.95
				01 March 2019	-2,747,940	Sale	33,833,822	2.84
				08 March 2019	-3,479,321	Sale	31,584,188	2.66
				15 March 2019	-4,269,657	Sale	29,564,165	2.49
				22 March 2019	-3,046,250	Sale	28,537,938	2.40
				30 March 2019	-2,959,446	Sale	26,604,719	2.24
7	SBI Large & Midcap Fund[1]	660	0.00	01 April 2018				
				31 August 2018	15,811,925	Purchase	15,812,585	1.33
				14 September 2018	1,872,818	Purchase	17,685,403	1.49
				21 September 2018	1,223,400	Purchase	18,908,803	1.59
				29 September 2018	953,997	Purchase	19,862,800	1.67
				02 November 2018	194,171	Purchase	20,056,971	1.69
				09 November 2018	15,083	Purchase	20,072,054	1.69
				16 November 2018	456,909	Purchase	20,528,963	1.73
				23 November 2018	239,046	Purchase	20,768,009	1.75
				30 November 2018	947,347	Purchase	21,715,356	1.83
				14 December 2018	-33,000	Sale	21,682,356	1.82
				21 December 2018	692,495	Purchase	22,374,851	1.88
				31 December 2018	60,098	Purchase	22,434,949	1.89
				04 January 2019	117,141	Purchase	22,552,090	1.90

Sl. No.	Name	No. of Shares at the beginning (i.e. 01/04/2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				11 January 2019	1,418,695	Purchase	23,970,785	2.02
				18 January 2019	204,015	Purchase	24,174,800	2.03
				25 January 2019	500,000	Purchase	24,674,800	2.07
				01 February 2019	500,000	Purchase	25,174,800	2.12
				22 March 2019	110,000	Purchase	25,284,800	2.13
				30 March 2019	0		25,284,800	2.13
8	Franklin Asian Equity Fund	12,196,376	1.03	01 April 2018				
				13 April 2018	880,953	Purchase	13,077,329	1.10
				20 April 2018	50,000	Purchase	13,127,329	1.10
				01 June 2018	353,722	Purchase	13,481,051	1.13
				08 June 2018	500,068	Purchase	13,981,119	1.18
				06 July 2018	544,059	Purchase	14,525,178	1.22
				20 July 2018	751,197	Purchase	15,276,375	1.28
				27 July 2018	2,249,730	Purchase	17,526,105	1.47
				03 August 2018	802,538	Purchase	18,328,643	1.54
				17 August 2018	300,000	Purchase	18,628,643	1.57
				24 August 2018	921,743	Purchase	19,550,386	1.64
				31 August 2018	75,000	Purchase	19,625,386	1.65
				14 September 2018	19,052	Purchase	19,644,438	1.65
				29 September 2018	20,000	Purchase	19,664,438	1.65
				05 October 2018	-1,000,000	Sale	18,664,438	1.57
				12 October 2018	8,007	Purchase	18,672,445	1.57
				26 October 2018	-500,000	Sale	18,172,445	1.53
				07 December 2018	47,348	Purchase	18,219,793	1.53
				14 December 2018	79,750	Purchase	18,299,543	1.54
				18 January 2019	772,902	Purchase	19,072,445	1.60
				25 January 2019	200,000	Purchase	19,272,445	1.62
				30 March 2019	0		19,272,445	1.62
9	Franklin Templeton Investment Funds	39,425,470	3.32	01 April 2018				
				06 April 2018	-633,146	Sale	38,792,324	3.26
				13 April 2018	-1,581,057	Sale	37,211,267	3.13
				20 April 2018	-4,186,000	Sale	33,025,267	2.78
				27 April 2018	-1,318,091	Sale	31,707,176	2.67
				04 May 2018	-235,307	Sale	31,471,869	2.65
				11 May 2018	-541,926	Sale	30,929,943	2.60
				18 May 2018	-55,202	Sale	30,874,741	2.60

Sl. No.	Name	No. of Shares at the beginning (i.e. 01/04/2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				01 June 2018	-580,979	Sale	30,293,762	2.55
				22 June 2018	-868,265	Sale	29,425,497	2.47
				03 August 2018	-1,785,558	Sale	27,639,939	2.32
				10 August 2018	-312,600	Sale	27,327,339	2.30
				02 November 2018	-2,437,540	Sale	24,889,799	2.09
				21 December 2018	-969,600	Sale	23,920,199	2.01
				31 December 2018	-1,267,200	Sale	22,652,999	1.90
				04 January 2019	-234,592	Sale	22,418,407	1.89
				11 January 2019	-950,000	Sale	21,468,407	1.81
				18 January 2019	-597,000	Sale	20,871,407	1.75
				25 January 2019	-1,311,352	Sale	19,560,055	1.64
				15 February 2019	-622,134	Sale	18,937,921	1.59
				22 February 2019	-824,143	Sale	18,113,778	1.52
				22 March 2019	-250,000	Sale	17,863,778	1.50
				30 March 2019	-676,002	Sale	17,187,776	1.45
10	HDFC Standard Life Insurance Company[1]	11,007,829	0.93	01 April 2018				
				27 July 2018	1,992,171	Purchase	13,000,000	1.09
				10 August 2018	811,512	Purchase	13,811,512	1.16
				17 August 2018	420,354	Purchase	14,231,866	1.20
				24 August 2018	193,134	Purchase	14,425,000	1.21
				12 October 2018	1,305,781	Purchase	15,730,781	1.32
				19 October 2018	261	Purchase	15,731,042	1.32
				26 October 2018	34,157	Purchase	15,765,199	1.33
				2 November 2018	8,535	Purchase	15,773,734	1.33
				16 November 2018	745	Purchase	15,774,479	1.33
				23 November 2018	226	Purchase	15,774,705	1.33
				30 November 2018	891	Purchase	15,775,596	1.33
				14 December 2018	571	Purchase	15,776,167	1.33
				21 December 2018	207	Purchase	15,776,374	1.33
				31 December 2018	77	Purchase	15,776,451	1.33
				04 January 2019	215,307	Purchase	15,991,758	1.34
				11 January 2019	585,768	Purchase	16,577,526	1.39
				18 January 2019	186	Purchase	16,577,712	1.39
				25 January 2019	232	Purchase	16,577,944	1.39
				01 February 2019	221,668	Purchase	16,799,612	1.41
				08 February 2019	78,836	Purchase	16,878,448	1.42
				15 February 2019	44,076	Purchase	16,922,524	1.42

Sl. No.	Name	No. of Shares at the beginning (i.e. 01/04/2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				22 February 2019	56,266	Purchase	16,978,790	1.43
				01 March 2019	275	Purchase	16,979,065	1.43
				08 March 2019	217	Purchase	16,979,282	1.43
				15 March 2019	384	Purchase	16,979,666	1.43
				30 March 2019	402,587	Purchase	16,980,113	1.43
11	General Insurance Corporation of India	16,300,160	1.37	01 April 2018				
				01 June 2018	-25,000	Sale	16,275,160	1.37
				08 June 2018	-19,141	Sale	16,256,019	1.37
				15 June 2018	-55,859	Sale	16,200,160	1.36
				29 June 2018	-95,790	Sale	16,104,370	1.35
				29 September 2018	-785,731	Sale	15,318,639	1.29
				26 October 2018	-500,000	Sale	14,818,639	1.25
				02 November 2018	-500,000	Sale	14,318,639	1.20
				23 November 2018	-500,000	Sale	13,818,639	1.16
				30 November 2018	-818,479	Sale	13,000,160	1.09
				14 December 2018	-300,000	Sale	12,700,160	1.07
				21 December 2018	-300,000	Sale	12,400,160	1.04
				11 January 2019	-665,189	Sale	11,734,971	0.99
				18 January 2019	-81,245	Sale	11,653,726	0.98
				08 February 2019	-500,000	Sale	11,153,726	0.94
				15 February 2019	-335,744	Sale	10,817,982	0.91
				22 February 2019	-217,822	Sale	10,600,160	0.89
				08 March 2019	-208,000	Sale	10,392,160	0.87
				15 March 2019	-152,860	Sale	10,239,300	0.86
				30 March 2019	-239,140	Sale	10,000,160	0.84
12	The New India Assurance Company Limited	14,615,173	1.23	01 April 2018				
				06 April 2018	-242,472	Sale	14,372,701	1.21
				13 April 2018	-315,935	Sale	14,056,766	1.18
				04 May 2018	-100,494	Sale	13,956,272	1.17
				11 May 2018	-399,506	Sale	13,556,766	1.14
				15 June 2018	-336,562	Sale	13,220,204	1.11
				20 July 2018	-240,000	Sale	12,980,204	1.09
				27 July 2018	-595,000	Sale	12,385,204	1.04
				05 October 2018	-521,202	Sale	11,864,002	1.00
				12 October 2018	-465,037	Sale	11,398,965	0.96
				19 October 2018	-503,761	Sale	10,895,204	0.92
				26 October 2018	-560,000	Sale	10,335,204	0.87

Sl. No.	Name	No. of Shares at the beginning (i.e. 01/04/2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				02 November 2018	-130,000	Sale	10,205,204	0.86
				09 November 2018	-292,897	Sale	9,912,307	0.83
				16 November 2018	-477,103	Sale	9,435,204	0.79
				14 December 2018	-100,000	Sale	9,335,204	0.78
				21 December 2018	-349,099	Sale	8,986,105	0.76
				31 December 2018	-50,901	Sale	8,935,204	0.75
				04 January 2019	-173,875	Sale	8,761,329	0.74
				11 January 2019	-157,602	Sale	8,603,727	0.72
				18 January 2019	-186,102	Sale	8,417,625	0.71
				25 January 2019	-315,000	Sale	8,102,625	0.68
				08 February 2019	-651,034	Sale	7,451,591	0.63
				15 February 2019	-923,966	Sale	6,527,625	0.55
				08 March 2019	-400,000	Sale	6,127,625	0.52
				15 March 2019	-100,000	Sale	6,027,625	0.51
				30 March 2019	0		6,027,625	0.51

[1]Note: The above marked shareholders have been reflected as Top 10 as on March 31, 2019. However, they were not falling under Top 10 as on April 1, 2018

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	No. of Shares at the beginning of the year (i.e. on 01/04/2018)		Date	Increase/ Decrease in share holding		Cumulative Shareholding during the year(01/04/2018 to 31/03/2019)	
		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	Mehernosh Kapadia (39,300 shares Jointly held with Villu Mehernosh Kapadia)	63,480	0.01	-	0	0.00	63,480	0.01
2	Deepak Parekh (Jointly held with Harsha Parekh)	3,100	0.00	-	0	0.00	3,100	0.00
3	Nadir Godrej	-	-	31/08/2018	2,000	0.00	2,000	0.00

V. INDEBTEDNESS

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

₹ crores

	Secured Loans excluding deposits	Unsecured Loans	Liability on Derivative Contracts	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1043.86	740.02	230.56	2014.44
ii) Interest due but not paid	35.42	16.42	-	51.84
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1079.28**	**756.44**	**230.56**	**2066.28**
Change in Indebtedness during the financial year				
Addition	0.31	43.56	46.89	90.76
Reduction	-	(50.00)	-	(50.00)
Net Change	**0.31**	**(6.44)**	**46.89**	**40.76**
Indebtedness at the end of the financial year				
i) Principal Amount	1044.09	733.58	277.45	2055.12
ii) Interest due but not paid	35.50	16.42	-	51.92
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1079.59**	**750.00**	**277.45**	**2107.04**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ crores

Sr. no.	Particulars of Remuneration	Puneet Chhatwal MD & CEO	Mehernosh Kapadia[1] ED- Corporate Affairs
1)	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.90	2.51
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.89	0.06
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2)	Stock Option	-	-
3)	Sweat Equity	-	-
4)	Commission paid - as % of profit	1.23	-
5)	Others	-	-
	Total	**6.02**	**2.57**

[1] Retired as Executive Director of the Company w.e.f. May 23, 2018 and apppointed as Non-Executive Director w.e.f. August 10, 2018.

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

₹

Sr. no.	Particulars of Remuneration	Nadir Godrej	Gautam Banerjee	Ireena Vittal	Deepak Parekh	Vibha Paul Rishi	Total Amount
1	Fee for attending Board / Committee Meetings	5,40,000	1,50,000	3,00,000	4,20,000	2,40,000	16,50,000
2	Commission	60,00,000	25,00,000	40,00,000	65,00,000	42,00,000	2,32,00,000
	Total	**65,40,000**	**26,50,000**	**43,00,000**	**69,20,000**	**44,40,000**	**2,48,50,000**

Non-Executive Directors

₹

Sr. no.	Particulars of Remuneration	N. Chandrasekaran	Mr. Mehernosh S. Kapadia[1]	Mr. Venu Srinivasan[2]	Total Amount
1	Fee for attending Board / Committee Meetings	2,10,000	90,000	30,000	3,30,000
2	Commission	Nil[3]	Nil	Nil	-
	Total	**2,10,000**	**90,000**	**30,000**	**3,30,000**

[1]Retired as Executive Director of the Company w.e.f. May 23, 2018 and apppointed as Non-Executive Director w.e.f. August 10, 2018, hence not shown.

[2]Apppointed as Non-Executive Director w.e.f. August 10, 2018, hence not shown.

[3]As a Policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company, hence not shown.

The commission to Independent Directors and Non-Executive Directors, as applicable 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

₹ crores

Sr. no.	Particulars of Remuneration	Mr. Beejal Desai Senior Vice President – Legal & Company Secretary	Mr. Giridhar Sanjeevi Executive Vice President & Chief Financial Officer
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	 1.42 0.17 -	 3.29 0.02 -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others (specify)	-	-
	Total	**1.59**	**3.32**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

On behalf of the Board of Directors

N. Chandrasekaran
Chairman

Mumbai, April 30, 2019

ANNEXURE IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2019
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and the adherence to good corporate practices by The Indian Hotels Company Limited (hereinafter called 'the Company') for the year ended on March 31, 2019 (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 audit period according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and by-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowing;

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and

   (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other laws specifically applicable to the Company are:

   (a) Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011; and

   (b) Food Safety and Standards (Packing & Labelling) Regulations, 2011.

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

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

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

(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.

(v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

We further report that –

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, prior consent thereof were obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that-

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

We further report that-

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

For example:

(i) Public/Right/Preferential issue of shares / debentures/ sweat equity, etc;

(ii) Redemption / buy-back of securities;

(iii) Foreign Technical Collaborations.

For: NEVILLE DAROGA & ASSOCIATES

Neville K. Daroga
ACS No. 8663
C.P. No. 3823

Place: Mumbai
Date: April 30, 2019

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 management is responsible for compliance of applicable laws, rules, regulations, standards as applicable to The Indian Hotels Company Limited. Our examination of the records and procedures was based on test check basis for issuing the Secretarial Audit Report.

2. The management of the Company is responsible for the maintenance of secretarial and other records as applicable to the Company under various laws. Our responsibility is to issue Secretarial Audit Report which is based on the relevant records maintained and information/explanations as furnished to us by the Company and its officials. Wherever required the management representation about compliance of laws as applicable to the Company including major events during the audit period have been obtained from the management.

3. We have followed the laid down audit practices for verifying the correctness and the contents of the secretarial and other records. The practices followed by us gave us reasonable basis to form our opinion for issuing the Secretarial Audit Report.

4. We have not verified the authenticity and significance of the books and the financial accounts as maintained by the Company.

5. The Secretarial Audit Report does not give an assurance as to the future viability of the Company nor of the potency and competency with which the management has conducted the affairs of the Company.

For: NEVILLE DAROGA & ASSOCIATES

Neville K. Daroga
ACS No. 8663
C.P. No. 3823

Place: Mumbai
Date: April 30, 2019

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	% increase of Remuneration in 2019 as compared to 2018	Ratio to median Remuneration
Mr. Puneet Chhatwal – MD & CEO	NA[1]	140.41
Mr. Mehernosh S. Kapadia - ED - Corporate Affairs	NA[2]	59.90
Mr. Giridhar Sanjeevi- EVP & CFO	63%[3]	77.39
Mr. Beejal Desai, Senior VP - Legal & Company Secretary	27%	37.14

[1]Appointed w.e.f. November 6, 2017, hence not shown.

[2]Retired as Executive Director of the Company w.e.f. May 23, 2018 and apppointed as Non-Executive Director w.e.f. August 10, 2018, hence not shown.

[3]Appointed w.e.f. May 4, 2017

Non -Executive and Independent Directors	% increase of Remuneration in 2019 as compared to 2018	Ratio to median Remuneration
Mr. N. Chandrasekaran[1]	NA	NA
Mr. Deepak Parekh	22%	16.15
Mr. Nadir Godrej	0%	15.26
Ms. Ireena Vittal	3%	10.04
Mr. Gautam Banerjee	11%	6.18
Mr. Vibha Paul Rishi	3%	10.36
Mr Mehernosh S Kapadia[2]	NA	NA
Mr Venu Srinivasan[3]	NA	NA

[1]As a Policy, Mr. N. Chandrasekaran has abstained from receiving commission from the Company. Hence, not shown.

[2]Retired as Executive Director of the Company w.e.f. May 23, 2018 and apppointed as Non-Executive Director w.e.f. August 10, 2018.

[3]Appointed w.e.f. August 10, 2018

c. The percentage increase in the median Remuneration of employees in the financial year was 4%

d. The number of permanent employees on the rolls of Company as on March 31, 2019 was 5,396

e. Average Percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year was 7%.

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.

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

The Indian Hotels Company Limited ('IHCL/the Company') has a governance framework that is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. Inclusive and transparent corporate governance practices are the Company's inherited tenets from the Tata group which have indeed been an integral part of the way the Company has done business for over a century.

IHCL, endevours to demonstrate the highest standards of corporate governance and ethical behaviour across all levels within the organisation with a zero-tolerance policy towards any deviation from these standards. Our ethical framework focuses on long term shareholder value creation through responsible decision making. As a global organisation, the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices.

Our corporate governance framework ensures that we make timely disclosures and share relevant information regarding our financials and performance, as well as disclosure related to the leadership and governance of the Company. At IHCL, Corporate Governance is more than just adherence to the Statutory & Regulatory requirements. It is equally about focusing on voluntary practices that underline the highest levels of transparency & propriety.

The Corporate Governance mechanism is further strengthened with adherence to the Tata Business Excellence Model as a means to drive excellence for tracking progress on long term strategic objectives. The Tata Code of Conduct ('TCOC'), which articulates the values, ethics and business principles, serves as a guide to the Company and Employees including the Managing Director and Executive Directors and is supplemented with an appropriate mechanism to report any concerns pertaining to non-adherence to TCOC.

GOVERNANCE GUIDELINES

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

BOARD OF DIRECTORS

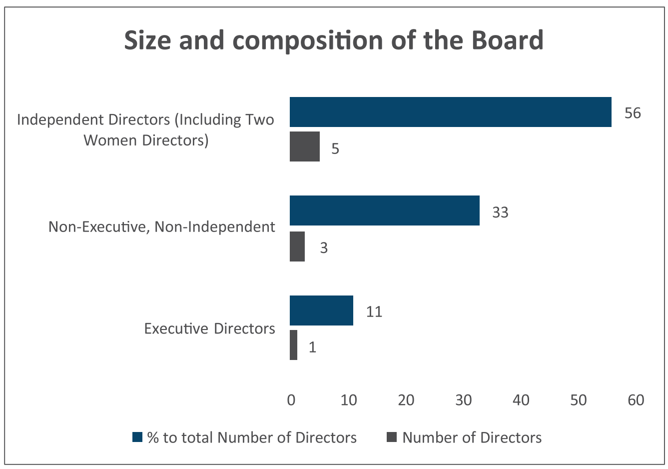
The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At IHCL, the Board is at the core of our corporate governance practices. Driven on the principles of ethics and accountability, the Board strives to work in best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

Size and Composition of the Board

We acknowledge the importance of diversity in the Boardroom as a driver of effectiveness. For the Board, diversity encompasses difference in perspective, experience, education, ethnicity, gender and other personal attributes.

IHCL's Board represents an appropriate mix of Executive and Non-Executive Directors, including Independent Directors, which is compliant with the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

As on March 31, 2019, the Company's Board of Directors ('Board') comprises nine members, out of whom one is an Executive Director and eight are Non-Executive Directors. Out of these eight Non- Executive Directors, five are Independent Directors of which two are Women Directors. None of the Directors are related inter-se, in terms of Section 2 (77) of the Act, read with the Rules framed thereunder. The profile of the directors can be found on our Company's website at: **https://www.ihcltata.com/investors/**. All Directors, other than Independent Directors are liable to retire by rotation.



Key Board Qualifications, Expertise and Attributes

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees.

In view of the objectives and activities of our Business, the Company requires skills/expertise/competencies in the areas of Finance, Regulatory, Strategy, Business Leadership, Technology, Sales & Marketing, Hospitality, Human Resources and Risk & Governance.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

Term of Board Membership

As per the retirement age policy adopted by the Company, the retirement age for Independent Directors is 75 years and other Non-Executive Directors is 70 years. The Managing and Executive Directors retire at the age of 65 years.

Details of other Directorships/ Committee Memberships

All the Directors have made necessary disclosures regarding their directorships and other interests as required under Section 184 of the Act and on the Committee positions held by them in other companies. None of the Directors hold directorships in more than 20 Indian Companies with not more than 10 public limited companies and none of the Directors hold directorships in more than eight listed entities. None of the Independent Directors serve as Independent Director in more than seven listed entities and none of the Whole-time Directors of any listed company serve as Independent Directors in more than three listed companies. Further, neither of them serve as Members of more than 10 Committees nor do any of them serve as Chairperson of more than five Committees, across all the public limited companies in which they are Directors. For the purpose of counting the Chairmanship and Membership of Committees, the Company has only considered Audit Committee and Stakeholder's Relationship Committee.

The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s)/ Chairmanship(s), details of directorships of listed entities and category of directorship, and their shareholding in the Company as on March 31, 2019 are provided herein:

Name and Category of the Director	No. of outside Directorships as at March 31, 2019[1]	Details of Directorships of other Listed Entities and Category of Directorship		No of outside committee positions held[2]		No. of shares and convertible instruments held in IHCL
				As Member	As Chairman	
Mr. N. Chandrasekaran (Chairman) Non-Executive, Non-Independent	5	Tata Motors Limited	Non-Executive, Non-Independent	-	-	-
		Tata Global beverages Limited	Non-Executive, Non-Independent			
		Tata Consultancy Services Limited	Non-Executive, Non-Independent			
		Tata Steel Limited	Non-Executive, Non-Independent			
		The Tata Power Company Limited	Non-Executive, Non-Independent			
Mr. Puneet Chhatwal Managing Director & Chief Executive Officer	7	Taj GVK Hotels and Resorts Limited	Non- Executive Director	1	-	-
		Oriental Hotels Limited	Non- Executive Director			
		Benares Hotels Limited	Non- Executive Director			
Mr. Deepak Parekh Non-Executive Independent	8	Siemens Limited	Independent Director	3	1	3,100 Equity Shares
		Network 18 Media and Investments Limited	Independent Director			
		HDFC Life Insurance Company Limited	Non- Executive Director			
		Housing Development Finance Company Limited	Non- Executive Director			
		HDFC Asset Management Company Limited	Non- Executive Director			
		GlaxoSmithKline Pharmaceuticals Limited	Non- Executive Director			

Name and Category of the Director	No. of outside Directorships as at March 31, 2019[1]	Details of Directorships of other Listed Entities and Category of Directorship		No of outside committee positions held[2]		No. of shares and convertible instruments held in IHCL
				As Member	As Chairman	
Mr. Nadir Godrej Non-Executive Independent	9	Mahindra and Mahindra Limited	Independent Director	2	2	2,000 Equity Shares
		Godrej Industries Limited	Managing Director			
		Godrej Consumer Products Limited	Non- Executive Director			
		Godrej Properties Limited	Non- Executive Director			
		Astc Lifesciences Limited	Non- Executive Director			
		Godrej Agrovet Limited	Non- Executive Director			
Ms. Ireena Vittal Non-Executive Independent	5	Titan Company Limited	Independent Director	6	-	-
		Godrej Consumer Products Limited	Independent Director			
		Wipro Limited	Independent Director			
		Housing Development Finance Company Limited	Independent Director			
		Cipla Limited	Independent Director			
Mr. Gautam Banerjee Non-Executive Independent	1	Piramal Enterprises Limited	Independent Director	-	-	-
Ms. Vibha Paul Rishi Non-Executive Independent	9	Escorts Limited	Independent Director	4	1	-
		Tata Chemicals Limited	Independent Director			
		ICICI Prudential Life Insurance Company Limited	Independent Director			
		Asian Paints Limited	Independent Director			
Mr. Mehernosh S. Kapadia[3] Non-Executive, Non- Independent	4	-	-	1	-	63,480 Equity Shares
Mr. Venu Srinivasan[4] Non-Executive, Non- Independent	7	TVS Motor Company Limited	Chairman & MD	3	-	-
		Sundaram- Clayton Limited	Chairman & MD			
		Cummins India Limited	Independent Director			

[1]Excludes directorships in private companies, section 8 companies and alternate directorships and also IHCL.

[2]'Board Committees' for this purpose pertain to only the Audit Committee and the Stakeholders Relationship Committee of other Public Companies as per the Listing Regulations.

[3]Retired as Executive Director w.e.f May 23, 2018 and thereafter appointed as Non-Executive Director w.e.f August 10, 2018.

[4]Appointed as Non-Executive Director w.e.f August 10, 2018.

Succession Plan

The Board of Directors has satisfied itself that plans are in place for orderly succession for appointment to the Board of Directors and Senior Management.

Familiarization Programmes for Directors

The Board familiarization programme comprises the following:-

- Induction programme for new Directors;
- Immersion sessions on business and functional issues;
- Strategy sessions.

The Independent Directors have been familiarised with the Company, their roles and responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company etc. During FY 2018-19, Independent Directors were taken through various aspects of the Company's business and operations.

The details of the familiarization programme are disclosed on the Company's website at: **https://www.ihcltata.com/investors/**.

All new Non-Executive Directors inducted to the Board are introduced to our Company culture through orientation sessions. Executive Directors and Senior Management provide an overview of operations, and familiarize the new

Non-Executive Directors on matters related to our values and commitments. They are also introduced to the organization structure, services, group structure and subsidiaries, constitution, Board procedures, matters reserved for the Board, major risks and risk management strategy. They are given full opportunity to interact with Senior Management and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

In the Board Meetings, immersion sessions deal with different parts of the business and brings out various facets of the business besides the shape of the business. To make these sessions meaningful and insightful, pre-reads are circulated in advance. Deep dive sessions are also organised on specific subjects for better appreciation by the Board of its impact on the business.

A Strategy Board Meeting is organised generally at a location where the Company has an office or an establishment. It provides to the Board an opportunity to understand Company's footprint in that market and also interact with the Company's leadership and business teams in that market. The strategy session focuses on the strategy for the future and covers all parts of the business and functions, the course corrections, if any, required to be undertaken and gives a good perspective of the future opportunities and challenges.

Independent Directors

The term Independent Director has been defined under Section 149 of the Act, the Rules framed thereunder and Regulation 16 of the Listing Regulations.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) of Listing Regulations and Section 149(6) of the Act and the Rules framed thereunder and are independent of the management as required under Regulation 25 of the Listing Regulations.

The Company has complied with the provisions with respect to appointment and term of Independent Directors which are consistent with the Act and the Listing Regulations. The Independent Directors on the Board of the Company, are given a formal appointment letter inter alia containing the terms of appointment, role, duties and responsibilities, time commitment, code of conduct, etc. The terms and conditions of appointment are disclosed on the website at: **https://www.ihcltata.com/investors/**. None of the Independent Directors have resigned before the expiry of their respective tenures during the year under review.

Separate Meeting of Independent Directors

During the year under review, a separate meeting of Independent Directors was held on March 27, 2019, without the presence of Non-Independent Directors and other members of the Management. At the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company after taking in account the views of the Executive Directors and Non-Executive Directors. They also assessed the quality, quantity, timeliness and adequacy of information between the Company's management and the Board.

Board Processes

Video/Tele conferencing Facilities: We provide video / tele conferencing facilities to facilitate Directors travelling / residing abroad or for those who are at other locations in order to enable them to participate in the Meetings.

Availability of Information to Board Members: The Board has unrestricted access to all Company-related information, including that of our employees. At Board Meetings, managers and representatives who can provide additional insights into the items being discussed are invited.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the Listing Regulations is made available to the Board of Directors, for discussions and consideration at Board Meetings. The Board reviews the declaration made by the Managing Director & Chief Executive Officer ('CEO') regarding compliance with all applicable laws on a quarterly basis, as also steps taken to remediate instances of non-compliance, if any.

Compliance Reporting: The Company has developed a very comprehensive Legal Compliance System, which drills down from the CEO to the executive-level person (who is primarily responsible for compliance) within the Company. The process of compliance reporting is fully automated, using the legatrix compliance tool. System-based alerts are generated until the user submits the monthly compliance report, with provision for escalation to the higher-ups in the hierarchy. Any non-compliance is seriously taken up by the Board, with measures to be taken for rectification of non-compliance.

Board Meetings

During the year under review, the Board met five times and the gap between any two meetings did not exceed 120 days. The necessary quorum was present for all the Meetings.

Attendance of Directors at the Board Meeting and AGM held during the year:

Name of the Director	AGM held on July 19, 2018	Date of the Board meetings held during the year					Held during tenure	Attended	% of attendance
		25/05	19/07	10/08	14/11	12/02			
Mr. N. Chandrasekaran Chairman	Yes	✓	✓	✓	✓	✓	5	5	100%
Mr. Puneet Chhatwal	Yes	✓	✓	✓	✓	✓	5	5	100%
Mr. Deepak Parekh	Yes	✓	✓	✓	✓	✓	5	5	100%
Mr. Nadir Godrej	Yes	✓	✓	✓	✓	✓	5	5	100%
Ms. Ireena Vittal	No	✓	x	✓	x	✓	5	3	60%
Mr. Gautam Banerjee	Yes	✓	✓	✓	✓	✓	5	5	100%
Ms. Vibha Paul Rishi	Yes	✓	✓	✓	✓	✓	5	5	100%
Mr. Mehernosh Kapadia	N.A	N.A	N.A	✓	✓	✓	3	3	100%
Mr. Venu Srinivasan	N.A	N.A	N.A	N.A	x	✓	2	1	50%

Video conferencing facilities were provided to the Directors to facilitate them to particiapiate in the meetings.

COMMITTEES OF THE BOARD:

The Board Committees are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and they deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the committees are submitted to the Board for approval. During the year under review, all recommendations of the committees were approved by the Board. The minutes of the meetings of all committees of the Board are placed before the Board for noting. The Chairperson of the Audit Committees, Nomination and Remuneration Committee and Stakeholders Relationship Committee were present at the previous Annual General Meeting.

IHCL has five Statutory Committees:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholders' Relationship Committee
4) Corporate Social Responsibility and Sustainability Committee and
5) Risk Management Committee.

The composition of various Committees of the Board of Directors is available on the website at: **https://www.ihcltata.com/investors/**.

Details on the role and composition of these Committees, number of meetings held during the Financial Year 2018-19 and the related attendance are provided hereunder:

1. Audit Committee:

As on March 31, 2019 the Audit Committee comprises of three Independent Directors, all of whom are financially literate and have the relevant experience in the field of finance, banking and accounting, with the Chairperson being a Chartered Accountant. During the year under review, the Audit Committee met five times and the gap between any two meetings did not exceed 120 days. The Committee meetings were held on May 25, 2018, August 10, 2018, November 14, 2018, February 12, 2019 and March 27, 2019. Necessary quorum was present for all the meetings.

The composition of the Audit Committee and its attendance at its meetings is as follows:

Name of the Director	Category	Held during tenure	Attended
Mr. Deepak Parekh – Chairperson	Non-Executive, Independent Director	5	5
Mr. Nadir Godrej	Non-Executive, Independent Director	5	5
Ms. Ireena Vittal	Non-Executive, Independent Director	5	4

The meetings of the Audit Committee are also attended by the Managing Director & Chief Executive Officer, Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees as and when required. The Company Secretary acts as the Secretary to the Committee.

Roles and Responsibilities of the Audit Committee include the following:

The responsibilities of the Audit Committee are governed by its Charter which is in line with the regulatory requirements mandated by the Act and the Listing Regulations, highlights of which are detailed hereunder:

- To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;

- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of adequacy of internal financial controls and risk management systems;
- 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;
- Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower
- 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;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 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
    - Modified Opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- 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;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Review of the following:
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
    - Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - Internal audit reports relating to internal control weaknesses; and
    - The appointment, removal and terms of remuneration of the chief internal auditor;

- Statement of deviations:

  (a) Quarterly statement of deviations(s) including report of monitoring agency, if applicable, submitted to stock exchanges(s) in terms of Regulation 32(1) of the Listing Regulations.

  (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

- To frame and review the policies in relation to the implementation of the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ('Insider Trading Code') and to supervise implementation of the same;

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

2. Nomination and Remuneration Committee:

As on March 31, 2019 the Nomination and Remuneration Committee ('NRC') presently comprises of three Independent Directors and one Non-Executive Director, with the Chairperson of the Committee being an Independent Director. During the year under review, the Committee met twice and the necessary quorum was present at all the meetings.The NRC meeting were held on May 25, 2018 and August 10, 2018 The composition of the NRC and its attendance at its meetings is as follows:

Name of the Director	Category	Held during tenure	Attended
Mr. Deepak Parekh – Chairperson	Non-Executive, Independent Director	2	2
Mr. Nadir Godrej	Non-Executive, Independent Director	2	2
Mr. N. Chandrasekaran	Non-Executive, Non-Independent Director	2	2
Ms. Vibha Paul Rishi	Non-Executive, Independent Director	2	2

The NRC functions according to its Charter, that defines its objective, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and the Listing Regulations.

Roles and Responsibilities of the NRC includes the following:

- Recommend to the Board the setup and composition of the Board. This shall include 'Formulation of the criteria for determining qualifications, positive attributes and independence of a director'. This also includes periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.

- Devise a policy on Board diversity.

- Identify persons who are qualified to become directors and who may be appointed as KMPs and Senior Management in accordance with the criteria, and recommend to the Board of directors their appointment or re-appointment and removal. The committee shall consider and recommend the appointment of the Chief Financial Officer ('CFO') to the Audit Committee and the Board

- Recommend to the Board whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors

- Support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its committees and individual Directors. This shall include 'Formulation of criteria for evaluation of Independent Directors and the Board.'

- Recommend the remuneration policy for the Directors, KMP'S, Senior Management and other employees. This includes review and recommendation of the design of annual and long term incentive plan (includes deferred payment plans, equity plans, etc.) for Managing Director ('MD')/Executive Directors ('ED'), KMP's and the Senior Management.

- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP'S and Senior Management of the Company. This includes review and recommendation of actual payment of annual and long term incentives for MD/ EDs, KMP's and Senior Management.

Remuneration Policy:

As recommended by the NRC, the Board has adopted a Remuneration Policy for Directors, Senior Management, Key Managerial Personnel and other Employees. The Policy envisages payment of remuneration according to qualification, experience and performance and is based on the commitment of fostering a culture of leadership with Trust. The Company's remuneration strategy is market-driven and aims at attracting and retaining high calibre talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis. The Company has no scheme of granting stock options.

In accordance with the relevant provisions of the Act, Rules framed thereunder and the Listing Regulations, the following Policies/ Framework have been adopted by the Board upon recommendation of the NRC:

- Policy on Board Diversity and Director Attributes.
- Remuneration Policy relating to remuneration of Directors, Key Managerial Personnel and other Employees.
- Framework for evaluation of the Board, its Committees and individual Board Members including Independent Directors.

The aforesaid policies are available on the website at **https://www.ihcltata.com/investors.**

The Non-Executive Directors are currently paid sitting fees of ₹ 30,000/- for attending meetings of the Board/ Committee. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the meetings.

The commission payable to Non-Executive Directors is decided by the Board of Directors subject to the approval of Members of the Company. The Members have been requested, at the Annual General Meeting to be held on June 20, 2019, to approve the payment of remuneration by way of commission to the Non-Executive Director's of the Company, upto a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act commencing on or after April 1, 2019. In line with the internal guidelines of the Company, no payment is made towards commission to the NED's of the Company, who are in full time employment with any other Tata Company. As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

Commission is based *inter alia* on the performance evaluation of Directors, the criteria for which is determined by the NRC. An indicative list of factors that are evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

The remuneration of the Executive Directors is recommended by the NRC based on factors such as industry benchmarks, the Company's performance vis-à-vis the industry, performance/ track record of the Executive Directors which is decided by the Board of Directors. Remuneration comprises a fixed component viz. salary, allowances, special allowances and retirals and a variable component viz. commission, incentive remuneration and additional performance bonus. Annual increments are recommended by NRC within the salary scale approved by Board and Members and are effective from 1st April each year.

Further, the Board of Directors on the reccomendations of the NRC decides commission payable to MD/ ED out of the profits of the current Financial Year and within the celing prescribed under the Act, based on the Board evaluation process considering the criteria such as performance of the Company as well as the MD and Executive Directors

Details of Remuneration paid by the Company to the Directors during Financial Year 2018-19

A. Non-Executive Directors

₹ lakhs

Name of the Director	Sitting Fees	Commission
Mr. N. Chandrasekaran (Chairman)[1]	2.10	-
Mr. Deepak Parekh	4.20	65.00
Mr. Nadir Godrej	5.40	60.00
Ms. Ireena Vittal	3.00	40.00
Mr. Gautam Banerjee	1.50	25.00
Ms. Vibha Paul Rishi	2.40	42.00
Mr. Mehernosh S. Kapadia[2]	0.90	-
Mr. Venu Srinivasan[3]	0.30	-
Total	**19.80**	**232.00**

[1]As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

[2]Retired as Executive Director w.e.f May 23, 2018 and thereafter appointed as Non-Executive Director w.e.f August 10, 2018.

[3]Appointed as Non-Executive Director w.e.f August 10, 2018

B. Executive Directors

₹ lakhs

Name of the Director	Salary & Perquisites	Performance Linked Incentive[1]	Retrial Benefits	Commission[1]	Total
Mr. Puneet Chhatwal	436.86	-	41.78	123.00	601.64
Mr. Mehernosh S. Kapadia[2]	53.88	200.00	2.77	-	256.65

[1]Variable components.

[2]Retired as Executive Director w.e.f May 23, 2018 and thereafter appointed as Non-Executive Director w.e.f August 10, 2018.

Traditionally, the Directors are paid commission each year after the Financial Statements are approved by the Members at the AGM.

The Board believes that the above compensation structure is commensurate with best practices in terms of remunerating Non-Executive / Independent Directors of a Company of similar size, and adequately compensates for the time and contribution made by our Non-Executive Directors.

Employment Agreements with Executive Directors

The Company has entered into an employment agreement with Mr. Puneet Chhatwal as Managing Director and Chief Executive Officer of the Company for a period of five years from November 6, 2017 upto November 5, 2022 on such terms and conditions as approved by the Members of the Company on July 19, 2018. The term of the office can be terminated by either side by serving six months notice on either side.

The employment agreement with Mr. Mehernosh Kapadia has ceased w.e.f. May 23, 2018, upon his retirement as Executive Director- Corporate Affairs, in accordance with the Company's policy on retirement age.

3. Stakeholders' Relationship Committee:

The Stakeholder Relationship Committee ('SRC') of the Company assists the Board of Directors in servicing and protecting various aspects of interest of shareholders, debenture holders and other security holders, having the mandate to review and redress stakeholder grievances.

As on March 31, 2019, the Committee presently comprises of one Independent Director, one Non-Executive Director and the Managing Director. During the year under review, the Committee met twice. The meetings were held on August 10, 2018 and February 12, 2019. Necessary quorum was present at all the meetings. The composition of the SRC and its attendance at its meetings is as follows:

Name of the Director	Category	Held during tenure	Attended
Mr. Nadir Godrej - Chairperson	Non-Executive, Independent Director	2	2
Mr. Puneet Chhatwal	Managing Director & CEO	2	2
Mr. Mehernosh Kapadia[1]	Non-Executive, Non-Independent Director	NA	NA

[1]Mr. Mehernosh Kapadia was inducted as a Member of the SRC on February 12, 2019

Roles and Responsibilities of the SRC includes the following:

- Resolving all grievances of the security holders
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent and overseeing their performance
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company
- Approve issue of duplicate certificates of the Company
- Oversee and review all matters related to the transfer of securities of the Company
- and such other terms of reference as may be prescribed under the applicable laws from time to time,

In accordance with Regulation 6 of the Listing Regulations, the Board has appointed Mr. Beejal Desai - Senior Vice President, Legal and Company Secretary as the Compliance Officer. He is authorised to approve share transfers/ transmissions, in addition to the powers with the Members of the Committee. Share transfer formalities are regularly attended to and at least once a fortnight. All investor complaints which cannot be settled at the level of the Compliance Officer, are placed before the SRC for final settlement.

Details of Investors complaints received and resolved during the Financial Year 2018-19

There were no pending investor complaints which remained unresolved. The Company has also resolved all complaints received through SEBI Complaints Redress System ('SCORES'). All valid share transfers lodged upto March 31, 2019, have been processed by the Committee. The status of the complaints received (inclusive of SCORES) from shareholders from April 1, 2018 to March 31, 2019 is as under:

Investor complaints received	Pending as on March 31, 2019
8	Nil

4. Corporate Social Responsibility (CSR) and Sustainability Committee:

As at March 31, 2019, the CSR and Sustainability Committee comprises of two Independent Directors and the Managing Director. During the year under review, two meetings of the Committee were held on May 25, 2018 and November 14, 2018. Necessary quorum was present at all the meetings. The composition of the CSR and Sustainability Committee and attendance at its meetings is given hereunder:

Name of the Director	Category	Held during tenure	Attended
Mr. Puneet Chhatwal – Chairperson	Managing Director & CEO	2	2
Mr. Nadir Godrej	Non-Executive, Independent Director	2	2
Ms. Ireena Vittal	Non-Executive, Independent Director	2	1

Roles and Responsibilities of the CSR includes the following:

- Formulating and recommending to the Board, a Corporate Social Responsibility 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
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time
- Providing vision and guidance to the Management to ensure that all long-term business proposals made to the Board are assessed through the lens of CSR, Environment, Safety, Health, and reputational implications – including associated risks and opportunities.

5. Risk Management Committee:

The Board of Directors have constituted a Risk Management Committee as required under Regulation 21 of the Listing Regulations to frame, implement and monitor the risk management plan of the Company.

As at March 31, 2019, the Committee comprises of three Independent Directors, viz. Mr. Deepak Parekh – Chairperson of the Committee, Ms. Ireena Vittal and Mr. Nadir Godrej. During the year under review, the Committee met once on March 27, 2019 and the Meeting was attended by all the Members.

Roles and Responsibilities of the Risk Management Committee includes the following:

- Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management and oversee its deployment within the Company
- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- Review and analyse risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organization.
- Review compliance with risk policies, monitors breach / trigger trips of risk tolerance limits and directs action.
- Oversee major risks of operating subsidiaries
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

POLICIES, AFFIRMATIONS AND DISCLOSURES

In line with IHCL's philosophy for adhering to ethical and governance standards and ensure fairness, accountability, responsibility and transparency to all its stakeholders, IHCL inter-alia, has the following policies and codes in place. The following policies have been uploaded on the website at: **https://www.ihcltata.com/investors/.**

Sr.No.	Name of the Policy, Code or Charter
1.	CSR Policy
2.	Whistle Blower Policy and Vigil Mechanism
3.	Policy on Related Party Transactions
4.	Policy for determining Material Subsidiaries
5.	Prevention of Sexual Harassment (POSH) Policy
6.	Website Archival Policy
7.	Policy on Materiality of Events and Disclosures
8.	Sustainability Policy
9.	Dividend Distribution Policy
10.	Code of Corporate Disclosures Practices
11.	Code of Conduct for Non-Executive Directors
12.	Remuneration Policy for Directors, KMP and other Employees
13.	Tata Code of Conduct
14.	Terms and Conditions of Appointment/ Re-appointment of Independent Directors
15.	Familiarization Programme for Independent Directors
16.	Audit Committee Charter
17.	Internal Audit Charter
18.	Unclaimed Dividend Account Details

Tata Code of Conduct

Commitment to ethical professional conduct is a must for every employee, including Board Members and Senior Management Personnel of IHCL. Company has adopted the Tata Code of Conduct ('TCOC'), which is applicable to all its employees including the Managing Director and Executive Directors. TCOC clearly articulates the ethical principles and desired behaviours. TCOC is intended to serve as a basis for ethical decision-making in conduct of professional work. TCOC requires the Tata companies and employees to act with professionalism, honesty and integrity and to preserve the human rights of every individual and the community. The principles of TCOC apply to all our dealings with our business partners who are encouraged to adhere to similar standards. TCOC covers various subjects like equal opportunity employer, dignity & respect, human rights, prohibition of bribery & corruption, gifts and hospitality, conflict of interest, financial reporting and records among others. TCOC is augmented by a number of policies that help strengthen governance practices of the Company.

These policies include The Conflict of Interest Policy, The Policy for Receipt of Gifts and Hospitality, The Whistle Blower Policy, Prevention of Sexual Harassment at Workplace Policy etc.

In addition to the above, the Company has also adopted a separate Code of Conduct for its Non-Executive Directors and Independent Directors('Code').

Pursuant to Regulation 26(5) of the Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the Listing Regulations, all the Board Members and Senior Management of the Company as on March 31, 2019 have affirmed compliance with their respective Codes of Conduct. A declaration to this effect, duly signed by the Managing Director and Chief Executive Officer is annexed to this Report.

Tata Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'), as amended from time to time, the Board of Directors of the Company has adopted the revised Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ('Insider Trading Code') to be followed by Designated Persons and their Immediate Relatives and other Connected Persons. The said Code is based on the principle that Directors and the employees of the Company owe a fiduciary duty to, among others, the Members of the Company to place the interest of the Members above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Insider Trading Code contains regulations for preservation of price sensitive information, pre-clearance of trade and monitoring and implementation of the said Code as also lays down practices and procedures for fair disclosure of unpublished price-sensitive information ('UPSI'), initial and continual disclosures.

Mr. Beejal Desai, Company Secretary is the "Compliance Officer" in terms of Insider Trading Code.

The Company has in place a structured digital database containing the list of Designated Persons with whom UPSI is shared with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. All declarations and disclosures are received by the Designated Persons through the automated system implemented for monitoring Insider Trading.

The Audit Committee reviews compliance with the provisions of the SEBI PIT Regulations, confirming that the systems for internal control for the purpose are adequate and are operating effectively.

Establishment of Vigil Mechanism

The Company has adopted a revised Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and the Insider Trading Code. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no Employee or Director or any personnel of the Company has been denied access to the Audit Committee.

Related Party Transactions

The Company ensures that its Related Party Transactions are in the best interest of the Company and the relationship with related parties does not in any way influence its transactions. To adhere to an appropriate governance framework while entering into the transactions with related parties, the Company has formulated a Policy on Related Party Transactions setting out *inter alia* the manner of dealing with transactions between the Company and related parties, including omnibus approvals by Audit Committee based on the provisions of the Act and Regulation 23 of the Listing Regulations.

The Policy is reviewed annually to make it comprehensive and abreast with the current applicable laws. The Policy aims to ensure proper reporting, approval and disclosure processes for all transactions between the Company and Related Parties.

During the Financial Year 2018-19, all Related Party Transactions, entered into by the Company were in the Ordinary Course of Business and on an Arm's Length Basis. Further, there were no materially significant related party transactions that were entered during the year that have a potential conflict with the interests of your Company at large.

A confirmation as to compliance of Related Party Transactions as per Listing Regulations is also sent to the Stock Exchanges along with the quarterly compliance report on Corporate Governance.

Remuneration to Statutory Auditors

BSR & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248 W/W – 100022), the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

As required under Regulation 34 read with Part C of the Schedule V of the Listing Regulations, the Total Fees paid by the Company and its Subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/ entity of which the statutory auditor is a part are as under:

Statement of amount paid to BSR & Co. LLP and Associate companies for 2018/19:

Companies	Amount in ₹
Holding Co.	
The Indian Hotels Company Ltd	3,47,62,361.32
Subsidiaries	
Piem Hotels Ltd.	3,323,000.00
Benares Hotels Ltd.	518,209.00
United Hotels Ltd.	61,242.00
Roots Corporation Ltd.	5,300,000.00
Inditravel Ltd.	62,186.00
Taj Trade & Transport Co Ltd.	60,770.00
IHOCO BV. US	871,437.50
Total	**4,49,59,205.82**

Prevention of Sexual Harassment

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 ('POSH Act') and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

An Internal Committee (IC) has been constituted in accordance with the provisions of the POSH Act to redress complaints received regarding sexual harassment and all the provisions regarding the constitution are complied with.

During the year under review, your Company has received 18 complaints on sexual harassment, and all the complaints have been resolved and appropriate action taken, where so necessary, and no cases remain pending as on March 31, 2019.

Disclosure of accounting treatment in preparation of financial statements

The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of the Act and other relevant provision of the Act and has uniformly applied the Accounting Polices during the year under review.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

Foreign exchange risk

Your Company has a portfolio of foreign currency debt and derivatives in respect of which it faces exposure to fluctuations in currency.

Net derivatives exposures are kept within overall limits approved by the Board.

The details of foreign exchange exposures as on March 31, 2019 are disclosed in Notes to the Financial Statements.

Details of non- compliance by the Company

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. No penalties or strictures have been imposed by them on the Company.

Certifications

In terms of Regulation 17(8) of the Listing Regulations, the CEO and CFO have issued a certificate to the Board with regard to the propriety of the Financial Statements and other matters stated in the said regulation, for the Financial Year 2018-19.

A certificate from the Company Secretary in Practice has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Directors and Officers Liability Insurance (D&O):

As per the provisions of the Act and in compliance with Regulation 25(10) of the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors, Officers, Managers and Employees of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

Monitoring of Subsidiary Companies

The Company monitors performance of its Subsidiary Companies, inter-alia, by the following means:

- The Audit Committee reviews Financial Statements of the Subsidiary Companies, along with investments made by them, on a quarterly basis.
- The Board of Directors reviews the Board Meeting minutes and statements of all significant transactions and arrangements, if any, of Subsidiary Companies.

The Company has adopted a Policy on Material Subsidiary in line with the requirements of the Listing Regulations which lays down the criteria for identification and dealing with Material Subsidiaries and to formulate a governance framework for Subsidiaries of the Company. As per the said Policy, "Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent* of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

*(threshold reduced to ten percent vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective April 1, 2019. The amended Policy has been duly adopted by the Board at its meeting held on April 30, 2019.)

During the year under review, none of the Domestic Subsidiaries of the Company were identified as Material in accordance with the above criteria and determined based on the audited consolidated Financial Statement of the Company for the Financial Year ended March 31, 2019.

COMPLIANCE WITH THE REQUIREMENTS OF LISTING REGULATIONS

Over the years IHCL has been a front-runner in complying with the best practices in corporate governance . The Company is in compliance with the requirements of Corporate Governance as specified under the Listing Regulations.

The Company has also complied with the following Discretionary Requirements under the Listing Regulations:

1. **Maintenance of Chairman's office:** The Non-Executive Chairman has a separate office which is not maintained by the Company.
2. **Separate posts of Chairman and CEO:** The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
3. **Audit Report:** For the Financial Year 2018-19, the Auditors have expressed an unmodified opinion on the Financial Statements of the Company. The Company continues to adopt best practices to ensure a regime of unmodified Financial Statements.
4. **Reporting of Internal Auditor:** The Internal Auditors of the Company report to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

INVESTOR RELATIONS

Investor Relations at IHCL serves as a bridge for two way communication of information and insights between the Company and the investment community. On one hand, this seamless channel of communication enables the investment community to be aware of the Company's business activities, strategy and prospects and allows them to make an informed judgement about the Company. On the other hand, the Company receives invaluable inputs and feedback from the investor community which are given due consideration and factored into future plans and strategies.

Means of Communication:

IHCL recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

Financial Results: Quarterly, Half-yearly and Annual results of the Company are published in leading English and vernacular newspapers viz. Financial Express and Loksatta. Additionally, the results and other important information are also periodically updated on the Company's website.

Investors / Analyst Meets: The Company hosts calls or meetings with institutional investors on request. Post the quarterly results, an analyst meet is organized which provides a platform for the Management to answer questions and provide clarifications to investors and analysts. The Company continues to interact with all types of funds and investors in order to have a diversified shareholder base both in terms of geographical location and investment horizon.

Website: The Company's website contains a separate section 'Investor Relations' where Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, statutory filings, Shareholding information, details of unclaimed dividend and shares transferred / liable to be transferred to IEPF, frequently asked questions, etc. Other information such as press releases, stock exchange disclosures and presentations made to investors and analysts etc. are also updated on the Company's website on regular basis. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

Annual Report: Physical copies of the Annual Reports for Financial Year 2018-19 were sent to all members who had not registered their email ids for the purpose of receiving documents /communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the Investor Relations section on the Company's website.

Electronic Communication: The Company had during Financial Year 2018-19 sent various communications including Annual Reports, ECS intimation of dividend by email to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Postal Ballot Notices and other information disseminated by the Company, on a real-time basis without any delay.

eXtensible Business Reporting Language (XBRL): XBRL (eXtensible Business Reporting Language) is a standardized and structured way of communicating business and financial data in an electronic form. XBRL provides a language containing various definitions (tags) which uniquely represent the contents of each piece of financial statements or other kinds of compliance and business reports. In order to facilitate ease in compliance filings for listed companies across multiple Stock Exchanges, NSE provides XBRL based compliance reporting featuring identical and homogeneous compliance data structures between Stock Exchanges and Ministry of Corporate Affairs. BSE has an online Filing Portal called 'BSE Corporate Compliance & Listing Centre and provided a separate Tab for making submissions in XBRL form.

Scores: A centralized web based complaints redress system 'Scores' which serves as a 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 complaint and its current status.

Web-based Query Redressal System: Members may utilise the facility extended by the in-house Registrar and Transfer Agent for redressal of queries, by visiting the website and clicking on 'INFORMATION REQUEST/ GRIEVANCES' option for query registration. Investors can submit their query on the page option provided on the above website, which would intimate the Secretarial Officer of the Shares Department.

SHAREHOLDER INFORMATION

General Body Meetings

Details of last three Annual General Meetings and the Special Resolutions passed therein are as under:

Financial year ended	Date and Time	Location	Special Resolutions passed
March 31, 2016	August 23, 2016 3.00 P.M	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai-400 020	• Private Placement of Non-Convertible Debentures
March 31, 2017	August 21, 2017 3.00 P.M	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai-400 020	• Private Placement of Non-Convertible Debentures • Payment of Minimum Remuneration to Mr. Rakesh Sarna, Managing Director and Chief Executive Officer
March 31, 2018	July 19, 2018 3.00 P.M	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai-400 020	• Private Placement of Non-Convertible Debentures

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

No Special Resolution was passed by the Company during the previous year through Postal Ballot. No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

Annual General Meeting for the Financial Year 2018-19

Date and Time	June 20, 2019 at 3 p.m.
Venue	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai 400 020
Telephone No./ Facsimile No.	91- 22- 6639 5515/ 91- 22- 2202 7442
Website	www.ihcltata.com
Dedicated e-mail	investorrelations@tajhotels.com
Book Closure	June 14 - June 20, 2019 (both days inclusive)
Dividend Payment Date	on or after June 28, 2019

Tentative Financial Calendar for Financial Year 2019-20

Quarter ending 30th June, 2019	August 2019
Quarter ending 30th September, 2019	November 2019
Quarter ending 31st December, 2019	January 2020
Quarter ending 31st March, 2020	April 2020

Listing Details

STOCK EXCHANGE	STOCK CODE
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001.	500850
National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (E) Mumbai 400 051	INDHOTEL EQ
ISIN	INE053A01029

The Company has paid Annual Listing and Custodial fees to each of the above stock exchanges in respect of the Financial Years 2018-19 and 2019-20. None of the Company's securities have been suspended from trading.

Outstanding Securities

There are no Global Depository Receipts of the Company as on March 31, 2019.

The following Non-Convertible Debentures (NCD) are listed on NSE and BSE under the Wholesale Debt Market segment[1]:

Description of Instruments	Date of Allotment	Date of Redemption	Outstanding Debentures & Amount in (₹)	ISIN No.	Listed on	Credit Rating[2]	
						CARE	ICRA
2% (250 Crores) Unsecured Non-convertible Redeemable Debentures	9th December, 2009	9th December, 2019	2,500 ₹250,00,00,000	INE053A08057	BSE	AA+	AA
9.95% (250 Crores) Secured Non-convertible Redeemable Debentures	27th July, 2011	27th July, 2021	2,500 ₹.250,00,00,000	INE053A07166	NSE	AA+	AA
10.10% (300 Crores) Secured Non-convertible Redeemable Debentures	18th Nov, 2011	18th Nov, 2021	3,000 ₹300,00,00,000	INE053A07174	NSE	AA+	AA
7.85% (495 Crores) Secured Non-convertible Redeemable Debentures	20th January, 2017	15th Apr, 2022	4,950 ₹495,00,00,000	INE053A07182	NSE	AA+	-
7.85% (200 Crores) Unsecured Non-convertible Redeemable Debentures	20th April, 2017	20th Apr, 2020	2,000 ₹200,00,00,000	INE053A08099	NSE	AA+	-

[1]Detailed information on the above debentures is included in the 'Notes to Accounts'

[2]The Credit ratings obtained by the Company as per Regulation 34 read with Part C of the Schedule V of the Listing Regulations

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

Transfer of Unpaid/ Unclaimed Amounts to the IEPF

Pursuant to the provisions of Section 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividends, if not claimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF')

Further, shares in respect of such dividends which have not been claimed for a period of seven consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated October 13, 2017 read with the circular dated October 16, 2017, wherein it was provided that where the period of seven consecutive years, as above, was completed or being completed during the period from September 7, 2016 to October 31, 2017, the due date of transfer for such shares was October 31, 2017.

In the interest of shareholders, the Company sends periodic reminders to the shareholders to claim their dividends in order to avoid transfer of dividend/ shares to IEPF Authority. Notices in this regard are also published in the Newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website.

The members who have a claim on above dividends may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/ shares so transferred.

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

Financial Year	Date of declaration of Dividend	Proposed Date of transfer to IEPF[1]
2011-12	August 3, 2012	September 2, 2019
2012-13	August 3, 2013	September 1, 2020
2015-16	August 26, 2016	September 22, 2023
2016-17	August 21, 2017	September 18, 2024
2017-18	July 19, 2018	August 18, 2025

[1]Indicative dates, actual dates may vary

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven consecutive years from transfer to Unpaid Dividend Account. Further, shares of the Company, in respect of which dividends have not been claimed for seven consecutive years or more from transfer to Unpaid Dividend Account, have also been transferred to the demat account of IEPF Authority

The Company transferred the following amounts to IEPF of the Central Government during the financial year 2018-19.

Particulars		₹
Amounts transferred upto March 31, 2018 (a)		**5,13,13,448.67**
Amounts transferred during financial year 2018-19:		
-	Unpaid / unclaimed dividend with the Company	**36,80,258.00**
-	Unpaid / unclaimed application money with the Company	-
-	Unpaid / unclaimed matured deposits with the Company	**27,00,000.00**
-	Interest accrued on the unpaid matured deposits	**5,28,207.00**
-	Interest accrued on the unpaid matured debentures	**22,88,844.00**
	Total (b)	**91,97,309.00**
Amount transferred upto March 31, 2019 (a+b)		**6,05,10,757.67**

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2011 and remained unpaid or unclaimed were transferred to the IEPF.

The Company has transferred 1,38,982 Equity Shares of FY 2010-11 to the IEPF Authority.

Share Price Data

Monthly high, low s and volumes of shares of the Company for the year ended March 31, 2019:

Months	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low(₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
April 2018	155.90	130.85	51,78,595	156.00	130.70	4,60,00,288
May 2018	150.00	133.85	39,26,561	150.30	134.00	1,94,34,768
June 2018	143.75	127.55	57,98,698	143.95	127.55	1,76,97,639
July 2018	135.90	124.00	44,31,788	134.40	123.90	1,85,19,775
August 2018	138.00	122.00	18,31,691	138.40	122.10	3,37,93,459
September 2018	139.30	121.45	6,45,370	139.50	122.00	1,68,63,647
October 2018	139.70	110.00	14,71,481	139.80	109.30	2,07,24,751
November 2018	147.00	128.00	13,93,065	145.25	128.00	1,39,30,225
December 2018	153.00	138.00	15,17,052	153.10	138.00	1,65,18,090
January 2019	150.30	130.70	37,16,679	150.00	130.70	2,20,53,630
February 2019	147.50	133.00	21,21,242	147.00	134.10	2,25,95,645
March 2019	156.45	137.00	34,93,359	156.45	137.00	5,10,07,928

The Market Share Price Data in comparison to broad-based indices like BSE Sensex and Nifty 2018-19 are given below:

Month	Bombay Stock Exchange		National Stock Exchange	
	IHCL Closing Price	Sensex	IHCL Closing Price	Nifty
April 2018	147.85	35,160.36	147.95	10,739.35
May 2018	141.45	35,322.38	141.95	10,736.15
June 2018	132.00	35,423.48	132.05	10,714.30
July 2018	133.15	37,606.58	133.00	11,356.50
August 2018	136.80	38,645.07	137.25	11,680.50
September 2018	135.45	36,227.14	136.90	10,930.45
October 2018	128.65	34,442.05	128.80	10,386.60
November 2018	143.95	36,194.30	144.25	10,876.75
December 2018	147.70	36,068.33	147.70	10,862.55
January 2019	141.55	36,256.69	142.05	10,830.95
February 2019	138.55	35,867.44	138.70	10,792.50
March 2019	154.35	38,672.91	154.90	11,623.90

Share Transfer System

The Company has an in-house Registrar and Share Transfer Agent ('RTA'), responsible for handling shares and matters related to shareholders. Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. The Executives of the Registrar are empowered to approve transfer of shares and debentures and other investor related matters. These approvals are noted at subsequent meetings of the Stakeholders Relationship Committee. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days.

Shareholding pattern of the Company as on March 31, 2019.

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	46,48,56,979	39.09
Resident Individuals & HUF	14,59,90,211	12.28
Financial Institutions / Banks	2,78,76,948	2.34
Foreign Institutional Investors	14,43,71,767	12.14
Corporate Bodies	7,83,94,272	6.59
Insurance Companies	1,82,85,758	1.54
Mutual Funds / UTI	29,39,75,614	24.72
Others	90,44,138	0.76
Non-Resident Indians	64,62,758	0.54
Total	**118,92,58,445**	**100.00**

Note: "Others" include Trusts, Clearing Members, Directors & their Relatives, Central / State Governments and Foreign Banks, Alternate Investment Fund, Investor Education & Protection Fund.

The Indian Hotels Company Limited - Distribution of Shareholding as on March 31, 2019.

Distribution of Shareholding as on March 31, 2019			
No. of Shares held	**Total No. of Members**	**Total No. of Shares**	**Total % to Paid up Capital**
Upto 100	58,203	23,73,318	0.20
101 to 1000	48,390	1,84,98,099	1.56
1001 to 5000	16,972	3,85,45,479	3.24
5001 to 10000	3,223	2,29,09,460	1.93
10001 to 20000	1,638	2,28,41,088	1.92
20001 to 30000	418	1,01,37,556	0.85
30001 to 40000	164	56,80,198	0.48
40001 to 50000	82	37,24,493	0.31
50001 to 100000	164	1,12,75,141	0.95
100001 & above	238	1,05,32,73,613	88.56
Total	**1,29,492**	**118,92,58,445**	**100.00**

Dematerialisation of Shares & Liquidity

The Company's equity shares are tradable compulsorily in electronic form. The Company has established connectivity with both depositories i.e. NSDL and CDSL. The International Securities Identification Number ('ISIN') number allotted to the shares under the depository system is INE053A01029.

The Company has approximately 99.02% of the Company's equity share capital in dematerialised form as on March 31, 2019. The Members whose shares are in physical form are requested to dematerialise their shares and update their bank account and email ids with the depository.

Reconciliation of Share Capital Audit

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

Equity Shares lying with the Company in Suspense Account

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in suspense account are as follows:

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	27	3,212
2	Number of shareholders who approached the Company(with complete documentation) for transfer of shares from the Unclaimed Suspense Account during the year	1	14
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year;	1	14
4	Number of shares transferred to IEPF Authority from the Unclaimed Suspense Account during the year	-	-
5	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	26	3,198

The voting rights on the shares outstanding in the Suspense Account as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

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.

Address for correspondence

The Company has been granted Certificate of Permanent Registration as Category II Share Transfer Agent by SEBI bearing SEBI Registration No. INR000003746

All Members correspondence should be forwarded to the Company, being the in-house Registrar and Share Transfer Agent ('RTA') at the Investor Service Department at the address mentioned below:

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

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, 2019.

For The Indian Hotels Company Limited

Puneet Chhatwal
Managing Director & CEO

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
The Indian Hotels Company Limited

We have examined the compliance of conditions of corporate governance by The Indian Hotels Company Limited (the "Company") for the year ended March 31st, 2019, 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').

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In 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.

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

For: NEVILLE DAROGA & ASSOCIATES

Place: Mumbai
Date: April 30, 2019

Neville K. Daroga
(Practicing Company Secretary)
ACS No. 8663
C.P. No. 3823

COMPANY-WISE LIST OF HOTELS/UNITS

Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms
The Indian Hotels Company Limited		**Subsidiary Companies**		**Joint Venture Companies**	
The Taj Mahal Palace & Tower, Mumbai	543	**Roots Corporation Limited**		**Taj GVK Hotels & Resorts Limited**	
Taj Lands End, Mumbai	493	Ginger Hotel - Agartala	98	Taj Krishna, Hyderabad	260
Taj Wellington Mews, Mumbai	78	Ginger Hotel - Ahmedabad (Drive-in Road)	93	Vivanta Hyderabad, Begumpet	181
Taj Mahal Hotel, New Delhi	292	Ginger Hotel - Bangalore (Whitefield)	101	Taj Banjara, Hyderabad	122
Taj Palace, New Delhi	403	Ginger Hotel - Bangalore (Inner Ring Road)	87	Taj Deccan, Hyderabad	151
Taj Bengal, Kolkata	229	Ginger Hotel - Bhubaneshwar	161	Taj Club House, Chennai	220
Taj West End, Bengaluru	117	Ginger Hotel - Chennai (Vadapalani)	79	Taj Chandigarh, Chandigarh	149
Taj Lake Palace, Udaipur	83	Ginger Hotel - Chennai (IITM)	81		
Taj Falaknuma Palace, Hyderabad	60	Ginger Hotel - Faridabad	91		
Taj Exotica Resort & Spa, Goa	140	Ginger Hotel - Goa, Panaji	136	**Taj Kerala Hotels & Resorts Limited**	
Vivanta Aurangabad, Maharashtra	63	Ginger Hotel - Guwahati	70	Taj Kumarakom Resort & Spa, Kerala	28
Taj Connemara, Chennai	147	Ginger Hotel - Indore	95	The Gateway Hotel Marine Drive Ernakulam	108
Vivanta New Delhi, Dwarka	250	Ginger Hotel - Jaipur	103	Gateway Varkala	30
Taj Fort Aguada Resort & Spa, Goa	143	Ginger Hotel - Jamshedpur	94		
Taj Holiday Village Resort & Spa, Goa	142	Ginger Hotel - Mangalore	79		
Taj Hari Mahal, Jodhpur	93	Ginger Hotel - Mumbai, Andheri MIDC	116	**Kaveri Retreats and Resorts Limited**	
Vivanta Bengaluru, Whitefield	199	Ginger Hotel - Mysore	98	Taj Madikeri Resort & Spa, Coorg	63
Taj Yeshwantpur, Bengaluru	327	Ginger Hotel - Nashik	92		
Jai Mahal Palace, Jaipur	100	Ginger Hotel - Delhi (Rail Yatri Niwas)	115		
Taj Usha Kiran Palace, Gwalior	40	Ginger Hotel - East Delhi	81	**Taj Karnataka Hotels & Resorts**	
Vivanta Guwahati	150	Ginger Hotel - Noida Sector 63	83	Gateway Chikmagalur	29
The Gateway Hotel Residency Road Bangalore	98	Ginger Hotel - Pantnagar	98		
The Gateway Hotel Beach Road Calicut	74	Ginger Hotel - Pondicherry	94		
Savoy, Ooty	40	Ginger Hotel - Pune (Wakad)	128	**Taj Safaris Limited**	
Taj Exotica Resort & Spa, Andamans	50	Ginger Hotel - Pune (Pimpri)	97	Mahua Kothi, A Taj Safari, Bandhavgarh National Park	12
		Ginger Hotel - Surat	98	Banjaar Tola, A Taj Safari, Kanha National Park	18
		Ginger Hotel - Thane	46	Pashan Garh, A Taj Safari, Panna National Park	12
Managed Properties		Ginger Hotel - Trivandrum	101	Baghvan, A Taj Safari, Pench National Park	12
Taj Santacruz, Mumbai	279	Ginger Hotel - Vadodara	99		
Umaid Bhawan Palace, Jodhpur	64	Ginger TCS Cochin	38		
Rambagh Palace, Jaipur	78	Ginger TCS Nivant (Pune)	92	**Managed Properties - Safaris**	
Taj Bangalore, Bengaluru	154	Ginger TCS Siruseri	94	Meghauli Serai, A Taj Safari, Chitwan National Park	29
Taj Bekal Resort & Spa, Kerala	66	Ginger Hotel - Noida Sector 63 (New)	96		
Vivanta Dal View, Srinagar	84	Ginger Hotel - Vapi	90		
Taj City Centre, Gurugram	208	Ginger Hotel - Mumbai, Andheri East	142	**Taj Madras Flight Kitchen**	
Taj Green Cove Resort & Spa, Kovalam	59	Ginger Hotel - Lucknow	72	Chennai	-
Vivanta Goa, Panaji	172	Ginger Hotel - Aurangabad	63		
Vivanta Sawai Madhopur Lodge	36	**Managed Properties - Ginger**			
Vivanta Surajkund, NCR	286	Ginger Hotel - Manesar	92	**IHMS (SA) Pty Limited**	
Vivanta Vadodara	86	Ginger Hotel - Katra, Jammu	80	Taj Cape Town, South Africa	159
The Gateway Hotel Athwalines Surat	206	Ginger Hotel - Tirupur	91		
The Gateway Resort Damdama Lake Gurgaon	78	Ginger Hotel - Vizag	68		
The Gateway Hotel EM Bypass Kolkata	158	Ginger Hotel - Ahmedabad, Satellite	36	**TAL Maldives Resorts Private Limited**	
The Gateway Hotel Gir Forest Junagadh	28	Ginger Hotel - Ahmedabad, S.G. Road	44	Taj Exotica Resort & Spa, Maldives	64
Vivanta Pune, Hinjawadi	150	Ginger Hotel - Gurugram	77	Taj Coral Resort & Spa, Maldives	62
Vivanta Chennai, IT Expressway	200	Ginger Hotel - Goa, Dona Paula	24		
The Gateway Hotel M G Road Vijayawada	108	Ginger Hotel - Vadodara (RCR)	72		
The Gateway Hotel Ramgarh Lodge Jaipur	14			**Associate Companies**	
SMS Hotel, Jaipur	20			**Oriental Hotels Limited**	
Pratap Mahal, Ajmer	81	**Piem Hotels Limited**	287	Taj Coromandel, Chennai	212
Taj Corbett Resort & Spa, Uttarakhand	61	President, Mumbai	110	Taj Fisherman's Cove Resort & Spa, Chennai	150
The Gateway Hotel - Visakhapatnam	95	Blue Diamond, Pune	110	Taj Malabar Resort & Spa, Kochi	95
Vivanta Katra	77	Taj Mahal, Lucknow		Vivanta Coimbatore	178

COMPANY-WISE LIST OF HOTELS/UNITS

Company/ Hotel/ Unit	Rooms
Managed Properties	
Taj Aravali Resort & Spa, Udaipur	92
Taj Theog Resort & Spa, Shimla	83
Taj Rishikesh Resort & Spa, Uttarakhand	25
Cidade De Goa	207
Taj Dubai	296
Taj Pamodzi, Lusaka	192
Taj Tashi, Bhutan	66
Vivanta Rebak Island, Langkawi	94
The Gateway Hotel Airport Garden Colombo	208
Taj Boston	273
Vivanta Kathmandu	110

Company/ Hotel/ Unit	Rooms
Taj M G Road, Bengaluru	165
The Gateway Hotel Ambad Nashik	148
Tajview, Agra	99
Taj Swarna, Amritsar	157
United Hotels Limited	
Ambassador, New Delhi	88
Benaras Hotels Limited	
Taj Nadesar Palace, Varanasi	10
Taj Ganges, Varanasi	130
The Gateway Hotel Balaghat Road Gondia	34
Taj SATS Air Catering Limited	
Amritsar	-
Bangalore	-
Delhi	-
Goa	-
Kolkata	-
Mumbai	-
United Overseas Holding Inc	
The Pierre, A Taj Hotel, New York	189
Taj Campton Place, San Francisco	110
St James Court Hotels Limited	
Taj 51 Buckingham Gate Suites and Residences, London	85
St. James' Court, A Taj Hotel, London	338
Taj International Hotels Limited	
Bombay Brasserie	-
Quilon	-

Company/ Hotel/ Unit	Rooms
Gateway, Coonoor	32
The Gateway Hotel Old Port Road Mangalore	96
The Gateway Hotel Pasumalai Madurai	63
TAL Lanka Hotels PLC	
Taj Samudra, Colombo	300
Lanka Island Resorts Limited	
Taj Bentota Resort & Spa, Sri Lanka	160

BUSINESS RESPONSIBILITY REPORT 2018-19

(Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the company:** L74999MH1902PLC000183

2. **Name of the Company:** The Indian Hotels Company Limited (IHCL)

3. **Registered address:** Mandlik House, Mandlik Road, Mumbai- 400001

4. **Website:** https://www.ihcltata.com/

5. **E-mail id:** investorrelations@tajhotels.com

6. **Financial Year reported:** April 1, 2018 – March 31, 2019

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Description
551	Short Term Accommodation activities
561	Restaurants and mobile food service activities

8. **List three key products / services that the company manufactures / provides (as in balance sheet):**

   1. Rooms
   2. Food and beverage services

9. **Total number of locations where business activity is undertaken by the Company:**

   Including Ginger
   Number of International Locations: 13
   Number of National Locations: 68

   Excluding Ginger
   Number of International Locations: 13
   Number of National Locations: 54

10. **Markets served by the Company - Local / State / National / International:**

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

    National: Mumbai, New Delhi, NCR Regional, Gurgaon, Kolkata, Bengaluru, Chennai, Hyderabad, Pune, Maharashtra Regional, Goa, Jaipur, Jodhpur, Udaipur, Rajasthan Regional, Vadodara Area, Gujarat Regional, Uttarakhand Regional, Karnataka Regional, Kerala Regional, Kochi, Coimbatore, Tamil Nadu Regional, Andhra Pradesh & Telangana Regional, Agra, Ahmedabad, Amritsar, Chandigarh Area, Himachal Pradesh Regional, Uttar Pradesh Regional, Madhya Pradesh Regional.

Section B: Financial Details of the Company as on March 31, 2019

₹ crores

Sr. No	Particulars	FY 18-19
1.	Paid up capital (INR)	118.93
2.	Total turnover (INR)	2870.91
3.	Total profit after taxes	263.70
4.	Total spending on Corporate Social Responsibility (CSR)	6.35

5. **List of activities in which expenditure in 4 above has been incurred:**

   (1) Employment enhancing vocational skills training

   (2) Livelihood enhancement projects

   (3) Promotion and development of traditional arts and handicrafts

   (4) Preservation and promotion of heritage sites

   (5) Donations to other local welfare institutions and for periphery cleaning & maintenance

Section C: Other Details

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

   Yes. The Company has 21 Subsidiaries, 8 Joint Ventures and 6 Associates as at March 31, 2019.

2. **Do the Subsidiary company / companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

   Yes. Major subsidiaries such as PIEM Hotels Limited, Benares Hotels Limited and joint ventures like Oriental Hotels Limited, United Hotels Limited and Taj SATS participate in company's Corporate Responsibility and Sustainability initiatives

3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**

   No.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

The Corporate Social Responsibility and Sustainability Committee of the Board of Directors is responsible for implementation of BR policies. The Members of the CSR Committee are as follows:

DIN Number	Name	Designation
07624616	Mr. Puneet Chhatwal	Managing Director and CEO
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:	Executive Vice President – Global Head Human Resources
4.	Telephone Number	022-61371637
5.	Email	PV.Murthy@ihcltata.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs are based on nine principles in the realm of Business Responsibility. These are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

Sr. No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for…..	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Does the policy conform to any national / international standards? If Yes, Specify (50 words)*	Y Industry benchmarks	Y	Y	Y UNGC & Industry Benchmarks	Y	Y UNGC	N	Y UNGC & ITP	Y
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

Sr. No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	The above policies can be located on this link - https://www.ihcltata.com/investors								
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	P7
1.	The Company has not understood the Principles	
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	
3.	The Company does not have financial or manpower resources available for the task	
4.	It is planned to be done within next six months	
5.	It is planned to be done within next one year	
6.	Any other reason (please specify)	The Company will plan to incorporate formal policy in coming years

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Company has a Board level CSR and Sustainability Committee chaired by the MD / CEO and two Independent Directors. This Committee meets bi-annually to assess the CSR initiatives and on a need basis.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The Company reports annually to the United National Global Compact (UNGC), the Carbon Disclosure Project (CDP) and will publish a sustainability report according to the GRI Standards for 2018-19.

The UNGC report can be accessed at https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/420965

IHCL sustainability report is available on https://www.ihcltata.com/investors

Section E: Principle-wise Performance
Principle 1
Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
QUESTIONS 1/2/3 DERIVED FROM PRINCIPLE 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**
   No, the policy relating to ethics, bribery and corruption is extended to all stakeholders.

2. **Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**
   Yes.

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so –**

   26 cases were received and none of them remain pending for resolution.

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

1. **List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   As a hospitality company, the rooms and F&B experience provided to guests is our product and service. We endeavour to integrate measures entailing energy and water conservation, waste management, culturally and regionally sensitive designs and interiors of our hotels, responsible purchases from local and marginalized entrepreneurs, artisans and craftsmen, and local hiring. These are implemented right from the development stage to operations of key hotels, particularly in ecological and socially sensitive regions.

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

   The consumption of energy, water and other resources in our hotels is measured per guest night, in terms of usage per consumer. The Company focuses on optimizing resource consumption to avoid wastages and minimize our environmental impact.

   In 2018-19, the hotels participating in the Earth Check program together used a total of 209,579,761.7MJ from renewable energy sources both through Green Power Agreements with their electricity providers as well as onsite and offsite renewable energy including wind farms and solar panels. Thereby, the Company avoided 49.92 KT CO2, comparable to taking 16,750 cars off the road.

   The hotels participating in the EarthCheck program in 2018-19 together recycled and reused a total of 1,876,575.64 KL of water through rain water harvesting and recycling of grey water through onsite waste water treatment plants. The amount of recycled and reused water is equivalent to 751 Olympic sized Swimming Pools.

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

   The steps implemented to improve resource efficiency and strengthen sustainability in the development and operation of our hotels includes usage of advance laundry chemical, chiller plant optimization which increases energy efficiency, installing flameless burners and opting glass water bottles. Further, we encourage the use of building materials that are recycled and locally extracted or manufactured wherever possible. During the construction process, we ensure that waste and debris is diverted from the landfills and send to certified recycling agencies.

   The company has also addressed to single use plastic waste. Last year in March 2018, IHCL decided to phase out single use plastic items and replacing them with biodegradable options. All plastic wrappers for in-room dry amenities in Taj hotels across the country have replaced with oxo-biodegradable wrapping. In addition, we have replaced 10,00,000 pcs of plastic straws with paper straw and approx 13,50,000 pcs of plastic disposable cutlery with wooden cutlery.

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

   In 2018-19, the hotels participating in the EarthCheck program together used a total of 209,579,761.7 MJ from renewable energy sources both through Green Power Agreements with their electricity providers as well as onsite and offsite renewable energy including wind farms and solar panels. Thereby, the Company avoided 49.92 KT CO2, comparable to taking 16,750 cars off the road.

   The hotels participating in the EarthCheck program in 2018-19 together recycled and reused a total of 1,876,575.64 KL of water through rain water harvesting and recycling of grey water through onsite waste water treatment plants. The amount of recycled and reused water is equivalent to 751 Olympic sized Swimming Pools.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company constantly 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 38 vendors and 300 stock keeping units with the business turnover of ₹ 58 crores

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

IHCL encourages its hotels to source local produce from small scale farmers, marginalized vendors, women self-help groups, micro enterprises supporting differently abled and owned by socially backward communities. Some of the products sourced by our hotels include fresh fish, fruits, vegetables, Paper chef cap, laundry bags, honey, candles, gift items for guests, table napkins, dusters, dry snacks and pickles. Additionally, local art and culture troupes, artists and craftsmen are provided a platform in hotels to perform to guests and sell their products. This generates the dual impact of supporting the livelihood of these artisans and encouraging the preservation of traditional art forms. Some of the Company's key Not for Profit partners include Cancer Patients Aid Association, SRISHTI, Women's India Trust, Swayamsiddh, etc. In 2018-19, hotels sourced ₹ 1082 lakhs amount of products and services supporting over 400 such underserved community members in earning a regular livelihood.

This initiative is facilitated by the Corporate Materials Group and hotel materials team along with the CSR team. In the initial stages, the company volunteers help build the capacities of small scale vendors by handholding them. IHCL's teams help the vendors refine their product and quality control measures to meet Taj standards. They also provide the vendors with market linkages both within the Taj network and externally. Additionally, training is given in the areas of hygiene, sanitation and food safety management practices for budding entrepreneurs dealing in food products. Ethics, anti-corruption and human rights are also areas that are emphasized on during the training. IHCL's Corporate Materials Team also assist in facilitating financial support to less privileged vendor's and support in building capacity.

5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Waste management is an integral part of our environment management endeavours. Of the 79 hotels covered under the EarthCheck programme, 43 have achieved 100% recycling of organic waste. This has prevented 6,754.93 tonnes of organic waste from going into landfills in 2018-19, the equivalent of 679 shipping containers.

Some of the other notable waste management projects implemented by the Company include the conversion of waste kitchen oil to Biodiesel & Glycerin, and the conversion of organic waste to compost and biogas. Hotels safely dispose hazardous waste like burnt oil and waste lubricant oil by giving it to authorized vendors. All e-waste generated in our properties is given to recyclers certified by the Pollution Control Board. Hotels ensure sewage treatment before disposing water into municipal sewers and also reuse treated water, as appropriate.

This year, in response to the global concerns about plastic pollution and marine micro-plastics, the Company has committed to phasing out single-use plastics & has already eliminated plastic straws from all its properties. It has also phased out PET bottles from three properties i.e. Taj Exotica Resort & Spa, Andaman, Taj Samudra, Colombo, Taj Exotica Resort & Spa, Maldives therefore setting a benchmark for the hospitality industry in India. Single-use plastics such as the plastic packaging of in-room amenities has already been eliminated in 30 luxury properties across India.

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

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

Permanent	Contractual	Total
7190	2935	10125

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

   Total hiring done in 2018-19: 1,624

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

   835

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 6 employees who have declared having disabilities.

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

   In 17 hotels we have registered trade union which the management recognises as the staff representative council

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

   Out of the total number of permanent employees, 42.3% are part of these recognized employee association

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. –**

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
Child labour/ forced labour/ involuntary labour	NIL	NIL
Sexual harassment	18	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, cancer-affected families, disaster victims and other such groups – from target geographies identified from time to time. 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.**

Over the last decade the company has focused on Building Livelihoods in the country by skilling less-privileged, school dropout youth and by extending handholding & business opportunities to micro enterprises, artisans & social impact organizations. We continue to build the bridges needed for a more humane & inclusive society – be it through our strategy for recruiting workforce from North East & small towns in India; our efforts for driving inclusion & diversity in our supplier-base or through how we set up the Taj Public Service Welfare Trust post 26/11 terror attack in Mumbai & how we have extended support for disaster-affected families in Tamil Nadu, Bihar, Ladakh, Sunderbans, Uttarakhand, Gujarat & Rajasthan or how we have institutionalized CSR immersion programmes for our young management trainees to support community-based tourism, traditional cuisines and community welfare linked programmes in association with our not for profit partners and Tata Group community development programmes or how our volunteers extend time & knowledge for making a difference to the lives of the less fortunate around us. Over the few years in between, despite suffering business losses our CSR journey has continued. All our endeavors to make difference in the world around us are guided by our commitment & investment in continuing to be a respected business house with a social purpose. We have championed the cause of skilling less privileged youth in the country since more than a decade; long before the inception of the CSR mandatory spend under the Companies Act, 2013 in the country. It's a known fact how badly Indian youth at the bottom of the pyramid lack timely guidance & handholding for what they can do post high school to become employable. Our CSR & Affirmative Action efforts have been focused on addressing this gap. In order to tap youth at bottom of the pyramid, an Initiative to enable an upward stream of underserved youth for entry-level jobs in service industry was initiated where IHCL has enabled a unique 45- day soft skills, work readiness training programme focused on preparing such underserved youth for jobs in our ever-growing service industry. Our module and trainers have focused on screening students for interest levels in people-centric jobs & on building attitudinal readiness, confidence and life skills and not undertaken any industry-specific skill training for these students, which we believe happens on the job as industrial trainees. We currently have over 173 youth enrolled and undergoing this program at different locations with a very high density of Women and Scheduled Caste and Scheduled Tribe candidates.

Here is a broad summary of all our key initiatives enabling such vulnerable community groups:

Sr. No	CSR Programme	No. of Beneficiaries
1	14 Taj-Tata Strive Skill Training Centers	1486
2	Golden Threshold Programme	216
3	Career awareness & work readiness bridge programmes	300
4	Benarasi silk weavers programme	60
5	Women's training programme in Vadodara	49
6	Livelihoods through Pardhi Programme	10
7	Livelihoods through Morni SHG	10
8	Livelihoods through supplier diversity	325
9	Artisans enabled to showcase & sell their artifacts at our hotels	1107
	Total	**3347**

Our corporate responsibility and social inclusion approach & programmes are designed to further Sustainable Development Goal (SDG) 10 for reducing inequity by enabling underserved communities to access mainstream economy, organized sector jobs and value chains as well as SGG Goal 17 that calls for synergies & partnerships for championing SDGs. This year IHCL's corporate responsibility practices & programmes were recognized by SKOCH merit awards, Assocham awards for effective collaboration with Tata Strive and listing as 50 Most Inclusive Businesses in India by the Shared Value Initiative in association with Institute for Strategy and Competitiveness, Harvard Business School

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 2018-19	Sum of No of complaints pending as on end of the Financial Year 2018-19
0	0

Principle 6:
Businesses should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The Company's environmental vision is extended to its partners and subsidiary companies. All hotels within the Company's portfolio prescribe and are encouraged to adhere to the Company's environmental vision.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes. The Company has identified opportunities to reduce its environment footprint and therefore reduce the impact of operations on the environment. A key initiative in this regard is switching to renewable energy sources. At present, 23.27 % of the Company's energy consumption is from renewable sources.

   The UNGC report can be accessed at https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/420965

   The 2018-19 sustainability report will be uploaded to the website **www.ihcltata.com** once it is published.

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.**

   Yes. The Company is sourcing 23.27% 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.**

   Three complaints were received of which none are pending.

Principle 7:
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**

   Yes, IHCL is part of a number of associations. Key associations are noted below:

   1. Hotel Association of India - HAI
   2. World Travel & Tourism Council India Initiative-WTTCII
   3. The Confederation of Indian Industry -CII
   4. Federation of Indian Chambers of Commerce and Industry - FICCI
   5. World Tourism Organisation-UNWTO
   6. The Federation of Hotel & Restaurant Association of India-FHRAI
   7. Indo-German Chamber of Commerce - IGCC
   8. Indian Merchant Chambers - IMC
   9. Travel Agents Association of India - TAAI
   10. Travel Agent Federation of India - TAFI
   11. U.S.-India Business Council - USIBC
   12. International Convention Promotion Bureau – ICPB
   13. Pacific Asia Travel Association - PATA
   14. Tourism Sectors Skills Council, National Skill Development Committee (NSDC), India
   15. CII – CSR & Affirmative Action Committee
   16. International Tourism Partnership (ITP)
   17. World Tourism Forum Lucerne (WTFL)

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Y / N. If yes, specify the broad areas**

Meetings with these associations are periodic and the main objective is to promote India as a preferred & safe destination for business & leisure. Some examples are as under

ICPB (India Convention Promotion Bureau) is the only travel industry body with participation from the entire MICE industry, with members from State Governments, hotels, airlines, tour operators, travel agents, professional conference organisers, event managers, educational institutions and more. The objectives of ICPB include the development of conference traffic to India supported by continuing programs of creating better awareness of the role and benefits of congresses and conventions in the context of national objectives. The endeavour of ICPB is to have highly developed convention centres all over the country to make India the preferred destination of the world.

HAI (Hotel Association of India) established in 1996, the Hotel Association of India (HAI) is the apex organization of the Indian Hospitality industry. With its membership extending from the major hotel groups, boutique hotels, heritage hotels, large, medium sized and smaller hotels, it represents the entire spectrum of the industry. Its Executive Committee is a potent combination of the commitment of hotel owners on one hand and hard-core professionalism of hotel managers on the other. From Industry veterans to budding hoteliers, the committee is charged with experience and fresh ideas in its determination to shape a bright future for the Hotel Industry in India.

FHRAI (Federation of Hotel & Restaurant Association of India) is the voice of the Hospitality Industry and provides an interface between the Hospitality Industry, Political Leadership, Academics, International Associations and other Stakeholders. FHRAI is committed to the progress of the Industry through the various activities like education and training, research and publication, Annual Convention to promote interaction with Government officials, political leaders and stakeholders of the Industry.

Principle 8:
Businesses should support inclusive growth and equitable development.

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details there of?**

As articulated earlier

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

The Company's CSR programmes are implemented by in-house CSR and HR teams, volunteers, and in partnership with NGOs, other Tata Companies and Government bodies in various locations.

3. **Have you done any impact assessment of your initiative?**

An impact assessment was conducted three years ago through TISS. Following the launch of certain new CSR programmes last year and modified processes for others, a next round of impact assessment shall be planned in due course

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

The manner in which the amount was spent during the financial year 2018-19 is detailed in the table below:

₹crores

CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or programs (1) Local area or other (2) Specify the state & district where projects or programs were undertaken	Annual outlay (budget) project or programs-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency *
Livelihoods Development Programmes: Certified Skill Training with embedded on-the-job exposure, spoken English & work-readiness inputs	Vocational skilling & promotion of livelihoods Sch VII (ii)	Mumbai, Airoli, Lonavala, Jaipur, Chhindwara, Varanasi, Bengaluru, Hyderabad, Goa, Trivandrum, Agartala, Uri, Chamoli & Pitthoragadh	2.00	2.03	-	Direct + Implementing Agency

₹crores

CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or programs (1) Local area or other (2) Specify the state & district where projects or programs were undertaken	Annual outlay (budget) project or programs-wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency *
Responsible Neighbour Programmes: Education, training and promotion to preserve unique art forms; Adoption or maintenance of public spaces such as gardens, bus stops and roads, cleanliness, beautification and horticulture, and community education for public hygiene and cleanliness Support for beautification, cleanliness and promotion of Gateway of India, Mumbai & National Rail Museum, Delhi Welfare activities for local charity homes, orphanages, other such community requests-based activities	Promotion and development of traditional arts and handicrafts Sch VII (v) Environmental sustainability Sch VII (iv) Restoration of buildings and sites of historical importance Sch VII (v) Support towards eradicating poverty & malnutrition Sch VII (i)	Across multiple Taj hotel sites	2.65	2.67	-	Direct + Implementing Partners
Scholarships for education in hospitality	Promoting Education Sch VII (ii)	Mumbai, Kolkata, Delhi, Bengaluru	1.67	1.65		Direct + Implementing Partners
Total			**6.32**	**6.35**		

* The Company executes its CSR endevors in partnership with Government, Non- Governmental organisations and Tata Partners who have the capacities required for community services.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company representatives & volunteers undertake direct community engagements and support with counselling, exposure visits & regular hand-holding, as and where required for sustainable & effective programme management. Year on year; as a part of our social responsibility immersion programme; a set of our sharp & young management graduates spend over 45 days on-site with identified CSR programme partners & community clusters – making our community development initiatives more robust.

Principle 9:
Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company receives guest complaints that are dealt with from time to time and handled to closure but none of them have converted to a consumer complaint in the financial year 2018-19. As such there are no consumer cases filed for the financial year ended March 31, 2019.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Y/N/N.A. /Remarks (additional information)

Not Applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

The Company carried out Consumer engagement survey to measure the emotional connect between the brand and the customer's purchasing decisions. Customers form strong emotions about the brand based on their experiences and these emotions strongly influence their buying decisions.

INDEPENDENT AUDITOR'S REPORT

To the Members of The Indian Hotels Company Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of The Indian Hotels Company Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS OF OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i. Valuation of Investments

The Company has investments in subsidiaries, joint ventures and associates. These investments are accounted for at cost less any provision for impairment. If an impairment exist, the recoverable amounts of the above investment are estimated in order to determine the extent of the impairment loss, if any. Determination of whether there exists any impairment in the value of those investments is subject to a significant level of judgement. There is therefore a risk that the value of investments may be misstated. Refer to Note 5(a) – "Investments" of the standalone financial statements.

How our audit addressed the key audit matter

Our audit procedures included, among others, considering the impairment risk associated with investments in subsidiaries, joint ventures and associates. We examined key assumptions in management's valuation models used to determine recoverable amount considering external data, including assumptions of projected adjusted EBITDA, growth rate, room occupancy, room rate, projected capital expenditure, long term growth rates, discount rates and assessed the forecasts against the historical performance. We validated the appropriateness of the related disclosures in Note 5(v) of the financial statements.

ii. Contingent liabilities

The Company has significant tax and other litigations against it. There is a high level of judgement required in estimating the level of provisioning required and appropriateness of disclosure of those litigations as contingent liabilities.

Refer to Note 1 – "Basis of preparation", Note 17(b) – "Provisions" and Note 28 – "Contingent liabilities and Contingent assets" and Note 36 of the standalone financial statements.

How our audit addressed the key audit matter

For legal, regulatory and tax matters our procedures included examining external legal opinions obtained by management; meeting with regional and local management and examining relevant Group correspondence; discussing litigations with the Company's legal counsel and tax head; assessing management's conclusions through understanding precedents set in similar cases; and circularization, where appropriate, of confirmations to third party legal representatives regarding certain material cases.

We also involved our internal tax specialists to gain an understanding and to determine the level of exposure for direct and indirect tax litigations of the Company.

In light of the above, we examined the level of provisions recorded and assessed the adequacy of disclosures in Standalone financial statements.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Refer Note - 43.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

A. As required by section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;

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

(c) the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;

(e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;

(f) with respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

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

i. the Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements – Refer Note 28 and Note 36 to the standalone financial statements;

ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts – Refer Note 16 to the standalone financial statements;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

Mumbai
30 April 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, a portion of the fixed assets has been physical verified by the management during the year. No material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date except in respect of one commercial / residential building aggregating to ₹ 0.78 crores (Gross block ₹ 1.30 crores) constructed on the leased land, which is in the possession of the Company acquired pursuant to a scheme of amalgamation of TIFCO Holding Limited (a wholly owned subsidiary). The lease of the said land has expired in the year 2000. Erstwhile TIFCO Holdings Limited has filed a writ Petition in High Court of Mumbai on 15 January 2013 for renewal of lease.

(ii) Inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.

(iii) According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments and guarantees made. The Company has not provided any security to the parties covered under Section 186 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, duty of customs, value added tax, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, service tax, goods and service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income-tax, duty of customs, goods and service tax and value added tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (CONTINUED)

(₹ crores)

Name of Act	Nature of Dues	Amount Demanded	Amount not Deposited Under Disputes	Period to which amount relates (Financial Year)	Forum where dispute is pending
Sales Tax and Value Added Tax	Tax, Penalty and Interest	6.06	4.76	1997 – 1998 to 2004 - 2005	Joint Commissioner (Appeals)
		18.71	17.01	2005 - 2006 to 2010 - 2011	Joint Commissioner
		0.66	-	2011 - 2012 to 2015 - 2016	Additional Commissioner
		0.35	0.35	1992 – 1993 to 1995 - 1996	Assistant /Deputy Commissioner
		1.91	1.91	2005 - 2006 to 2011 - 2012	Commissioner
		3.13	2.622	2011 – 2012 to 2017 – 2018	Assistant /Deputy Commissioner
		2.45	2.21	2012 – 2013 to 2013-2014	Commissioner
		0.56	0.52	2004-2005 to 2012-13	Commissioner
The Income Tax Act, 1961	Tax and Interest	0.05	0.05	2007 – 2008	Commissioner (Appeals)
		2.25	2.25	2009 – 2010, 2011-2012 to 2013 - 2014	Assessing Officer
		179.76	175.19	2009 – 2010, 2011 – 2012 & 2013-2014	Appellate Tribunal
The Finance Act, 1994	Service Tax, Penalty and Interest	0.17	0.17	2011 - 2012	Joint/Additional Commissioner
		0.17	0.07	2006-2007 & 2007-2008	Commissioner of Service Tax
		0.12	0.11	2016 - 2017	Additional Commissioner
		0.13	0.12	2014 – 2015	
		10.57	9.87	2006 - 2007 to 2018 – 2019	Commissioner
		1.49	1.49	2002-2005	Tribunal

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to banks and dues to debenture holders. The Company did not have any outstanding dues to financial institutions and government during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

Mumbai
30 April 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

OPINION

We have audited the internal financial controls with reference to financial statements of The Indian Hotels Company Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vijay Bhatt
Partner
Membership No: 036647

Mumbai
30 April 2019

IHCL

BALANCE SHEET

AS AT MARCH 31, 2019

	Note	March 31, 2019	March 31, 2018
			₹ crores
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,454.64	2,367.82
Capital work-in-progress		33.69	63.40
Intangible assets	4	31.70	30.68
Intangible assets under development		0.25	1.61
Financial assets			
Investments	5 (a)	3,919.27	3,860.01
Loans	6 (a)	5.35	5.35
Other financial assets	7 (a)	47.61	55.84
Advance income tax (net)		161.18	112.66
Other non-current assets	8 (a)	354.11	276.12
		7,007.80	**6,773.49**
Current assets			
Inventories	9	51.21	51.47
Financial assets			
Investments	5 (b)	193.43	301.45
Trade receivables	10	249.99	256.81
Cash and cash equivalents	11	88.93	121.28
Other Balances with Banks	12	7.07	7.73
Loans	6 (b)	12.88	20.66
Other financial assets	7 (b)	167.34	123.35
Other current assets	8 (b)	93.46	47.49
		864.31	**930.24**
Assets classified as held for sale (Refer Note 3, Footnote (iv))		8.43	-
		872.74	**930.24**
Total		**7,880.54**	**7,703.73**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	118.93	118.93
Other equity	14	4,364.81	4,275.03
Total Equity		**4,483.74**	**4,393.96**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15 (a)	1,248.22	1,733.88
Other financial liabilities	16 (a)	175.59	252.54
Provisions	17 (a)	70.80	56.90
Deferred tax liabilities (net)	18	368.12	348.81
		1,862.73	**2,392.13**
Current liabilities			
Financial liabilities			
Borrowings	15 (b)	6.38	-
Trade payables	19		
- Micro and Small Enterprises		1.71	1.86
- Others		188.40	206.16
Other financial liabilities	16 (b)	1,010.80	405.81
Provisions	17 (b)	117.99	108.23
Other current liabilities	20	208.79	195.58
		1,534.07	**917.64**
Total		**7,880.54**	**7,703.73**
The accompanying notes form an integral part of the standalone financial statements	1 - 44		

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai, April 30, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Deepak Parekh
Director
DIN: 00009078

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal
& Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

₹ crores

	Note	March 31, 2019	March 31, 2018
INCOME			
Revenue from operations	21	2,780.41	2,583.95
Other income	22	90.50	55.39
Total income		**2,870.91**	**2,639.34**
EXPENSES			
Food and beverages consumed	23	246.76	232.64
Employee benefit expenses and payment to contractors	24	703.85	649.61
Finance costs	25	158.64	193.43
Depreciation and amortisation expenses		169.10	151.34
Other operating and general expenses	26	1,100.36	1,072.90
Total expenses		**2,378.71**	**2,299.92**
Profit before exceptional items and tax		**492.20**	**339.42**
Exceptional items	27	(74.66)	(55.19)
Profit before tax		**417.54**	**284.23**
Tax expense	38		
Current tax		164.66	115.64
Deferred tax		(10.82)	20.82
Total tax expense		**153.84**	**136.46**
Profit after tax		**263.70**	**147.77**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(9.96)	(9.14)
Change in fair value of equity instruments designated irrevocably as Fair Value Through Other Comprehensive Income		(114.06)	31.33
Add/ (Less):- income tax credit / (expense)		3.43	7.04
Other comprehensive income for the year, net of tax		**(120.59)**	**29.23**
Total comprehensive income for the year		**143.11**	**177.00**
Earnings per share:	41		
Basic and Diluted - (₹)		2.22	1.34
Face value per equity share - (₹)		1.00	1.00
The accompanying notes form an integral part of the standalone financial statements	1 - 44		

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai, April 30, 2019

For and on behalf of the Board

N. Chandrasekaran
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Director
DIN: 00009078

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal
& Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

₹ crores

Particulars	a) Equity Share Capital	b) Other Equity							Total Equity
	Equity Share Capital Subscribed	Reserves and Surplus					Items of other comprehensive income	Other Equity	
		Capital Reserve	Securities Premium	General Reserve	Other Reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income		
Balance as at April 1, 2017	**98.93**	**43.91**	**1,230.65**	**459.99**	**428.89**	**268.71**	**236.12**	**2,668.27**	**2,767.20**
Profit for the year ended March 31, 2018	-	-	-	-	-	147.77	-	147.77	147.77
Other Comprehensive Income for the year ended March 31, 2018, net of taxes	-	-	-	-	-	(5.80)	35.03	29.23	29.23
Total Comprehensive Income for the year ended March 31, 2018	**-**	**-**	**-**	**-**	**-**	**141.97**	**35.03**	**177.00**	**177.00**
Allocation of Shares on Rights basis	20.00	-	-	-	-	-	-	-	20.00
Premium on allocation of shares on Rights basis	-	-	1,479.88	-	-	-	-	1,479.88	1,479.88
Issue expenses written off against Securities Premium	-	-	(8.45)	-	-	-	-	(8.45)	(8.45)
Transfer from Reserve Fund to Retained Earnings	-	-	-	-	(42.42)	42.42	-	-	-
Realised gain on sale of shares of Tourism Finance Corporation of India Ltd. transferred from Other Comprehensive Income to Retained Earnings	-	-	-	-	-	0.41	(0.41)	-	-
Dividends	-	-	-	-	-	(34.62)	-	(34.62)	(34.62)
Tax on Dividend	-	-	-	-	-	(7.05)	-	(7.05)	(7.05)
Balance as at March 31, 2018	**118.93**	**43.91**	**2,702.08**	**459.99**	**386.47**	**411.84**	**270.74**	**4,275.03**	**4,393.96**
Profit for the year ended March 31, 2019	-	-	-	-	-	263.70	-	263.70	263.70
Other Comprehensive Income for the year ended March 31, 2019, net of taxes	-	-	-	-	-	(6.53)	(114.06)	(120.59)	(120.59)
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**-**	**-**	**-**	**257.17**	**(114.06)**	**143.11**	**143.11**
Issue expenses written off against Securities Premium	-	-	(0.02)	-	-	-	-	(0.02)	(0.02)
Transfer from Retained Earnings to Debenture Redemption Reserve	-	-	-	-	11.93	(11.93)	-	-	-
Dividends (Refer Note 44)	-	-	-	-	-	(47.57)	-	(47.57)	(47.57)
Tax on Dividend	-	-	-	-	-	(5.74)	-	(5.74)	(5.74)
Balance as at March 31, 2019	**118.93**	**43.91**	**2,702.06**	**459.99**	**398.40**	**603.77**	**156.68**	**4,364.81**	**4,483.74**

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 44).

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai, April 30, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Deepak Parekh
Director
DIN: 00009078

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal
& Company Secretary

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

₹ crores

	March 31, 2019	March 31, 2018
Cash Flow From Operating Activities		
Profit before tax	417.54	284.23
Adjustments to reconcile net profit to net cash provided by operating activities:		
Gain on investments carried at fair value through statement of profit and loss	(1.73)	(2.11)
Profit on sale of Current Investments	(14.92)	(3.23)
Provision for impairment of investment in a subsidiary / joint venture	33.63	80.50
Exchange (Gain) / Loss on Long term borrowing/Assets (net)	0.25	0.20
Fair valuation (Gain) / Loss on derivative contracts	41.03	(25.51)
Depreciation and amortisation expenses	169.10	151.34
Net (Gain) / Loss on disposal of Property, plant and equipment	(13.70)	0.14
Assets written off	0.71	1.19
Allowance for doubtful debts and advances	1.48	15.03
Dividend income	(28.01)	(8.99)
Interest income	(15.14)	(26.15)
Finance costs	158.64	193.43
Provision for disputed claims	8.90	19.99
Provision for Employee Benefits	4.80	9.45
	345.04	**405.28**
Cash Operating Profit before working capital changes	**762.58**	**689.51**
Adjustments for (increase) / decrease in operating assets:		
Inventories	0.26	(3.91)
Trade receivables	2.95	(56.41)
Other financial assets	3.86	(1.44)
Other assets	(68.68)	(51.65)
	(61.61)	**(113.41)**
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(17.91)	30.83
Other financial liabilities	15.70	11.54
Other liabilities	27.67	(19.10)
	25.46	**23.27**
Cash Generated from Operating Activities	726.43	599.37
Income taxes paid	(179.62)	(118.25)
Net Cash Generated From Operating Activities (A)	**546.81**	**481.12**
Cash Flow From Investing Activities		
Payments for purchase of property, plant and equipment	(246.88)	(311.33)
Proceeds from disposal of property, plant and equipment	15.70	2.64
Purchase of current investments	(1,460.40)	(1,398.93)
Sale of current investments	1,585.07	1,167.94
Carried over	**(106.51)**	**(539.68)**

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

		₹ crores
	March 31, 2019	**March 31, 2018**
Brought over	**(106.51)**	**(539.68)**
Purchase of non-current investments	(206.10)	(944.72)
Sale of investment in other companies	-	0.52
Interest received	8.41	22.85
Dividend received	28.01	8.99
Long-term deposits repaid by a Subsidiary	-	32.15
Long-term deposits placed for Hotel properties	(60.00)	-
Short-term deposits placed for Hotel properties	(45.00)	-
Short-term deposits placed with related parties	(18.00)	(70.50)
Short-term deposits repaid by related parties	25.78	102.43
Short-term deposits repaid by others	-	0.09
Bank Balances not considered as Cash and cash equivalents	0.97	0.24
Net Cash Generated/(Used) In Investing Activities (B)	**(372.44)**	**(1,387.63)**
Cash Flow From Financing Activities		
Dividend and Tax on dividend (including Unclaimed dividend)	(52.99)	(41.58)
Share issue expenses	(0.02)	(8.45)
Interest and other borrowing costs paid	(115.01)	(235.90)
Settlement of cross currency Interest rate swap (net)	5.86	11.80
Proceeds from long-term borrowings	-	300.00
Repayment of long-term borrowings	(50.02)	(505.30)
Proceeds from short-term borrowings	6.38	609.07
Repayment of short-term borrowings	-	(609.07)
Repayment of loan repayable on demand from bank	-	(7.31)
Proceeds from issue of shares on Rights basis	-	1,499.88
Unclaimed dividend / deposits / interest transferred to Investors Education and Protection Fund	(0.92)	(0.35)
Net Cash Generated / (Used) In Financing Activities (C)	**(206.72)**	**1,012.79**
Net Increase / (Decrease) In Cash and cash equivalents (A + B + C)	**(32.35)**	**106.28**
Cash and Cash Equivalents - Opening	**121.28**	**15.00**
Cash and Cash Equivalents - Closing	**88.93**	**121.28**

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 44).

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai, April 30, 2019

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Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal
& Company Secretary

NOTES TO FINANCIAL STATEMENTS

FOR YEAR ENDED MARCH 31, 2019

NOTE 1. CORPORATE INFORMATION

The Indian Hotels Company Limited ("IHCL" or the "Company"), is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

The Company is domiciled and incorporated in India in 1902 and has its registered office at Mandlik House, Mandlik Road, Mumbai – 400 001, India. It is promoted by Tata Sons Private Limited (formerly Tata Sons Limited), which holds a significant stake in the Company.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 30, 2019.

NOTE 2. BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The financial statements have been prepared on the following basis:

(a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

(b) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities are classified as current and non-current as per Company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment and intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently 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 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 and Loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss.

- **Loyalty programme:** The Company estimates the fair value of points awarded under the Loyalty programme by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.

  The Company assesses whether the loyalty points provide a material rights to the customer that needs to be accounted for as a separate performance obligation. The Company determines that the loyalty points provide a material right that the customer would not exercise without entering into the contract.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

SIGNIFICANT ACCOUNTING POLICIES

(d) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Effective April 1, 2018 the Company has applied Ind AS 115 which replaces Ind AS 18 revenue recognition. Refer Note 2(d) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18.

Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other allied services: In relation to laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Management and Operating fees: Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

Membership fees: Membership fee income majorly consists of membership fees received from the loyalty programme and chamber membership fees. Income is earned when the customer enrols for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Loyalty programme: The Company operates loyalty programme, which provides a material right to customers that they would not exercise without entering into a contract and the eligible customers earns points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and a contract liability is created and on redemption/ expiry of such award points, revenue is recognised at pre-determined rates. Membership fees received from the loyalty programme is recognised as revenue on time-proportion basis.

Contract balances (effective from April 1, 2018)

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

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

(e) Employee benefits

i. Short term-employment benefits:

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which the Company has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

ii. Post-employment benefits:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

a) Provident and family pension fund

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12% of employee's eligible salary). The contributions are made to the provident fund managed by the trust set up by the Company, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred.

In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss.

b) Superannuation

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

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

a) Gratuity fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or asset as of the reporting date. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

b) Post-retirement pension scheme and medical benefits

The net present value of the Company's obligation towards post retirement pension scheme for retired whole time directors and post-employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

The Company also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

c) Provident fund trust

In respect of contribution to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

Other Long-term Employee Benefits – The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

(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)). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalised and depreciated over their estimated useful life.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to the Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

Class of Assets	Estimated Useful Life
Buildings	30 to 80 years
Plant and Equipment	5 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Other Miscellaneous Hotel Assets	4 years

In respect of buildings on leasehold land, depreciation is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to leasehold buildings are depreciated on the basis of their estimated useful lives or the expected lease period.

Freehold land is not depreciated.

The asset's useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Proportionate depreciation is charged for the addition and disposal made during the year.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(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 amortised over their estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising intangible assets is as under:

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

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(h) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment periodically including whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not 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.

(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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(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 an operating lease. Payments made under operating leases 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.

(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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(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 the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(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.

(o) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest rate 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 adjusting the bonus element for all the reported period arising on account of issue of equity shares on rights and including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(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 operating performance of the Company and provides consistency with the Company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

(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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

- **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.

  The Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

  When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(II) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

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. The fair value changes of derivatives which are not designated as a hedging instrument are accounted through Statement of Profit and Loss. During the years reported, no hedge relationship was designated.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(III) Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

(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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(v) Recent accounting pronouncements

Standards issued but not yet effective

Ind AS 116 - Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after April 1, 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company's operating leases mainly relate to real estate assets such as Land, Land & Building and fully fitted hotel properties which are on long term lease ranging from 15 to 198 years.

The Company proposes to adopt the above standard retrospectively, with the cumulative effect of being recognised on the date of initial application i.e. April 1, 2019 to the opening balance of retained earnings.

Based on the information currently available, the Company will recognise a right-of-use asset of approximately ₹ 772 crores and a corresponding lease liability of approximately ₹ 911 crores with the cumulative effect of applying the standard by adjusting retained earnings net of taxes. There will be consequent reclassification in the cash flow categories in the statement of cash flows.

Other Amendments on the existing standard but not effective

A number of other accounting standards have been modified on miscellaneous issues with effect from April 1, 2019. Such changes include clarification/guidance on:

a) Income tax consequences in case of dividends (Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend));

b) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities (Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments));

c) Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);

d) Accounting for prepayment features with negative compensation in case of debt instruments (Ind AS 109 – Prepayment Features with Negative Compensation);

e) Accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

The above amendments will come into force from April 1, 2019. The Company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

₹ crores

	Freehold Land	Buildings (Refer Footnote (i), (iii) & (iv))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost							
At April 1, 2017	**134.25**	**1,337.72**	**691.55**	**191.31**	**38.27**	**6.51**	**2,399.61**
Additions	-	150.66	120.96	80.65	9.98	0.78	363.03
Disposals	-	4.20	2.70	0.49	0.04	0.82	8.25
At March 31, 2018	**134.25**	**1,484.18**	**809.81**	**271.47**	**48.21**	**6.47**	**2,754.39**
Additions	-	97.60	106.51	46.32	4.57	0.66	255.66
Disposals	-	10.15	3.66	1.22	0.90	0.31	16.24
At March 31, 2019	**134.25**	**1,571.63**	**912.66**	**316.57**	**51.88**	**6.82**	**2,993.81**
Depreciation							
At April 1, 2017	**-**	**80.87**	**113.50**	**39.84**	**14.15**	**1.84**	**250.20**
Charge for the year	-	43.92	65.06	23.80	7.56	0.31	140.65
Disposals	-	2.88	1.06	0.17	0.03	0.14	4.28
At March 31, 2018	**-**	**121.91**	**177.50**	**63.47**	**21.68**	**2.01**	**386.57**
Charge for the year	-	52.48	69.86	26.95	7.85	0.55	157.69
Disposals	-	1.54	2.01	0.55	0.73	0.26	5.09
At March 31, 2019	**-**	**172.85**	**245.35**	**89.87**	**28.80**	**2.30**	**539.17**
Net Block							
At March 31, 2018	**134.25**	**1,362.27**	**632.31**	**208.00**	**26.53**	**4.46**	**2,367.82**
At March 31, 2019	**134.25**	**1,398.78**	**667.31**	**226.70**	**23.08**	**4.52**	**2,454.64**

Footnotes :

(i) Cost includes improvements to buildings constructed on leasehold land - ₹ 1124.22 crores (Previous year - ₹ 1039.82 crores).

(ii) For details of pledged assets refer Note 15, footnote (ii).

(iii) Includes Building amounting to ₹ 0.79 crore acquired on amalgamation of TIFCO Holdings Ltd. is pending to be transferred in the name of the Company.

(iv) Disposals include ₹ 8.43 crores (Previous year - ₹ Nil) of Assets, comprising of residential flats, re-classified as held for sale.

NOTE 4 : INTANGIBLE ASSETS (ACQUIRED)

₹ crores

	Website Development Cost	Software (Refer Footnote (i))	Service and Operating Rights	Total
Cost				
At April 1, 2017	**18.27**	**35.61**	**3.09**	**56.97**
Additions	1.23	1.98	0.04	3.25
Disposals	-	-	-	-
At March 31, 2018	**19.50**	**37.59**	**3.13**	**60.22**
Additions	1.70	1.78	8.94	12.42
Disposals	-	0.06	-	0.06
At March 31, 2019	**21.20**	**39.31**	**12.07**	**72.58**
Amortisation				
At April 1, 2017	**4.02**	**12.27**	**2.56**	**18.85**
Charge for the year	4.96	5.57	0.16	10.69
Disposals	-	-	-	-
At March 31, 2018	**8.98**	**17.84**	**2.72**	**29.54**
Charge for the year	4.03	6.95	0.43	11.41
Disposals	-	0.07	-	0.07
At March 31, 2019	**13.01**	**24.72**	**3.15**	**40.88**
Net Block				
At March 31, 2018	**10.52**	**19.75**	**0.41**	**30.68**
At March 31, 2019	**8.19**	**14.59**	**8.92**	**31.70**

Footnote :

(i) Software includes Customer Reservation System and other licensed software.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 5 : INVESTMENTS

	Face Value		March 31, 2019 Holdings As at	March 31, 2019 ₹ crores	March 31, 2018 Holdings As at	March 31, 2018 ₹ crores
(a) Non Current Investments						
Fully Paid Unquoted Equity Investments						
Investments in Subsidiary Companies (at cost)						
KTC Hotels Ltd.	₹	10	6,04,000	0.70	6,04,000	0.70
Roots Corporation Ltd. (55,67,994 shares allotted during the year)	₹	10	5,65,67,994	101.11	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	1,111.98
IHOCO BV (16,32,970 shares allotted during the year)	US $	1	2,31,93,201	2,115.32	2,15,60,231	1,964.63
United Hotels Ltd.	₹	10	46,20,000	1.50	46,20,000	1.50
Piem Hotels Ltd.	₹	10	19,64,770	89.87	19,64,770	89.87
Inditravel Ltd.	₹	10	3,39,009	0.34	3,39,009	0.34
Taj Enterprises Ltd.	₹	100	22,298	0.30	22,298	0.30
Taj Trade & Transport Co. Ltd.	₹	10	16,16,999	3.20	16,16,999	3.20
Skydeck Properties And Developers Private Ltd	₹	10	89,30,32,160	1,168.88	89,30,32,160	1,168.88
				4,593.20		4,392.40
Investments in Joint Ventures (at cost)						
Taj Karnataka Hotels & Resorts Ltd.	₹	10	10,98,740	1.10	10,98,740	1.10
Taj Kerala Hotels & Resorts Ltd.	₹	10	1,41,51,663	15.67	1,41,51,663	15.67
Taj SATS Air Catering Ltd.	₹	10	88,74,000	61.82	88,74,000	61.82
Taj Madras Flight Kitchen Private Ltd.	₹	10	79,44,112	8.56	79,44,112	8.56
Taj Safaris Ltd. (61,51,484 shares allotted during the year)	₹	10	1,55,55,705	14.77	9,404,221	8.62
Kaveri Retreats and Resorts Ltd.	₹	10	1,31,76,467	44.80	1,31,76,467	44.80
				146.72		140.57
Investments in Associate Companies (at cost)						
BJETS Pte Ltd.	US$	1	2,00,00,000	102.59	2,00,00,000	102.59
Taida Trading & Industries Ltd.	₹	100	26,912	0.27	26,912	0.27
Taj Madurai Ltd.	₹	10	9,12,000	0.95	9,12,000	0.95
				103.81		103.81
Fully Paid Quoted Equity Investments :						
Investments in Subsidiary Company (at cost)						
Benares Hotels Ltd.	₹	10	6,43,825	2.66	6,43,825	2.66
				2.66		2.66
Investments in Joint Ventures (at cost)						
Taj GVK Hotels & Resorts Ltd.	₹	2	1,60,00,400	40.34	1,60,00,400	40.34
				40.34		40.34
Investments in Associate Companies (at cost)						
Oriental Hotels Ltd.	₹	1	5,09,72,910	50.37	5,09,72,910	50.37
				50.37		50.37
Gross Investment in Subsidiaries, Joint Ventures and Associates				**4,937.10**		4,730.15
Less : Provision for Impairment in value of Investments (Refer Footnote (v))				1,395.42		1,361.78
Net Investment in Subsidiaries, Joint Ventures and Associates				**3,541.68**		3,368.37
Carried over				**3,541.68**		3,368.37

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 5 : INVESTMENTS (Contd.)

		Face Value	March 31, 2019 Holdings As at	March 31, 2019 ₹ crores	March 31, 2018 Holdings As at	March 31, 2018 ₹ crores
Brought over				**3,541.68**		**3,368.37**
Fully Paid Unquoted Equity Investments						
Investments in Other Companies (Refer Footnote (vi))						
Carried at Fair Value Through Other Comprehensive Income:						
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000/-)	₹	50	20	-	20	-
Tata Services Ltd. (Refer Footnote (vii))	₹	1,000	421	0.03	421	0.03
Tata Sons Private Ltd. (Refer Footnote (vii))	₹	1,000	4,500	25.00	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote (iv) and (vii))	₹	10	7,11,00,000	71.10	7,11,00,000	71.10
Kumarakruppa Frontier Hotels Private Ltd.	₹	10	96,432	7.18	96,432	6.41
Taj Air Ltd.	₹	10	1,59,90,200	3.97	1,59,90,200	3.95
MPower Information Systems Pvt. Ltd.	₹	10	4,98,000	-	4,98,000	-
Tata Ceramics Ltd.	₹	2	1,54,29,480	-	1,54,29,480	-
Tata Industries Ltd (Refer Footnote (vii))	₹	100	42,74,590	55.73	42,74,590	55.73
Tata International Ltd.	₹	1,000	8,000	24.96	8,000	22.96
				187.97		**185.18**
Fully Paid Quoted Equity Investments :						
Investments in Other Companies (Refer Footnote (vi))						
Carried at fair value through Other Comprehensive Income:						
HDFC Bank Ltd.	₹	2	2,500	0.58	2,500	0.47
India Tourism Development Corporation Ltd.	₹	10	67,50,275	189.04	67,50,275	305.99
Asian Hotels (North) Ltd.	₹	10	2	-	2	-
Asian Hotels (East) Ltd.	₹	10	2	-	2	-
Asian Hotels (West) Ltd.	₹	10	2	-	2	-
EIH Ltd.	₹	2	37	-	37	-
Hotel Leela Venture Ltd.	₹	2	25	-	25	-
				189.62		**306.46**
Total Investment in Equity instruments				**3,919.27**		**3,860.01**
Investment in Preference Shares (carried at amortised costs)						
Central India Spinning Weaving & Manufacturing Co. Ltd.	₹	500	50	-	50	-
(10% unquoted Cumulative Preference Shares) (₹ 27,888/-)				-		-
Investment in Others (carried at amortised costs)						
National Savings Certificate (₹ 45,000)				-		-
Hindusthan Engineering & Industries Ltd (₹ 70/-)	₹	10	7	-	7	-
Total Non-current Investments - Net				**3,919.27**		**3,860.01**

Footnotes :

		March 31, 2019	March 31, 2018
(i)	Aggregate amount of Quoted Investments	282.99	399.83
	Market value of Quoted Investments	906.62	855.90
(ii)	Aggregate amount of Unquoted Investments	5,031.70	4,821.96
(iii)	Aggregate amount of impairment in value of investments	1,395.42	1,361.78

(iv) Transfer of shares is restricted due to option granted for 10 years upto July, 2021 to Tata Realty and Infrastructure Ltd. for repurchase of the shares at par value. Tata Realty and Infrastructure Ltd. has deposited a sum of ₹ 71.10 crores (Previous year - ₹ 71.10 crores) as Option Deposit (Refer Note 16(b)), which shall be adjusted upon exercise of the option or refunded.

(v) The continuing losses in one of its properties in the United States of America, has led the Company to reassess the recoverable amount of its investment in IHOCO BV, a wholly owned subsidiary. During the year, the Company recognised an impairment loss of ₹ 31.71 crores (Previous year - ₹ 80.50 crores) in the Statement of Profit and Loss which has been classified under "Exceptional items" (Refer Note 27).

(vi) For these investments, the Company has elected the fair value through Other Comprehensive Income irrevocable option since these investments are not held for trading.

(vii) For these investments, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(viii) The fair value hierarchy and classification are disclosed in Note 33.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 5 : INVESTMENTS (Contd.)

	March 31, 2019		March 31, 2018	
	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 Liquid Fund Direct Growth	6,14,946	181.07	-	-
Tata Liquid Fund Regular Growth	42,201	12.36	-	-
L&T Liquid Fund - Growth	-	-	5,05,895	120.33
Aditya Birla Sun Life Cash Plus - Daily Dividend	-	-	41,65,280	41.73
Aditya Birla Sun Life Cash Plus - Growth	-	-	2,26,165	6.32
ICICI Prudential Money Market Fund - Growth	-	-	11,24,926	27.05
Kotak Floater - Short Term - Growth	-	-	2,37,041	67.60
Tata Money Market Fund Regular Plan - Growth	-	-	81,444	22.21
Kotak Floater - Short Term - Daily Dividend	-	-	1,60,265	16.21
		193.43		301.45

Footnote:

(i) Aggregate amount of Unquoted Investments:	193.43	301.45

NOTE 6 : LOANS

₹ crores

	March 31, 2019	March 31, 2018
(a) Non Current Loans at amortised costs		
(Unsecured, considered good unless stated otherwise)		
Loans to Related Parties (Refer Note 39)		
Considered good	5.35	5.35
Balance having significant increase in credit risk	-	-
Credit impaired	3.17	3.17
	8.52	**8.52**
Less: Allowance for credit impaired	3.17	3.17
	5.35	**5.35**
(b) Current Loans at amortised costs		
(Unsecured, considered good unless stated otherwise)		
Loans to Related Parties (Refer Note 39)	12.87	20.65
Others	0.01	0.01
	12.88	**20.66**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 7 : OTHER FINANCIAL ASSETS

		₹ crores	
		March 31, 2019	**March 31, 2018**
(a)	**Non Current Financial Assets**		
	Long-term security deposits placed for Hotel Properties at amortised costs		
	Related Parties (Refer Note 39)	0.10	0.09
	External Parties	29.17	35.26
		29.27	**35.35**
	Less: Allowance for doubtful deposits	2.00	2.00
		27.27	**33.35**
	Deposits with Public Bodies and Others at amortised costs		
	Related Parties (Refer Note 39)	0.48	0.57
	Public Bodies and Others	18.10	19.60
		18.58	**20.17**
	Less: Allowance for doubtful deposits	0.10	0.10
		18.48	**20.07**
	Deposits with Banks (Refer Note 12)	0.39	0.70
	Others	1.47	1.72
		47.61	**55.84**
(b)	**Current Financial Assets**		
	Deposit with Public Bodies and others		
	Related Parties (Refer Note 39)	1.23	1.23
	Others	58.44	12.23
		59.67	**13.46**
	Other advances		
	Considered good	8.63	5.42
	Considered doubtful	1.53	3.92
		10.16	**9.34**
	Less: Allowance for doubtful advances	1.53	3.92
		8.63	**5.42**
	Interest receivable		
	Related Parties (Refer Note 39)	1.12	1.08
	Others	0.62	0.65
		1.74	**1.73**
	Other receivables		
	Related Parties (Refer Note 39)	84.62	89.00
	Others	12.68	13.74
		97.30	**102.74**
		167.34	**123.35**

NOTE 8 : OTHER ASSETS

		₹ crores	
		March 31, 2019	**March 31, 2018**
(a)	**Other Non Current Assets**		
	Capital Advances	6.91	10.51
	Prepaid Expenses	165.99	72.70
	Deposits adjustable against future rent payments	5.90	7.51
	Incentive receivable	75.77	91.00
	Deposits with Government Authorітites	99.54	94.40
		354.11	**276.12**
(b)	**Other Current Assets**		
	Prepaid Expenses	76.92	29.65
	Indirect tax recoverable	5.11	2.98
	Advance to Suppliers	9.76	12.57
	Advance to Employees	1.42	2.04
	Deposits adjustable against future rent payments	0.25	0.25
		93.46	**47.49**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 9 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ crores

	March 31, 2019	March 31, 2018
Food and Beverages	25.86	25.28
Stores and Operating Supplies	25.35	26.19
	51.21	**51.47**

Footnote:

i) The cost of inventories recognised as an expense amounted to ₹ 333.32 crores (Previous year ₹ 320.23 crores).

ii) The cost of inventories recognised as an expense includes ₹ 0.26 crore (Previous year ₹ 0.78 crore) in respect of write down of inventories to net realisable value.

NOTE 10 : TRADE RECEIVABLES

₹ crores

	March 31, 2019	March 31, 2018
Unsecured		
Considered good	249.99	256.81
Balance having significant increase in credit risk	-	-
Credit impaired	15.46	21.73
	265.45	**278.54**
Less : Allowance for credit impaired	15.46	21.73
	249.99	**256.81**

Footnote:

	March 31, 2019	March 31, 2018
i) Allowance for credit impaired		
Opening Balance	21.73	11.70
Add: Allowance during the year	3.22	12.18
	24.95	**23.88**
Less: Bad Debts written off against past allowances	8.22	1.69
Less: Reversal of allowances no longer required	1.27	0.46
Closing Balance	**15.46**	**21.73**

ii) Trade Receivables include debts due from Directors - ₹ 10,770 (Previous year - ₹ 63,145) in the ordinary course of business.

iii) For related party balances refer Note 39.

NOTE 11 : CASH AND CASH EQUIVALENTS

₹ crores

	March 31, 2019	March 31, 2018
Cash on hand	2.48	2.20
Cheques, Drafts on hands, Funds in transit	5.94	16.09
Balances with bank in current account	11.42	51.10
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	69.09	51.89
	88.93	**121.28**

NOTE 12 : OTHER BALANCES WITH BANKS

₹ crores

	March 31, 2019	March 31, 2018
Call and Short-term deposit accounts	5.10	5.10
Deposits pledged with others	0.70	0.65
Margin money deposits	0.09	0.78
Earmarked balances	1.57	1.90
	7.46	**8.43**
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))	0.39	0.70
	7.07	**7.73**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 13 : EQUITY SHARE CAPITAL

₹ crores

	March 31, 2019	March 31, 2018
Authorised Share Capital		
200,00,00,000 Equity Shares of ₹ 1 each	200.00	200.00
	200.00	**200.00**
Issued Share Capital		
118,93,07,472 (Previous year - 118,93,07,472) Equity Shares of ₹ 1 each	118.93	118.93
	118.93	**118.93**
Subscribed and Paid Up		
118,92,58,445 (Previous Year - 118,92,58,445) Equity Shares of ₹ 1 each, Fully Paid	118.93	118.93
(Refer Footnote (v))	**118.93**	**118.93**

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) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2019		March 31, 2018	
	No. of shares	₹ crores	No. of shares	₹ crores
As at the beginning of the year	1,18,92,58,445	118.93	98,92,74,015	98.93
Add : Shares issued on Rights basis	-	-	19,99,84,430	20.00
As at the end of the year	**1,18,92,58,445**	**118.93**	**1,18,92,58,445**	**118.93**

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

	March 31, 2019		March 31, 2018	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Tata Sons Private Limited	43,32,19,860	36.43	43,32,19,860	36.43
Reliance Capital Trustee Company Limited	9,26,91,722	7.79	6,92,59,654	5.82
HDFC Trustee Company Limited	6,73,02,453	5.66	*	*
Life Insurance Corporation of India	*	*	8,07,43,678	6.79

* less than 5%

(iv) 49,027 (Previous year - 49,027) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

(v) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (Previous year - Nil)

(vi) Equity Shares held by associates

	March 31, 2019		March 31, 2018	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Oriental Hotels Limited	7,52,398	0.06	7,52,398	0.06
Taida Trading and Industries Limited	1,87,818	0.02	1,87,818	0.02
Taj Madurai Limited	11,25,393	0.09	11,25,393	0.09

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 14 : OTHER EQUITY

₹ crores

		March 31, 2019	March 31, 2018
(a)	**Reserves & Surplus**		
	Capital Reserve		
	Opening and Closing Balance	43.91	43.91
	Reserve on Transfer of Equity to Entities under Common Control		
	Opening and Closing Balance	79.38	79.38
	Capital Redemption Reserve		
	Opening and Closing Balance	1.12	1.12
	Securities Premium		
	Opening Balance	2,702.08	1,230.65
	Add : Premium on allocation of shares on Rights basis	-	1,479.88
	Less : Issue expenses written off	(0.02)	(8.45)
	Closing Balance	**2,702.06**	**2,702.08**
	Debenture Redemption Reserve		
	Opening Balance	305.97	305.97
	Add : Transfer from Retained Earnings	11.93	-
	Closing Balance	**317.90**	**305.97**
	Reserve Fund		
	Opening Balance as reported earlier	-	-
	Add: Addition on account of amalgamation of TIFCO Holdings Ltd.	-	42.42
	Restated Opening Balance	-	42.42
	Less: Transfer to Retained Earnings	-	42.42
	Closing Balance	**-**	**-**
	General Reserve		
	Opening and Closing Balance	459.99	459.99
	Retained Earnings		
	Opening Balance	411.84	268.71
	Add: Current year profits	263.70	147.77
	Add: Transfer from Reserve Fund	-	42.42
	Less: Transfer to Debenture Redemption Reserve	(11.93)	-
	Add: Realised gain on sale of shares of Tourism Finance Corporation of India transferred from Other Comprehensive Income	-	0.41
	Add: Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings)	(6.53)	(5.80)
	Less : Final Dividend	(47.57)	(34.62)
	Less : Tax on Dividend	(5.74)	(7.05)
	Closing Balance	**603.77**	**411.84**
	Total	**4,208.13**	**4,004.29**
(b)	**Other Comprehensive Income**		
	Equity Instruments fair valued through Other Comprehensive Income		
	Opening Balance	270.74	236.12
	Add: Change in fair value of equity instruments designated irrevocably as fair value through Other Comprehensive Income	(114.06)	35.03
	Less: Realised gain on sale of shares of Tourism Finance Corporation of India Ltd. transferred from Other Comprehensive Income	-	(0.41)
	Closing Balance	**156.68**	**270.74**
		4,364.81	**4,275.03**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 15 : BORROWINGS

₹ crores

(a) Long term borrowings	Effective Rate of Interest (%)	Maturity	March 31, 2019 Face Value	March 31, 2019 Amortised cost	March 31, 2018 Face Value	March 31, 2018 Amortised cost
Non Convertible Debentures (NCDs)						
Secured						
a) 7.85% Non-Convertible Debentures	7.85	April 15, 2022	495.00	494.09	495.00	493.86
b) 10.10% Non-Convertible Debentures	10.10	November 18, 2021	300.00	300.00	300.00	300.00
c) 9.95% Non-Convertible Debentures	9.95	July 27, 2021	250.00	250.00	250.00	250.00
			1,045.00	**1,044.09**	**1,045.00**	**1,043.86**
Unsecured						
a) 7.85% Non-Convertible Debentures	7.85	April 20, 2020	200.00	199.84	200.00	199.77
b) 2% Non-Convertible Debentures	9.86	December 9, 2019	250.00	529.45	250.00	486.21
			450.00	**729.29**	**450.00**	**685.98**
			1,495.00	**1,773.38**	**1,495.00**	**1,729.84**
Term Loan from Banks						
Unsecured						
Term Loan from Bank				-		50.00
				-		50.00
Loans (Unsecured)						
From Related Party (Refer Note 39)				4.29		4.04
				4.29		**4.04**
				1,777.67		**1,783.88**
Less: Current maturities of Long term borrowings (shown under Other Current financial liabilities)				529.45		50.00
				1,248.22		**1,733.88**
(b) Short term borrowings						
Loans repayable on demand from Bank						
Unsecured				6.38		-
				6.38		**-**

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 i.e 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.

(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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 15 : BORROWINGS (Contd.)

(iii) Non Convertible Debentures - Unsecured include:

a) 2,000, 7.85% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 20, 2017 are repayable on April 20, 2020, i.e at the end of the 3rd year from the date of allotment.

b) 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. This has been classified under current maturities of long term borrowings.

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

a) Unsecured term loan from a bank of ₹ 50 crores outstanding at the beginning of the year was repaid in April, 2018.

Footnotes:

v) Disclosure of changes in liabilities arising from financing activities (read with cash flow statement)

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented below.

₹ crores

Financial liability statement	March 31, 2019	March 31, 2018
a) Net debt		
Cash and cash equivalents	88.93	121.28
Current investments	193.43	301.45
Total Liquid investment (a)	**282.36**	**422.73**
Long term borrowings (including current maturities shown under Other Current financial liabilities)	1,777.67	1,783.88
Short term borrowings	6.38	-
Gross Debt (b)	**1,784.05**	**1,783.88**
Net Debt ((b) - (a))	**1,501.69**	**1,361.15**
b) Other financial liabilities		
Liability on derivative contracts	277.45	230.56
Interest accrued but not due / Unclaimed interest	52.44	52.69
Total Other financial liabilities	**329.89**	**283.25**
Grand Total	**1,831.58**	**1,644.40**

₹ crores

	Liquid Assets		Liabilities from Financing activities				Total
	Cash and cash equivalents	Current Investments	Gross Debt	Net Debt	Derivatives	Interest accrued but not due / Unclaimed interest	
	(a)	(b)	(c)	(d) = (c)-(a)-(b)	(e)	(f)	(g) = (d)+(e)+(f)
Net Debt as at March 31, 2017	**15.00**	**65.12**	**2,048.98**	**1,968.86**	**244.27**	**42.79**	**2,255.92**
Cash flows	106.28	230.99	(212.60)	(549.87)	11.80	(0.01)	(538.08)
Foreign exchange adjustments	-	-	(0.05)	(0.05)	-	-	(0.05)
Interest expense	-	-	41.13	41.13	-	151.34	192.47
Interest paid	-	-	(94.54)	(94.54)	-	(141.36)	(235.90)
Transferred to IEPF	-	-	-	-	-	(0.07)	(0.07)
Other non- cash movements:							
Added to Borrowings							
Amortization Costs	-	-	0.96	0.96	-	-	0.96
Fair value adjustments	-	5.34	-	(5.34)	(25.51)	-	(30.85)
Net Debt as at March 31, 2018	**121.28**	**301.45**	**1,783.88**	**1,361.15**	**230.56**	**52.69**	**1,644.40**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 15 : BORROWINGS (Contd.)

₹ crores

	Liquid Assets		Liabilities from Financing activities				Total
	Cash and cash equivalents	Current Investments	Gross Debt	Net Debt	Derivatives	Interest accrued but not due / Unclaimed interest	
	(a)	(b)	(c)	(d) = (c)-(a)-(b)	(e)	(f)	(g) = (d)+(e)+(f)
Net Debt as at March 31, 2018	**121.28**	**301.45**	**1,783.88**	**1,361.15**	**230.56**	**52.69**	**1,644.40**
Cash flows	(32.35)	(124.67)	(43.62)	113.40	5.86	(0.02)	119.24
Foreign exchange adjustments	-	-	0.25	0.25	-	-	0.25
Interest expense	-	-	43.54	43.54	-	115.10	158.64
Interest paid	-	-	-	-	-	(115.01)	(115.01)
Transferred to IEPF	-	-	-	-	-	(0.32)	(0.32)
Other non- cash movements:							
Added to Borrowings							
Amortization Costs	-	-	-	-	-	-	-
Fair value adjustments	-	16.65	-	(16.65)	41.03	-	24.38
Net Debt as at March 31, 2019	**88.93**	**193.43**	**1,784.05**	**1,501.69**	**277.45**	**52.44**	**1,831.58**

NOTE 16: OTHER FINANCIAL LIABILITIES

₹ crores

		March 31, 2019	March 31, 2018
(a)	**Other Non Current financial liabilities**		
	Liability on derivative contracts	147.88	230.56
	Deposits from others		
	Unsecured	15.02	13.31
	Employee related liabilities	12.69	8.67
		175.59	**252.54**
(b)	**Other Current financial liabilities**		
	Current maturities of long term borrowings		
	Debentures	529.45	-
	Term Loan From Banks	-	50.00
		529.45	**50.00**
	Liability on derivative contracts	129.57	-
	Contract Liability towards Loyalty Programmes (Refer Note 31 (iii))	43.43	41.94
	Other Payables		
	Related Parties (Refer Note 39)	1.79	15.31
	Others	5.20	6.55
		6.99	**21.86**
	Deposits from others		
	Option Deposit received against purchase of shares (Secured) (Refer Note 5, Footnote (iv))	71.10	71.10
	Unsecured	14.91	17.48
		86.01	**88.58**
	Carried over	**795.45**	**202.38**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 16: OTHER FINANCIAL LIABILITIES (Contd.)

₹ crores

	March 31, 2019	March 31, 2018
Brought over	**795.45**	**202.38**
Interest accrued but not due on borrowings	51.92	51.83
Creditors for capital expenditure	23.71	37.18
Unclaimed dividend (Refer Footnote (ii))	1.33	1.61
Unclaimed matured deposits and interest accrued thereon (Refer Footnote (ii))	0.52	0.86
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous year - ₹ 25,153) (Refer Footnote (ii))	-	-
Employee related liabilities	92.10	70.68
Others	45.77	41.27
	1,010.80	**405.81**

Footnotes:

(i) The fair value hierarchy and classification are disclosed in Note 33.

(ii) A sum of ₹ 0.92 crore (Previous year - ₹ 0.35 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.

NOTE 17 : PROVISIONS

₹ crores

	March 31, 2019	March 31, 2018
(a) Non Current provisions		
Employee Benefit Obligation		
Compensated absences	28.19	25.36
Gratuity (Refer Note 35)	18.60	9.54
Post-employment medical benefits (Refer Note 35)	6.20	5.28
Post-retirement pension (Refer Note 35)	17.81	16.72
	70.80	**56.90**
(b) Current provisions		
Employee Benefit Obligation		
Compensated absences	20.52	19.57
Post-employment medical benefits (Refer Note 35)	0.41	0.36
Post-retirement pension (Refer Note 35)	1.47	1.61
	22.40	**21.54**
Provision for disputed claims (Refer Footnote (i))	95.59	86.69
	117.99	**108.23**

Footnote:

(i) Provision for disputed claims includes the following:

₹ crores

	Opening Balance	Addition/ (Deletion)	Closing Balance
For taxes, levies and duties	86.28	8.90	95.18
	66.29	*19.99*	*86.28*
For contractual matters	0.41	-	0.41
	0.41	-	*0.41*
As at March 31, 2019	**86.69**	**8.90**	**95.59**
As at March 31, 2018	*66.70*	*19.99*	*86.69*

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 18 : DEFERRED TAX LIABILITIES (NET)

₹ crores

	March 31, 2019	March 31, 2018
Deferred Tax Liabilities:		
Property, plant and equipment & Intangible assets	445.78	444.93
Unamortised borrowing costs	0.37	0.45
Fair valuation changes of derivative contracts	2.26	20.88
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income (Refer Footnote below)	5.53	4.84
	453.94	**471.10**
Deferred Tax Assets:		
Provision for Employee Benefits	35.90	28.48
MAT Credit Entitlement	-	33.56
Allowance for doubtful debts	5.31	7.60
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income (Refer Footnote below)	5.53	4.84
Reward Points	14.83	13.27
Provision for disputed claims	11.67	26.51
Others	12.58	8.03
	85.82	**122.29**
	368.12	**348.81**

Footnote:

Deferred tax assets on account of changes in fair value of investments routed through OCI has been restricted to the extent of deferred tax liability on this account.

NOTE 19: TRADE PAYABLES

₹ crores

	March 31, 2019	March 31, 2018
Micro and Small Enterprises (Refer Footnote (i) and (ii))	1.71	1.86
Others:		
Vendor Payables	76.78	107.72
Accrued expenses and others	111.62	98.44
	188.40	**206.16**
	190.11	**208.02**

Footnotes:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

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

₹ crores

	March 31, 2019	March 31, 2018
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	1.71	1.86
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

(iii) For related party balances Refer Note 39.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 20 : OTHER CURRENT LIABILITIES

₹ crores

	March 31, 2019	March 31, 2018
Income received in advance (Refer Footnote)	24.96	22.71
Deferred Revenue (Refer Footnote)	76.85	86.85
Advances collected from customers (Refer Footnote)	51.73	45.34
Statutory dues	55.25	40.68
	208.79	**195.58**

Footnote:

For detailed disclosure to Ind AS 115 - Revenue from Contracts with Customers Refer Note 31 (iii).

NOTE 21 : REVENUE FROM OPERATIONS

₹ crores

	March 31, 2019	March 31, 2018
Room Income, Food, Restaurants and Banquet Income	2,291.66	2,122.49
Shop rentals	34.46	31.69
Membership fees	91.12	85.72
Management and operating fees	222.52	210.47
Other Operating Income	140.65	133.58
	2,780.41	**2,583.95**

NOTE 22 : OTHER INCOME

₹ crores

	March 31, 2019	March 31, 2018
Interest Income from financial assets at amortised cost		
Deposits with banks	2.63	13.91
Deposits with Related Parties (Refer Note 39)	3.18	4.68
Amortisation of Interest on security deposits	6.72	3.29
Others	0.52	1.09
	13.05	**22.97**
Interest on Income Tax Refunds	2.09	3.18
	15.14	**26.15**
Dividend Income from Investments		
- from Investments in Subsidiaries, Joint Ventures and Associates which are measured at cost	21.96	2.65
- from Investments that are fair valued through Other Comprehensive Income	5.68	5.11
- from Investments that are fair valued through Profit and Loss	0.37	1.23
	28.01	**8.99**
Profit on disposal of Property, plant and equipment (Net)	13.70	-
Gain on investments carried at fair value through statement of Profit and Loss	1.73	2.10
Profit on sale of Investments (Net)	14.92	3.23
Exchange Gain (Net)	2.38	-
Others	14.62	14.92
	90.50	**55.39**

NOTE 23 : FOOD AND BEVERAGES CONSUMED

₹ crores

	March 31, 2019	March 31, 2018
Opening Stock	25.28	24.13
Add : Purchases	247.34	233.79
	272.62	**257.92**
Less : Closing Stock	25.86	25.28
	246.76	**232.64**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 24 : EMPLOYEE BENEFIT EXPENSES AND PAYMENT TO CONTRACTORS

₹ crores

	March 31, 2019	March 31, 2018
Salaries, Wages, Bonus etc.	519.47	480.71
Company's Contribution to Provident and Other Funds (Refer Note 35)	32.27	26.86
Reimbursement of Expenses on Personnel Deputed to the Company	20.72	15.79
Payment to Contractors	49.99	47.09
Staff Welfare Expenses	81.40	79.16
	703.85	**649.61**

Footnote:

Employee benefit expenses of ₹ 6.44 crores (Previous year - ₹ 4.93 crores) for the year and to the extent attributable to construction or renovation of hotel buildings has been capitalised.

NOTE 25 : FINANCE COSTS

₹ crores

	March 31, 2019	March 31, 2018
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	158.60	184.50
Add : Settlements on interest rate swap contracts	-	0.05
	158.60	**184.55**
On Tax Demands	0.04	7.87
Other borrowing costs	-	1.01
	158.64	**193.43**

NOTE 26 : OTHER OPERATING AND GENERAL EXPENSES

₹ crores

	March 31, 2019	March 31, 2018
(i) Operating expenses consist of the following :		
Linen and Room Supplies	37.94	42.71
Catering Supplies	21.10	19.27
Other Supplies	4.94	5.19
Fuel, Power and Light (net)	176.06	165.55
Repairs to Buildings	38.13	40.29
Repairs to Machinery	46.41	43.27
Repairs to Others	12.25	10.83
Linen and Uniform Washing and Laundry Expenses	13.79	12.15
Security charges and Others	33.16	29.22
Guest Transportation	37.60	35.25
Travel Agents' Commission	42.04	38.86
Discount to Collecting Agents	21.83	21.11
Other Operating Expenses	58.24	49.55
	543.49	**513.25**
Carried over	**543.49**	**513.25**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 26 : OTHER OPERATING AND GENERAL EXPENSES (Contd.)

Brought over	**543.49**	**513.25**
(ii) General expenses consist of the following :		
Rent	40.72	43.71
Licence Fees (Refer Footnote (iv))	171.20	161.14
Rates and Taxes	55.03	53.06
Insurance	6.71	6.55
Advertising and Publicity	77.25	93.09
Printing and Stationery	8.06	8.79
Passage and Travelling	10.16	10.38
Provision for Doubtful Debts / Bad debts written off	3.87	13.34
Expenditure on Corporate Social Responsibility (Refer Footnote (v))	6.35	5.27
Professional Fees	36.32	33.07
Outsourced Support Services	66.58	65.00
Exchange Loss (Net)	-	0.11
Loss on Sale of Property, plant and equipment (Net)	-	0.14
Payment made to Statutory Auditors (Refer Footnote (iii))	3.17	3.14
Directors' Fees and Commission	2.22	4.10
Other Expenses (Refer Footnote (ii))	69.23	58.76
	556.87	**559.65**
	1,100.36	**1,072.90**

Footnotes:

(i) The following direct expenses incurred during the year and to the extent attributable to construction or renovation of hotel buildings have been capitalised:

₹ crores

	March 31, 2019	March 31, 2018
Fuel, power and light	1.82	0.12
Other expenses (Net)	10.95	16.91
	12.77	**17.03**

(ii) Other expenses include Assets written off - ₹ 0.71 crore (Previous year - ₹ 1.19 crores).

(iii) Payment made to Statutory Auditors:

₹ crores

	March 31, 2019	March 31, 2018
As auditors	2.35	2.02
As tax auditors	0.40	0.40
For other services	0.13	0.63
For out-of pocket expenses	0.29	0.08
Service tax / GST on above [Net of credit availed - ₹ 0.50 crore (Previous year - ₹ 0.28 crore)]	-	0.01
	3.17	**3.14**

Footnote:

Excludes ₹ Nil (Previous year - ₹ 1.36 crores) adjusted against Securities Premium Account.

(iv) Licence Fees include ₹ 6.19 crores (Previous year - ₹ 3.82 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 ₹ 6.32 crores (Previous year - ₹ 5.23 crores). Against this sum, the Company has spent ₹ 6.35 crores (Previous year - ₹ 5.27 crores) on projects other than construction / acquisition of assets. The entire amount has been disbursed / committed prior to the end of the financial year.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 27 : EXCEPTIONAL ITEMS

	March 31, 2019	March 31, 2018
		₹ crores
Exceptional Items comprises the following:		
Provision for impairment in the value of investment in a Joint Venture	(1.92)	-
Exchange Gain/ (Loss) on Long-term Borrowings/Assets (Net)	-	(0.20)
Change in fair value of derivative contracts	(41.03)	25.51
Provision for impairment of investment in a subsidiary that incurred losses (Refer Note 5(a), Footnote (v))	(31.71)	(80.50)
	(74.66)	(55.19)

NOTE 28. 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, 2019	March 31, 2018
		₹ crores
Income tax	134.09	166.41
Entertainment tax	2.22	2.22
Sales tax / State Value added tax	21.02	19.96
Property tax	189.07	152.46
Service tax	11.15	5.36
Others	19.19	27.34

Footnote:

(i) In respect of Income Tax matters, the Company has ongoing disputes with Income Tax Authorities relating to treatment of certain items/ adjustments carried out by the Department. The Company's appeals are pending before various Appellate Authorities. Most of these disallowances/ adjustments, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. Cash outflows for the above are determinable only on receipt of judgements pending with various authorities/ Tribunals. The Company expects to sustain its position on ultimate resolution of the appeals.

(ii) In respect of regulatory matters please refer Note no. 36.

(b) On account of lease agreements:

In respect of a plot of land provided to the Company under a lease agreement, on which the Company has constructed a hotel, the lessor has made a claim of ₹ 432.57 crores to date, (13 times the previous annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the lessor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the then existing lessor's policy as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch beyond ₹ 115.85 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been filed by the Company before the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the lessor, pending a resolution of this dispute by the Honourable Bombay High Court, and the Company has obtained a stay order from the court.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(c) Others:

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations; and

(iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial position, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

(d) Claims filed by the Company:

The Company 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 intermediate 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.

NOTE 29. 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, 2019 - ₹ 315.25 crores (Previous year - ₹ 404.23 crores). Out of this, counter indemnity for ₹ 131.44 crores (Previous year - ₹ 116.77 crores) has been obtained from a JV partner for his 50% share.

(ii) The Company has given letter of support to an associate and a joint venture during the year.

NOTE 30. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 67.57 crores (Previous year – ₹ 101.62 crores).

NOTE 31. REVENUE FROM CONTRACTS WITH CUSTOMERS

IND AS 115 'Revenue from Contracts with Customers'

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18. It introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the cumulative effect method (modified retrospective application) permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended March 31, 2019 only (i.e. the initial application period). This method requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at April 1, 2018 ('transition date') in equity and the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the standard on the financial statements is not material.

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months. (Also refer Credit Risk)

Prior to adoption of IND AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations, Management and Operating Fee and Membership fees income. The recognition of these revenue streams is largely unchanged by Ind AS 115.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

i) **Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss**

₹ crores

	March 31, 2019
Revenue from operations	
Revenue from contract with customers	
Room Revenue, Food & Beverages and Banquets	2,291.66
Management fee	222.52
Membership fee	91.12
Other revenue from contract with customers	148.99
	2,754.29
Other operating revenue	
Export Incentive	23.94
Other revenue	2.18
	26.12
Total Revenue from operations	**2,780.41**

ii) **Disaggregate Revenue**

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

₹ crores

	March 31, 2019
Revenue based on geography	
Revenue from contract with customers	
India	2,701.31
Overseas	52.98
	2,754.29
Other Operating Revenue	
India	26.12
Overseas	-
	26.12
	2,780.41
Revenue based on product and services	
Revenue from contract with customers	
Room Revenue	1,155.01
Food & Beverages and Banquets	1,136.65
Management fee (including reimbursement)	222.52
Membership fee	91.12
Others revenue from contract with customers	148.99
	2,754.29
Other Operating Revenue	
Export Incentives	23.94
Other revenue	2.18
	26.12
	2,780.41

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

iii) Contract Balances

The contract liabilities primarily relate to the unredeemed customer loyalty points and the advance consideration received from customers for which revenue is recognized when the performance obligation is over / services delivered.

a) Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/banquets. Revenue is recognised once the performance obligation is met i.e. on room stay / sale of food and beverage / provision of banquet services. It also includes membership fee received for Chambers Membership, Epicure membership and Spa and Health Club Memberships.

b) Loyalty program liability represents the liability of the Company towards the points earned by the members.

₹ crores

	March 31, 2019	April 1, 2018
Contract liabilities		
Income received in advance	24.96	22.71
Deferred Revenue	76.85	86.85
Advances collected from customers	51.73	45.34
Loyalty program liability	43.43	41.94
	196.97	**196.84**

Footnote: Considering the nature of business of the Company, the above contract liabilities are generally materialised as revenue within the same operating cycle.

NOTE 32. OPERATING LEASES

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, 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 lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses (Refer Note 26, Footnote (iv)).

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:-

₹ crores

Particulars	March 31, 2019	March 31, 2018
Not later than one year	87.41	57.70
Later than one year but not later than five years	360.79	200.54
Later than five years	2523.50	1213.34
	2971.70	**1471.58**

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.

Expenses recognised in the Statement of Profit and Loss:

₹ crores

Particulars	March 31, 2019	March 31, 2018
Minimum Lease Payments/ Fixed Rentals	43.93	42.30
Contingent rents *	135.79	131.28
	179.72	**173.58**

* contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 33. FINANCIAL INSTRUMENTS MEASUREMENTS AND DISCLOSURES

a) Financial instruments by category:

As on March 31, 2019

₹ crores

	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets:				
Measured at fair value				
Investments (Refer Footnote):				
Equity shares	-	377.59	-	377.59
Mutual fund units	193.43	-	-	193.43
Total	**193.43**	**377.59**	**-**	**571.02**
Not measured at fair value				
Trade Receivables	-	-	249.99	249.99
Cash and cash equivalents	-	-	88.93	88.93
Other Balances with Banks	-	-	7.07	7.07
Loans	-	-	18.23	18.23
Security Deposits	-	-	105.42	105.42
Other financial assets	-	-	109.53	109.53
	-	**-**	**579.17**	**579.17**
Total	**193.43**	**377.59**	**579.17**	**1150.19**
Financial liabilities:				
Measured at fair value				
Derivative instruments	277.45	-	-	277.45
Not measured at fair value				
Borrowings	-	-	1784.05	1784.05
Trade Payables including Creditors for capital expenditure	-	-	213.82	213.82
Deposits	-	-	101.03	101.03
Other financial liabilities	-	-	254.75	254.75
Total	**277.45**	**-**	**2353.65**	**2631.10**

Footnote:

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 3,541.68 crores. Also, refer Note no. 29 for guarantees given by the Company.

As on March 31, 2018

₹ crores

	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets:				
Measured at fair value				
Investments (Refer Footnote):				
Equity shares	-	491.64	-	491.64
Mutual fund units	301.45	-	-	301.45
Total	**301.45**	**491.64**	**-**	**793.09**
Not measured at fair value				
Trade Receivables	-	-	256.81	256.81
Cash and cash equivalents	-	-	121.28	121.28
Other Balances with Banks	-	-	7.73	7.73
Loans	-	-	26.01	26.01
Security Deposits	-	-	66.88	66.88
Other financial assets	-	-	112.31	112.31
	-	**-**	**591.02**	**591.02**
Total	**301.45**	**491.64**	**591.02**	**1384.11**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

₹ crores

	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial liabilities:				
Measured at fair value				
Derivative instruments	230.56	-	-	230.56
Not measured at fair value				
Borrowings	-	-	1783.88	1783.88
Trade Payables including Creditors for capital expenditure	-	-	245.20	245.20
Deposits	-	-	101.89	101.89
Other financial liabilities	-	-	238.72	238.72
Total	**230.56**	**-**	**2369.69**	**2600.25**

Footnote:

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 3,368.37 crores. Also, refer Note no. 29 for guarantees given by the Company.

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, 2019

₹ crores

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	189.62	-	187.97	377.59
Mutual fund units	193.43	-	-	193.43
	383.05	**-**	**187.97**	**571.02**
Not measured at fair value (Refer Footnotes)				
Total	**383.05**	**-**	**187.97**	**571.02**
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	277.45	-	277.45
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non Convertible Debentures	-	1786.37	-	1786.37
Total	**-**	**2063.82**	**-**	**2063.82**

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 (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

As on March 31, 2018

₹ crores

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	306.46	-	185.18	491.64
Mutual fund units	301.45	-	-	301.45
Total	**607.91**	**-**	**185.18**	**793.09**
Not measured at fair value (Refer Footnotes)				
Total	**607.91**	**-**	**185.18**	**793.09**
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	230.56	-	230.56
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non Convertible Debentures	-	1763.28	-	1763.28
Term Loan from Banks	-	50.00	-	50.00
Total	**-**	**2043.84**	**-**	**2043.84**

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 includes listed equity instruments, traded debentures and mutual funds that have quoted price/ declared NAV. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

(b) Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(c) **Level 3:** If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

d) Inter level transfers:

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

e) Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for the equity instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of non convertible debentures is valued using FIMMDA guidelines.
- the fair value for the cross currency swaps/principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of certain unlisted shares are determined based on the income approach or the comparable market approach. For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis

f) Reconciliations of level 3 fair values:

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

₹ crores

	Assets	
	Equity Instruments	Loans
Balance as at April 1, 2017	**180.39**	**32.43**
Changes on account of forex fluctuations	-	(0.28)
Net change in fair value (unrealized)	4.79	-
Loans given	-	-
Loans repaid	-	(32.15)
Balance as at March 31, 2018	**185.18**	**-**
Changes on account of forex fluctuations	-	-
Net change in fair value (unrealized)	2.79	-
Loans given	-	-
Loans repaid	-	-
Balance as at March 31, 2019	**187.97**	**-**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 34. FINANCIAL RISK MANAGEMENT

Risk management framework

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal audit team. The internal audit team undertakes both regular and 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. Credit limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets. Also refer Note 43.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ crores

Particulars	March 31, 2019	March 31, 2018
Expiring within one year:		
Bank overdraft	80.00	80.00
Expiring beyond one year	-	-
Total	**80.00**	**80.00**

The bank overdraft facilities may be drawn at any time by the Company.

The breakup of the borrowings into fixed and floating interest rates is as follows:

₹ crores

Particulars	March 31, 2019	March 31, 2018
Fixed interest rate	1784.05	1733.88
Floating interest rate	-	50.00
Total	**1784.05**	**1783.88**

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.

₹ crores

March 31, 2019	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	567.22	200.00	1045.00	4.29	1816.51
Trade and other payables	190.11	-	-	-	190.11
Interest on the borrowings	113.17	94.89	67.76	-	275.82
Other financial liabilities	299.60	10.83	2.87	11.92	325.22
Total	**1170.10**	**305.72**	**1115.63**	**16.21**	**2607.66**
Derivative financial liabilities	**129.57**	**-**	**147.88**	**-**	**277.45**
Financial guarantee contracts	**17.30**	**-**	**131.44**	**-**	**148.74**
Total financial liabilities	**1316.97**	**305.72**	**1394.95**	**16.21**	**3033.85**

₹ crores

March 31, 2018	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	50.00	560.84	1245.00	4.04	1859.88
Trade and other payables	208.02	-	-	-	208.02
Interest on the borrowings	118.70	113.17	162.65	-	394.52
Other financial liabilities	303.98	8.28	0.55	10.46	323.27
Total	**680.70**	**682.29**	**1408.20**	**14.50**	**2785.69**
Derivative financial liabilities	**-**	**104.81**	**125.75**	**-**	**230.56**
Financial guarantee contracts	**20.95**	**30.26**	**201.67**	**-**	**252.88**
Total financial liabilities	**701.65**	**817.36**	**1735.62**	**14.50**	**3269.13**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

iii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and Current Investment.

₹ crores

Particulars	Note	March 31, 2019	March 31, 2018
Borrowings	**15**	**1,784.05**	**1,783.88**
Less: Cash and cash equivalents	11	88.93	121.28
Less: Current Investments	5 (b)	193.43	301.45
Net debt		**1,501.69**	**1,361.15**
Equity	13/14	4,483.74	4,393.96
Gearing ratio		0.33	0.31

c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

i) Foreign Currency risk

The predominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). The Company's reported debt has an exposure to borrowings held in US dollars. Further, the Company has foreign currency exposure for its investments (equity and shareholder's loan) in its international subsidiaries. Movements in foreign exchange rates can affect the Company's reported profit, net assets.

The Company's investment in foreign subsidiaries is offset partially by US dollar denominated derivative instruments and bank loan which mitigates the foreign currency risk arising from the subsidiary's net assets.

The Company uses interest rate swaps and currency swaps to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:-

Derivative Instruments outstanding:

Nature of Derivative	March 31, 2019		March 31, 2018	
	Notional principal (US$ million)	Fair values (₹ crores)	Notional principal (US$ million)	Fair values (₹ crores)
Cross currency Interest rate Swap	108.42	277.45	108.42	230.56
Total	**108.42**	**277.45**	**108.42**	**230.56**

Sensitivity

For the year ended March 31, 2019 and March 31, 2018, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall reduce the Company's profit before tax by approximately 11.61% and 15.88% respectively and every 3% increase in the interest rate shall reduce the Company's profit before tax by approximately 5.72% and 9.92% respectively.

For the year ended March 31, 2019 and March 31, 2018, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall increase the Company's profit before tax by approximately 0.58% and 1.00% respectively and every 3% decrease in the interest rate shall reduce the Company's profit before tax by approximately 5.32% and 9.10% respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

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

Currency	March 31, 2019	March 31, 2018
United States Dollar (Million)	**(0.62)**	**(0.62)**

Sensitivity

For the year ended March 31, 2019 and March 31, 2018, every 3% depreciation / appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the Company's profit before tax by approximately 0.03 % and 0.04 % 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 ₹ Nil as at March 31, 2019 (Previous year - ₹ 50.00 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 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, 2019 would increase / decrease by 4.72 % (for the year ended March 31, 2018: increase / decrease by 31.45 %).

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):

₹ crores

	March 31, 2019	March 31, 2018
Provident Fund	9.60	8.66
Superannuation Fund	4.19	4.99
Total	**13.79**	**13.65**

In light of the recent Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement.

(b) The Company operates post retirement defined benefit plans as follows :-

a. Funded :

i. Provident Fund

ii. Post Retirement Gratuity

iii. Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(c) Provident Fund:

The Company operates Provident Fund Scheme through a Trust – 'Indian Hotels Company Limited Employees Provident Fund Trust' ('the Plan'), set up by the Company and for certain categories contributions are made to State Plan.

The Plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at March 31, 2019 and March 31, 2018.

The details of fund and plan asset position are given below:

₹ crores

	March 31, 2019	March 31, 2018
Plan Assets as at period end	593.97	529.33
Present Value of Funded Obligation at period end	593.97	529.33
Amount recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

₹ crores

	March 31, 2019	March 31, 2018
Guaranteed Rate of Return	8.65%	8.55%
Discounted Rate for remaining term to Maturity of Investment	7.65%	7.75%
Expected Rate of Return on Investment	8.83%	9.16%

The Company contributed ₹ 10.63 crores and ₹ 9.98 crores towards provident fund to the Plan during the year ended March 31, 2019 and March 31, 2018 respectively and the same has been recognised in the statement of profit and loss.

In light of the recent Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement.

(d) Pension Scheme for Employees:

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(e) The above defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

Defined Benefit Plans – As per Actuarial Valuation on March 31, 2019:-

(i) Amount to be recognised in Balance Sheet and movement in net liability

₹ crores

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Present Value of Funded Obligations	180.29	-	-	-	7.91
	170.07	-	-	-	*7.28*
Present Value of Unfunded Obligations	-	6.61	2.66	16.62	-
	-	*5.63*	*2.75*	*15.61*	-
Fair Value of Plan Assets	(161.69)	-	-	-	(10.15)
	(160.53)	-	-	-	*(9.70)*
Amount not recognised due to asset limit	-	-	-	-	0.77
	-	-	-	-	*0.82*
Net (Asset) / Liability	**18.60**	**6.61**	**2.66**	**16.62**	**(1.47)**
	9.54	***5.63***	***2.75***	***15.61***	***(1.59)***

(ii) Expenses recognised in the Statement of Profit and Loss

₹ crores

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Current Service Cost	9.56	0.08	0.16	0.16	0.13
	9.19	*0.08*	*0.28*	*0.15*	*0.14*
Past service Cost	-	0.96	-	-	-
	(4.12)	-	*(1.47)*	-	-
Interest Cost	0.15	0.41	0.19	1.14	(0.12)
	(0.83)	*0.39*	*0.27*	*1.10*	*(0.09)*
Total	**9.71**	**1.45**	**0.35**	**1.30**	**0.01**
	4.24	*0.47*	*(0.92)*	*1.25*	*0.05*

Footnote:

Amount charged to the Statement of Profit and Loss in respect of gratuity is net of recovery ₹ 1.90 crores (Previous year - ₹ 1.05 crores).

(iii) Expenses recognised in Other Comprehensive Income (OCI)

₹ crores

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	-	-	-	-	-
	(2.67)	*(0.14)*	*(0.08)*	*(0.38)*	*(0.15)*
Changes in demographic assumptions	(0.07)	(0.21)	0.03	(0.68)	-
	4.79	-	*(0.03)*	-	-
Experience adjustments	8.16	0.04	0.17	1.45	0.39
	6.15	*0.06*	*0.86*	*(0.01)*	*0.03*
Actual return on plan assets less interest on plan assets	0.76	-	-	-	0.05
	0.92	-	-	-	*(0.39)*
Adjustment to recognise the effect of asset ceiling	-	-	-	-	(0.12)
	-	-	-	-	*0.17*
Total	**8.85**	**(0.17)**	**0.20**	**0.77**	**0.32**
	9.19	*(0.08)*	*0.75*	*(0.39)*	*(0.34)*

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(iv) Reconciliation of Defined Benefit Obligation

₹ crores

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Defined Benefit Obligation	170.07	5.63	2.75	15.61	7.28
	163.60	*5.55*	*4.25*	*15.33*	*7.15*
Current Service Cost	9.56	0.08	0.16	0.16	0.13
	9.19	*0.08*	*0.28*	*0.15*	*0.14*
Past Service Cost	-	0.96	-	-	-
	(4.12)	*-*	*(1.47)*	*-*	*-*
Interest Cost	11.70	0.41	0.19	1.14	0.53
	10.93	*0.39*	*0.27*	*1.10*	*0.51*
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	-	-	-	-	-
	(2.67)	*(0.14)*	*(0.08)*	*(0.38)*	*(0.15)*
Changes in demographic assumptions	(0.07)	(0.21)	0.03	(0.68)	-
	4.79	*-*	*(0.03)*	*-*	*-*
Experience adjustments	8.16	0.04	0.17	1.45	0.39
	6.15	*0.06*	*0.86*	*(0.01)*	*0.03*
Benefits Paid	(19.13)	(0.30)	(0.64)	(1.06)	(0.42)
	(18.75)	*(0.31)*	*(1.33)*	*(0.58)*	*(0.39)*
Liabilities assumed/(settled)	-	-	-	-	-
	0.95	*-*	*-*	*-*	*-*
Closing Defined Benefit Obligation	**180.29**	**6.61**	**2.66**	**16.62**	**7.91**
	170.07	*5.63*	*2.75*	*15.61*	*7.28*

(v) Reconciliation of Fair Value of Plan Assets

₹ crores

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Fair Value of Plan Assets	160.53	-	-	-	9.70
	167.49	*-*	*-*	*-*	*8.95*
Interest on Plan Assets	11.55	-	-	-	0.71
	11.76	*-*	*-*	*-*	*0.64*
Remeasurements due to:					
Actual return on plan assets less interest on plan assets	(0.76)	-	-	-	(0.05)
	(0.92)	*-*	*-*	*-*	*0.39*
Contribution by Employer	9.50	0.30	0.64	1.06	0.21
	-	*0.31*	*1.33*	*0.58*	*0.12*
Benefits Paid	(19.13)	(0.30)	(0.64)	(1.06)	(0.42)
	(18.75)	*(0.31)*	*(1.33)*	*(0.58)*	*(0.39)*
Assets acquired/(settled)	-	-	-	-	-
	0.95	*-*	*-*	*-*	*-*
Closing Fair Value of Plan Assets	**161.69**	**-**	**-**	**-**	**10.15**
	160.53	*-*	*-*	*-*	*9.70*
Expected Employer's contribution/ outflow next year	15.00	-	-	-	-
	15.00	*-*	*-*	*-*	*-*

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(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 %	7.55%	7.55%	7.55%	7.55%	7.55%
	7.55%	*7.55%*	*7.55%*	*7.55%*	*7.55%*
Salary Escalation Rate (p.a.) in %	4%-5%	-	4.00%	-	-
	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 2	*Table 2*	*Table 2*	*NA*	*NA*
Mortality table in retirement(LIC)	NA	Table 3	Table 3	Table 3	Table 3
	NA	*Table 4*	*Table 4*	*Table 4*	*Table 4*

* Table 1 – Indian Assured Lives Mortality (2012-14) Ult table

Table 2 – Indian Assured Lives Mortality (2006-08) Ult table

Table 3 – UK Published S1PA Mortality rate

Table 4 – UK Published PA (90) annuity rated down by 4 years

(vii) Disaggregation of Plan Assets (Managed by an Insurance Company)

a) Gratuity Funded

	March 31, 2019				March 31, 2018			
	Quoted	Unquoted	Total		Quoted	Unquoted	Total	
	₹ crores	₹ crores	₹ crores	%	₹ crores	₹ crores	₹ crores	%
Government Debt Instruments	49.78	-	49.78	31%	*56.82*	*-*	*56.82*	*36%*
Other Debt Instruments	51.26	-	51.26	32%	*51.46*	*-*	*51.46*	*32%*
Other Equity Instruments	37.78	-	37.78	23%	*32.65*	*-*	*32.65*	*20%*
Others	22.50	0.37	22.87	14%	*19.25*	*0.35*	*19.60*	*12%*
Total	**161.32**	**0.37**	**161.69**	**100%**	***160.18***	***0.35***	***160.53***	***100%***

b) Pension Staff Funded

	March 31, 2019				March 31, 2018			
	Quoted	Unquoted	Total		Quoted	Unquoted	Total	
	₹ crores	₹ crores	₹ crores	%	₹ crores	₹ crores	₹ crores	%
Government Debt Instruments	4.78	-	4.78	47%	*4.10*	*-*	*4.10*	*43%*
Other Debt Instruments	5.06	-	5.06	50%	*5.26*	*-*	*5.26*	*54%*
Other Equity Instruments	0.24	-	0.24	2%	*0.24*	*-*	*0.24*	*2%*
Others	-	0.07	0.07	1%	*-*	*0.10*	*0.10*	*1%*
Total	**10.08**	**0.07**	**10.15**	**100%**	***9.60***	***0.10***	***9.70***	***100%***

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(viii) Sensitivity Analysis (for each defined benefit plan)

March 31, 2019	Gratuity March 31, 2019		Pension Top up March 31, 2019		Pension Staff Funded March 31, 2019		
	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(3.00)	3.26	(5.53)		(3.64)		
Impact of decrease in 50 bps on DBO	3.18	(3.10)	6.02		3.90		
Impact of life expectancy 1 year decrease				(1.77)			
Impact of life expectancy 1 year Increase				1.69			

	Post- Employment Medical Benefits Unfunded March 31, 2019			Pension Director Unfunded March 31, 2019		
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(4.66)			(4.42)		
Impact of decrease in 50 bps on DBO	5.08			4.79		
Impact of life expectancy 1 year decrease		(3.23)			(3.58)	
Impact of life expectancy 1 year Increase		3.05			3.43	
Defined benefit obligation on pension decrease rate minus 100 bps						(8.85)
Defined benefit obligation on pension increase rate plus 100 bps						10.24
Defined benefit obligation on healthcare costs rate minus 100 bps			(4.44)			
Defined benefit obligation on healthcare costs rate plus 100 bps			5.24			

(ix) Sensitivity Analysis (for each defined benefit plan)

March 31, 2018	Gratuity March 31, 2018		Pension Top up March 31, 2018		Pension Staff Funded March 31, 2018		
	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(3.00)	3.25	(5.51)		(3.93)		
Impact of decrease in 50 bps on DBO	3.17	(3.09)	6.00		4.20		
Impact of life expectancy 1 year decrease				(1.83)			
Impact of life expectancy 1 year Increase				1.82			

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

	Post- Employment Medical Benefits Unfunded March 31, 2018			Pension Director Unfunded March 31, 2018		
	Discount rate (%)	Life Expectancy (%)	Health care Cost (%)	Discount rate (%)	Life Expectancy (%)	Pension rate (%)
Impact of increase in 50 bps on DBO	(4.79)			(4.59)		
Impact of decrease in 50 bps on DBO	5.23			4.99		
Impact of life expectancy 1 year decrease		(3.26)			(3.04)	
Impact of life expectancy 1 year Increase		3.07			2.92	
Defined benefit obligation on pension decrease rate minus 100 bps						(9.18)
Defined benefit obligation on pension increase rate plus 100 bps						10.71
Defined benefit obligation on healthcare costs rate minus 100 bps			(5.76)			
Defined benefit obligation on healthcare costs rate plus 100 bps			6.86			

(x) Movement in Asset Ceiling

₹ crores

	March 31, 2019	March 31, 2018
Opening value of asset ceiling	0.82	0.61
Interest on Opening balance of asset ceiling	0.07	0.04
Remeasurement due to:		
Change in Surplus/(deficit)	(0.12)	0.17
Closing value of asset ceiling	**0.77**	**0.82**

Footnote: Figures in italics under (i) to (vii) are of the previous year.

(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	33.45	0.41	0.33	1.14	0.65
	30.18	*0.36*	*0.59*	*1.05*	*0.51*
Between one and five years	82.16	1.89	1.66	4.88	2.75
	77.30	*1.59*	*1.26*	*4.49*	*2.23*
After five years	206.95	15.42	1.69	35.21	12.78
	196.61	*13.75*	*2.06*	*35.34*	*12.76*
Weighted average duration of the Defined Benefit Obligation (in years)	6.17	9.72	11.67	9.19	7.16
	6.17	*10.01*	*3.84*	*9.57*	*7.69*

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 (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 36. OTHER REGULATORY MATTERS

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to the period prior to 1998. Arising out of such disclosures, the Company received show cause notices and the Company had replied to the notices. During the earlier year, the Company has received adjudication cum demand of ₹ 10.89 crores on certain matters which has been disputed by the Company. This has been disclosed as Contingent Liability. The Company has filed appeal against the adjudication cum demand, and the appeal is pending. During the year, the Company received adjudication cum demand aggregating ₹ 1.12 crore on three other matters being contested. The Company is in the process of filing appeals against these adjudication cum demand orders. For the balance Show Cause Notices, adjudication proceedings are in progress.

NOTE 37. DEPOSITS AND ADVANCES IN THE NATURE OF LOANS TO SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

₹ crores

Particulars	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2019	Maximum amount outstanding during the previous year	Balance Outstanding as on March 31, 2018
Subsidiaries				
PIEM Hotels Ltd.	10.00	10.00	-	-
Taj International Hotels (HK) Ltd.*	-	-	32.43	-
Roots Corporation Ltd.	23.50	-	35.00	17.00
Joint Ventures				
Taj Karnataka Hotels & Resorts Ltd.	5.35	5.35	5.35	5.35
Taj Safaris Ltd.	2.28	-	2.28	2.28
Associates				
Taida Trading and Industries Ltd.	6.04	6.04	4.54	4.54

* No interest is payable.

NOTE 38. TAX DISCLOSURES

i) Income Tax recognised in the Statement of Profit and Loss:

₹ crores

Particulars	March 31, 2019	March 31, 2018
Current Tax		
In respect of the current year	176.27	115.38
In respect of earlier years	(11.61)	0.26
	164.66	**115.64**
Deferred Tax		
In respect of the current year	(27.60)	17.28
Adjustment to deferred tax attributable to changes in tax rates and laws	-	3.54
In respect of earlier years	16.78	-
	(10.82)	20.82
Total tax expense recognised in the current year relating to continuing operations	**153.84**	**136.46**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

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:

₹ crores

Particulars	March 31, 2019	March 31, 2018
Profit before tax from continuing operations (a)	417.54	284.23
Income tax rate as applicable (b)	34.94%	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	145.91	98.36
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(9. 79)	(3.11)
Income considered to be capital in nature under tax and tax provisions	-	(0.02)
Effect of expenses that are not deductible in determining taxable profit	8.06	9.39
Impairment losses on investments that are not deductible	11.75	27.86
Expense considered to be capital in nature under tax and tax provisions	-	0.10
Effect on deferred tax balances due to the change in income tax rate from 34.61% to 34.94% (effective April 1, 2018)	-	3.54
Others	(7.26)	0.08
	148.68	**136.20**
Prior year taxes as shown above	5.17	0.26
Income tax expense recognised in the Statement of Profit and Loss	**153.84**	**136.46**

iii) Income tax recognised in other comprehensive income:

₹ crores

Particulars	March 31, 2019	March 31, 2018
Current Tax		
Tax impact on profit on sale of investment in equity shares at fair value through Other Comprehensive Income	-	-
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	-	(3.70)
Remeasurement of defined benefit obligation	(3.43)	(3.34)
	(3.43)	**(7.04)**
(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	**(3.43)**	**(7.04)**
(c) Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(3.43)	(7.04)
Items that may be reclassified to profit or loss	-	-
	(3.43)	**(7.04)**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

iv) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

₹ crores

Particulars	March 31, 2019	March 31, 2018
Deferred Tax assets	85.82	122.29
Deferred Tax liabilities	(453.94)	(471.10)
Net Deferred Tax Liability	**(368.12)**	**(348.81)**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

March 31, 2019	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	(444.93)	(0.85)	-	-	**(445.78)**
Unamortised borrowing cost	(0.45)	0.08	-	-	**(0.37)**
Fair valuation changes of derivative contracts	(20.88)	18.62	-	-	**(2.26)**
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(4.84)	-	(0.69)	-	**(5.53)**
Provision for Employee Benefits	28.48	3.99	3.43	-	**35.90**
MAT Credit Entitlement	33.56	-	-	(33.56)	**-**
Reward Points	13.27	1.56	-	-	**14.83**
Provision for Contingencies	26.51	(14.84)	-	-	**11.67**
Allowance for Doubtful Debts	7.60	(2.29)	-	-	**5.31**
Unrealised loss on equity shares carried at fair value through Other Comprehensive Income	4.84	-	0.69	-	**5.53**
Others	8.03	4.55	-	-	**12.58**
Total Deferred Tax Liabilities	**(348.81)**	**10.82**	**3.43**	**(33.56)**	**(368.12)**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

March 31, 2018	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	(426.69)	(18.64)	-	-	**(444.93)**
Unamortised borrowing cost	(0.33)	(0.12)	-	-	**(0.45)**
Fair valuation changes of derivative contracts	(15.94)	(4.94)	-	-	**(20.88)**
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	-	-	(4.84)	-	**(4.84)**
Provision for Employee Benefits	26.07	(0.93)	3.34	-	**28.48**
MAT Credit Entitlement	77.65	-	-	(44.09)	**33.56**
Reward Points	17.90	(4.63)	-	-	**13.27**
Provision for disputed claims	21.12	5.39	-	-	**26.51**
Allowance for Doubtful Debts	4.04	3.56	-	-	**7.60**
Unrealised loss on equity shares carried at fair value through Other Comprehensive Income	(3.70)	-	8.54	-	**4.84**
Others	8.54	(0.51)	-	-	**8.03**
Total Deferred Tax Liability	**(290.94)**	**(20.82)**	**7.04**	**(44.09)**	**(348.81)**

The Company has not created deferred tax assets of ₹ 10.11 crores on certain carry forward capital losses of ₹ 41.87 crores due to lack of reasonable certainty that the Company will have future taxable capital gains in the near future to absorb/set off these losses. The potential tax benefit for these losses will expire by fiscal 2023.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 39. RELATED PARTY DISCLOSURES

(a) The names of related parties of the Company are as under:

i. Company having significant influence

Name of the Company	Country of Incorporation
Tata Sons Pvt. Ltd. (including its subsidiaries and joint ventures)	India

ii. Subsidiary Companies

Name of the Company	Country of Incorporation
Domestic	
KTC Hotels Ltd.	India
United Hotels Ltd.	India
Roots Corporation Ltd.	India
Taj Enterprises Ltd.	India
Taj Trade and Transport Co Ltd.	India
Benares Hotels Ltd.	India
Inditravel Ltd.	India
Piem Hotels Ltd.	India
Northern India Hotels Ltd.	India
Skydeck Properties and Developers Pvt. Ltd.	India
Sheena Investments Pvt. Ltd.	India
ELEL Hotels & Investments Ltd.	India
Luthria & Lalchandani Hotel & Properties Pvt. Ltd.	India
International	
IHOCO BV	Netherlands
United Overseas Holding Inc. and its subsidiaries	United States of America
St. James Court Hotel Ltd.	United Kingdom
Taj International Hotels Ltd.	United Kingdom
Taj International Hotels (H.K.) Ltd.	Hong Kong
PIEM International (H.K.) Ltd.	Hong Kong

iii. Joint Ventures

Name of the Company	Country of Incorporation
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. and its Subsidiaries	Hong Kong
IHMS Hotels (SA) (Proprietary) Ltd. and its subsidiary	South Africa

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

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
Puneet Chhatwal	Managing Director & CEO
Mehernosh S. Kapadia*	Executive Director - Corporate Affairs

* for part of the year upto May 23, 2018.

vi. Post Employment benefit plans

Particulars

The Indian Hotels Company Limited Employees Provident Fund

The Indian Hotels Company Limited Superannuation Scheme

The Indian Hotels Employees Gratuity Trust

(b) The details of related party transactions during the year ended March 31, 2019 and March 31, 2018 are as follows :

₹ crores

Particulars	Company having significant influence *	Key Management Personnel	Subsidiaries	Associates #	Joint Ventures#	Post Retirement benefit plans
Interest income	**-**	**-**	**2.02**	**0.50**	**0.66**	**-**
	0.95	-	*2.60*	*0.45*	*0.67*	-
Dividend income	**3.70**	**-**	**16.00**	**0.12**	**5.84**	**-**
	3.60	-	*1.59*	*0.14*	*0.92*	-
Dividend Paid	**18.08**	**-**	**-**	**0.08**	**-**	**-**
	10.25	-	-	*0.06*	-	-
Operating / Licence fees expense	**-**	**-**	**0.30**	**-**	**-**	**-**
	-	-	*0.31*	-	-	-
Management and Operating fees income	**3.20**	**-**	**68.38**	**36.44**	**30.17**	**-**
	3.29	-	*57. 33*	*31.47*	*36.12*	-
Purchase of goods and services	**65.67**	**-**	**17.20**	**0.21**	**0.08**	**-**
	56.17	-	*16.35*	*0.18*	*0.11*	-
Sale of goods and services	**32.90**	**-**	**4.05**	**0.21**	**1.15**	**-**
	23.95	-	*2.39*	*0.07*	*0.67*	-
Deputed Staff reimbursements	**0.01**	**-**	**8.16**	**3.31**	**4.56**	**-**
	-	-	*7.22*	*3.29*	*3.68*	-
Other Cost reimbursements	**0.18**	**-**	**1.76**	**1.41**	**0.89**	**-**
	0.34	-	*3.67*	*0.92*	*1.06*	-
Loyalty expense (Net of redemption credit)	**0.14**	**-**	**8.96**	**4.81**	**2.34**	**-**
	0.19	-	*8.86*	*6.05*	*3.72*	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

₹ crores

Particulars	Company having significant influence *	Key Management Personnel	Subsidiaries	Associates #	Joint Ventures#	Post Retirement benefit plans
Deputed Staff Out	**0.45**	-	**24.32**	**16.68**	**19.06**	-
	0.42	-	*23.53*	*16.88*	*17.92*	-
Contribution to Funds	-	-	-	-	-	**25.15**
	-	-	-	-	-	*14.93*
Inter Corporate Deposit (“ICD”) Placed	-	-	**16.50**	**1.50**	-	-
	20.00	-	*50.20*	-	*0.30*	-
ICD Encashed	-	-	**23.50**	-	**2.28**	-
	50.24	-	*52.20*	-	-	-
Purchase of Shares	-	-	**199.95**	-	**6.15**	-
	-	-	*944.02*	-	*0.70*	-
Shareholders’ Deposit encashed	-	-	-	-	-	-
	-	-	*32.15*	-	-	-
Remuneration Paid / Payable	-	**8.58**	-	-	-	-
(Refer Footnote ii)	-	*20.98*	-	-	-	-
Guarantees/Letter of Comfort withdrawn	-	-	**118.31**	-	-	-
	-	-	*5.00*	-	*11.06*	-
Guarantees/Letter of Comfort extended	-	-	-	-	**29.34**	-
	-	-	-	-	-	-
The details of amounts due to or from related parties as at March 31, 2019 and March 31, 2018 are as follows:						
Trade Receivables (Refer Note 10)	**7.70**	-	**22.45**	**16.60**	**21.52**	-
	5.30	-	*16.46*	*12.94*	*56.45*	-
Trade Payables (Refer Note 19)	**9.80**	-	**2.48**	**0.26**	-	-
	13.97	-	*1.48*	*1.10*	*0.03*	-
Other Receivables/(Other Payables)	**0.29**	-	**81.51**	**1.35**	**(0.32)**	-
(Refer Note 7 and Note 16)	*0.30*	-	*81.29*	*3.20*	*(11.10)*	-
Interest Receivable	-	-	**0.14**	**0.39**	**0.59**	-
(Refer Note 7)	-	-	-	*0.35*	*0.73*	-
Deposits Receivable	**1.23**	-	**13.98**	**6.04**	**5.35**	-
(Refer Note 6 and Note 7)	*1.32*	-	*20.98*	*4.54*	*7.63*	-
Deposits Payable	**0.26**	-	**4.29**	-	-	-
(Refer Note 15)	*0.28*	-	*4.04*	-	-	-
Option Deposit	**71.10**	-	-	-	-	-
(Refer Note 5 (iv))	*71.10*	-	-	-	-	-
Guarantees/Letter of Comfort given on behalf	-	-	**52.37**	-	**262.88**	-
(Refer Note 29)	-	-	*170.68*	-	*233.55*	-

* including its subsidiaries and joint ventures

including its subsidiaries

Footnotes:

(i) Figures in italics are of the previous period.

(ii) Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole. Long term incentive, commission to Executive Directors has been considered on payment basis.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

(c) Statement of Material Transactions

₹ crores

Name of the Company	March 31, 2019	March 31, 2018
Company having substantial interest and its subsidiaries and joint ventures:		
Tata Sons Pvt. Ltd.		
Dividend income	3.60	3.60
Dividend paid	17.33	9.70
Trade Payables	3.85	3.52
Sale of goods and services	7.16	6.34
Tata Consultancy Services Ltd.		
Trade Payables	4.80	6.80
Purchase of goods and services	39.15	36.12
Sale of goods and services	5.01	3.00
Tata Communications Ltd. (w.e.f. - May 28, 2018)		
Sale of goods and services	4.12	NA
Tata Realty and Infrastructure Ltd.		
Deposit Closing position – Option Deposit	71.10	71.10
Tata AIG General Insurance Company Ltd.		
Purchase of goods and services	8.98	8.70
Tata SIA Airlines Ltd.		
Sale of goods and services	7.17	9.03
Remuneration to Key Management Personnel		
Puneet Chhatwal	6.01	1.72
Mehernosh S. Kapadia	2.57	2.73
Rakesh Sarna (upto September 30, 2017)	-	15.87
Subsidiaries:		
KTC Hotels Ltd.		
Operating/Licence Fees expense	0.30	0.31
Deposit given outstanding	3.50	3.50
Benares Hotels Ltd.		
Other Cost reimbursements	0.46	0.50
Other Receivable / (Payable)	(0.64)	(0.40)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

₹ crores

Name of the Company	March 31, 2019	March 31, 2018
Piem Hotels Ltd.		
Interest income	0.80	0.25
Dividend income	13.75	-
Trade Receivables	10.67	11.07
ICD Placed	10.00	10.00
Operating fees income	33.75	30.81
Deputed Staff Out	19.51	19.32
Deputed Staff Reimbursement	6.58	5.83
Loyalty expense (Net of redemption credit)	3.71	4.12
Other Cost reimbursements	1.23	1.11
Deposit Given Outstanding	10.48	0.48
Skydeck Properties and Developers Private Limited		
Other receivables/(Other payables)	79.80	79.84
United Overseas Holdings Inc.		
Purchase of goods and services	12.65	11.39
Guarantees given on behalf – Closing position	52.37	170.68
Guarantee withdrawn	118.31	5.00
St. James Court Hotel Ltd.		
Operating fees income	15.87	12.28
Loyalty expense (Net of redemption credit)	2.80	2.69
Trade Payables	1.54	0.58
Taj International Hotels (H.K.) Ltd.		
Deposit Payable	4.29	4.04
IHOCO BV		
Purchase of Shares	149.84	51.08
Roots Corporation Ltd.		
Interest income	1.22	1.99
ICD Placed	6.50	33.00
ICD Encashed	23.50	35.00
Purchase of Shares	50.11	-
Joint Ventures:		
Taj GVK Hotels & Resorts Ltd.		
Other receivables/(Other payables)	(0.67)	(11.91)
Deputed Staff Out	9.39	9.27
Deputed Staff Reimbursement	3.11	2.51
Other Cost Reimbursements	0.62	0.83
Trade Receivables	11.86	43.73

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

₹ crores

Name of the Company	March 31, 2019	March 31, 2018
Taj Sats Air Catering Ltd.		
Dividend Income	4.61	-
Taj Karnataka Hotels & Resorts Ltd.		
Interest income	0.48	0.48
Deposit given outstanding	5.35	5.35
Interest Receivable	0.59	0.59
Kaveri Retreat & Resorts Limited		
Other receivables/(Other payables)	(0.22)	(0.15)
Taj Safaris Ltd.		
Purchase of Shares	6.15	0.70
ICD Encashed	2.28	-
TAL Hotels & Resorts Limited		
Loyalty expense (Net of redemption credit)	1.82	2.11
IHMS Hotels (SA) (Proprietary) Ltd.		
Guarantee extended	29.34	-
Letter of Comfort given on behalf – Closing position *	262.88	233.55
* Liability restricted to ₹ 131.44 crores (Previous year - ₹ 116.77 crores) as counter indemnity for 50% has been obtained from JV partner.		
Associates:		
Taida Trading & Industries Ltd.		
Interest Income	0.50	0.45
Interest Receivable	0.39	0.35
ICD Placed	1.50	-
Deposit given outstanding	6.04	4.54
Oriental Hotels Ltd.		
Operating fees income	32.23	27.64
Deputed Staff Out	16.54	16.88
Loyalty expense (Net of redemption credit)	4.20	4.90
Deputed Staff reimbursement	3.31	3.29
Other costs reimbursements	1.26	0.90
Trade Receivable	14.88	9.10
Post-employment benefit plans		
Contribution to Superannuation Fund	5.03	4.99
Contribution to Provident Fund	10.63	9.98
Contribution to Gratuity Fund	9.50	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 40. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker. From the internal organisation of the Company's activities and consistent with the internal reporting provided to the chief operating decision-maker and after considering the nature of its services, the ultimate customer availing those services and the methods used by it to provide those services, "Hotel Services" has been identified to be the Company's sole operating segment. Hotel Services include "Revenue from Operations" including Management and Operating Fees where hotels are not owned or leased by the Company. The organisation is largely managed separately by property based on centrally driven policies and the results and cash flows of the period, financial position as of each reporting date aggregated for the assessment by the Managing Director and Chief Executive Officer. The Company's management reporting and controlling systems principally use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under Ind AS. As the Company is engaged in a single operating segment, segment information that has been tabulated below is Company-wide:

₹ crores

	Revenue from Hotel Services by location of customers		Non-current assets (see footnote below)	
Country	**March 31, 2019**	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
India	2,727.43	2,538.08	3,035.57	2,854.88
Overseas locations	52.98	45.87	-	-
Total	**2,780.41**	**2,583.95**	**3,035.57**	**2,854.88**

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, 2019 and March 31, 2018.

NOTE 41. EARNINGS PER SHARE (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'.

Particulars	**March 31, 2019**	**March 31, 2018**
Profit after tax (₹ **crores**)	263.70	147.77
Opening balance	1,18,92,58,445	98,92,74,015
Effect of fresh issue of shares for cash	-	11,37,04,608
Weighted average number of Equity Shares	**1,18,92,58,445**	**1,10,29,78,623**
Earnings Per Share:		
Basic and Diluted (₹)	2.22	1.34
Face Value per Equity Share (₹)	1	1

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 42. THE LIST OF INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES ARE AS GIVEN BELOW:

a. **Subsidiary Companies**

	Principal place of business/ Country of incorporation	As at March 31, 2019		As at March 31, 2018	
		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
Inditravel Limited	India	**96.67**	**77.21**	96.67	77.19
KTC Hotels Limited	India	**100.00**	**100.00**	100.00	100.00
Northern India Hotels Limited	India	**94.17**	**48.56**	94.16	48.56
Piem Hotels Limited	India	**51.57**	**51.57**	51.57	51.57
Roots Corporation Limited	India	**67.11**	**63.74**	66.93	63.25
Taj Enterprises Limited	India	**90.59**	**74.70**	90.59	74.70
Taj Trade & Transport Limited	India	**89.51**	**72.74**	89.51	72.73
United Hotels Limited	India	**55.00**	**55.00**	55.00	55.00
Skydeck Properties & Developers Private Limited	India	**100.00**	**100.00**	100.00	100.00
Sheena Investments Private Limited	India	**100.00**	**100.00**	100.00	100.00
ELEL Hotels & Investments Limited	India	**85.72**	**85.72**	85.72	85.72
Luthria & Lalchandani Hotels and Properties Private Limited	India	**87.15**	**87.15**	87.15	87.15

	Principal place of business/ Country of incorporation	As at March 31, 2019		As at March 31, 2018	
		Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
International					
IHOCO BV	Netherlands	**100.00**	**100.00**	100.00	100.00
United Overseas Holding Inc	United States of America	**100.00**	**100.00**	100.00	100.00
Piem International (HK) Ltd.	Hong Kong	**100.00**	**51.57**	100.00	51.57
St. James Court Hotel Ltd.	United Kingdom	**89.39**	**72.25**	89.39	72.25
Taj International Hotels (HK) Ltd.	Hong Kong	**100.00**	**100.00**	100.00	100.00
Taj International Hotels Ltd.	United Kingdom	**100.00**	**100.00**	100.00	100.00

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

b. Joint Ventures

	Principal place of business/ Country of incorporation	As at March 31, 2019		As at March 31, 2018	
		Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
Domestic					
Taj SATS Air Catering Ltd.	India	51.00	51.00	51.00	51.00
Taj Madras Flight Kitchen Private Ltd.	India	50.00	50.00	50.00	50.00
Taj Karnataka Hotels & Resorts Ltd.	India	49.40	44.27	49.40	44.27
Taj Kerala Hotels & Resorts Ltd.	India	28.30	28.30	28.30	28.30
Taj GVK Hotels & Resorts Ltd.	India	25.52	25.52	25.52	25.52
Taj Safaris Ltd.	India	44.95	40.67	42.10	38.15
Kaveri Retreat & Resorts Ltd.	India	50.00	50.00	50.00	50.00
International					
TAL Hotels & Resorts Ltd.	Hong Kong	28.26	27.49	28.26	27.49
IHMS Hotels (SA)(Pty) Ltd.	South Africa	50.00	50.00	50.00	50.00

c. Associates

	Principal place of business/ Country of incorporation	As at March 31, 2019		As at March 31, 2018	
		Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
Domestic					
Oriental Hotels Ltd.	India	37.05	35.67	37.05	35.67
Taj Madurai Ltd.	India	26.00	26.00	26.00	26.00
Taida Trading and Industries Ltd.	India	48.74	34.78	48.74	34.76
International					
BJets Pte Ltd.	Singapore	45.69	45.69	45.69	45.69
Lanka Island Resorts Limited	Sri Lanka	24.66	24.66	24.66	24.66
TAL Lanka Hotels PLC	Sri Lanka	24.62	24.62	24.62	24.62

Footnote:

All the above investments have been accounted at cost in accordance with the provisions of Ind AS – 27 “Separate Financial Statements”

NOTE 43. NEGATIVE WORKING CAPITAL

As at the year end, the Company’s current liabilities have exceeded its current assets by ₹ 661.33 crores primarily on account of current maturities of long term borrowings aggregating ₹ 529.45 crores and liability on derivative contract of ₹ 129.57 crores falling due within 12 months following the balance sheet date. Management is confident of its ability to generate cash inflows from operations and also raise long term funds to meet its obligations on due date.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

NOTE 44. DIVIDENDS

Dividends paid during the year ended March 31, 2019 out of Retained Earnings was ₹ 0.40 per equity share for the year ended March 31, 2018.

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, 2019, retained earnings not transferred to reserves available for distribution was ₹ 603.77 crores.

On April 30, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 0.50 per equity share in respect of the year ended March 31, 2019, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 71.69 crores, inclusive of dividend distribution tax of ₹ 12.22 crores.

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai, April 30, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Deepak Parekh
Director
DIN: 00009078

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal
& Company Secretary

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

FINANCIAL STATISTICS

₹ crores

Year		Share Capital	Reserves and Surplus	Capital Accounts Borrowings	Gross Block	Net Block	Investments
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	2668.27	2048.98	2456.58	2187.53	3029.15
2017-18	¥	118.93	4275.03	1783.88	2814.61	2398.50	4161.46
2018-19		118.93	4364.81	1784.05	3066.39	2486.34	4112.70

- # 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
- ¥ After Right issue of Shares in the Ratio of 1:5

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR YEAR ENDED MARCH 31, 2019

FINANCIAL STATISTICS

₹ crores

	Revenue accounts											
Year	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit before Taxes	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	₹ crores		₹ crores	%
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	2459.58	2079.74	151.31	262.04	118.86	143.18	124.43	267.61	-		34.62	35.00
2017-18	2639.34	2148.58	151.34	284.23	136.46	147.77	29.23	177.00	-		47.57	40.00
2018-19	2870.91	2209.61	169.10	417.54	153.84	263.70	(120.59)	143.11		$$	59.47	50.00

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 AUDITOR'S REPORT

To the Members of The Indian Hotels Company Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of The Indian Hotels Company Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated Balance Sheet as at 31 March 2019, and the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act 2013, ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS OF OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. 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 Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i. Goodwill – evaluation of adequacy of provision for impairment of goodwill

As a result of past acquisitions, the Group carries capitalized goodwill with value of ₹ 583.47 crores.

Management performs an impairment assessment on an annual basis as required by Ind AS 36 Impairment of Assets.

For the Cash generating units (CGUs) which contain goodwill, the determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. Recoverable amounts of these CGU's are based on management's view of variables such as future average revenue per available room, room occupancy, room rates, rate per cover etc. and operating expenditure and the most appropriate discount rate.

Refer to Note 2 "Basis of preparation" and Note 4 – "Goodwill" of the consolidated financial statements.

How our audit addressed the key audit matter

We performed an evaluation of managements' assessment of the Group's CGU. Further, our evaluation included discussion with management, review of the internal reporting structure, the decision making process and how resources are allocated among business units of the Group. We subsequently evaluated the impairment assessment made by management to also ensure they were in accordance with Ind AS.

Our procedures included challenging management on the suitability of the impairment model and reasonableness of the assumptions through performing the following:

- Benchmarking the key market related assumptions in management's valuation models with industry and assumptions made in prior years including revenue and margin trends, capital expenditure, market share and against external data where available, utilizing our internal valuation specialists;
- Recalculation of the discount rate by our internal valuation specialists using external information and comparison to management's assumptions;
- Testing the mathematical accuracy of the cash flow model and agreeing relevant data to the Board approved strategic long term plan;
- Assessing the reliability of management's forecast through a review of actual performance against previous forecasts;
- Assessing and validating the appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

ii. **Contingent liabilities and related provisions**

The Company has significant legal, regulatory and tax litigations against it. There is a high level of judgement required in estimating the level of provisioning required and appropriateness of disclosure of contingent liabilities.

Refer to Note 2 – "Basis of preparation", Note 21 – "Provisions", Note 30 – "Contingent liabilities and legal proceedings" and Note 39 – "Other regulatory matters" of the consolidated financial statements.

How our audit addressed the key audit matter

For legal, regulatory and tax matters our procedures included examining external legal opinions obtained by management; meeting with regional and local management and examining relevant Group correspondence; discussing litigations with the Company's legal counsel and tax head; assessing management's conclusions through understanding precedents set in similar cases; and circularization, where appropriate, of confirmations to third party legal representatives regarding certain material cases.

We also involved our internal tax specialists to gain an understanding and to determine the level of exposure for direct and indirect tax litigations of the Company.

In light of the above, we examined the level of provisions recorded and assessed the adequacy of disclosures in consolidated financial statements.

OTHER INFORMATION

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this information, we are required to report the fact. We have nothing to report in this regard.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profits and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Refer Note - 44.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of each Company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are responsible for expressing our opinion on whether the Company, its subsidiaries, its associates and joint ventures incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of these consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and its subsidiaries) as well as its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

OTHER MATTERS

We did not audit the financial statements of seventeen subsidiaries, whose financial statements reflect total assets of ₹ 4,444.92 crores as at 31 March 2019, total revenues of ₹ 1,671.04 crores and net cash outflows amounting to ₹ 8.37 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 43 crores for the year ended 31 March, 2019, as considered in the consolidated financial statements, in respect of thirteen associates and joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, joint ventures and associates, as noted in the 'other matters' paragraph, we report, to the extent applicable, that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;

   e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, its associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;

   f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, as noted in the 'Other matters' paragraph:

   i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 30, Note 33(c) (ii) and Note 39 to the consolidated financial statements.

   ii. the Group, its associates and joint ventures has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts – Refer Note 20 to the consolidated financial statements;

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

iii. there has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended 31 March 2019;

iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.
101248W/ W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai
30 April 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INDIAN HOTELS COMPANY LIMITED FOR THE PERIOD ENDED 31 MARCH 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

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

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of The Indian Hotels Company Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its associate companies and its joint ventures as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and its joint ventures have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Holding Company, its subsidiary companies, its associate companies and its joint ventures incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act 2013 (hereinafter referred to as "the Act")

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial control with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the financial internal controls with reference to Consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENT

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statement includes those policies and procedures that:

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INDIAN HOTELS COMPANY LIMITED FOR THE PERIOD ENDED 31 MARCH 2019 (CONTINUED)

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to its thirteen subsidiary companies, its three associates and its six joint ventures which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.
101248W/ W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai
30 April 2019

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2019

	Note	March 31, 2019	March 31, 2018
			₹ crores
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	5,233.18	4,977.96
Capital work-in-progress		115.93	195.31
Goodwill	4	583.47	565.52
Other intangible assets	5	605.60	619.15
Intangible assets under development		0.25	1.67
Investments accounted using the equity method	6	687.67	640.42
Financial assets			
Investments	7(a)	436.26	540.47
Loans	8(a)	15.73	15.13
Other financial assets	9(a)	65.54	69.94
Deferred tax assets (net)	10(a)	69.44	60.14
Advance income tax (net)		189.91	130.89
Other non-current assets	11(a)	422.00	338.41
		8,424.98	**8,155.01**
Current assets			
Inventories	12	80.40	85.72
Financial assets			
Investments	7(b)	211.21	330.53
Trade receivables	13	321.38	328.56
Cash and cash equivalents	14	189.29	207.84
Other balances with banks	15	51.65	62.48
Loans	8(b)	3.44	9.14
Other financial assets	9(b)	160.14	114.98
Other current assets	11(b)	132.84	80.28
		1,150.35	**1,219.53**
Assets classified as held for sale		8.43	-
		1,158.78	**1,219.53**
Total		**9,583.76**	**9,374.54**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	118.93	118.93
Other equity	17	4,229.07	4,062.17
Equity attributable to owners of the company		**4,348.00**	**4,181.10**
Non-controlling interests		799.86	777.39
Total equity		**5,147.86**	**4,958.49**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18(a)	1,687.52	2,329.21
Other financial liabilities	20(a)	179.82	253.55
Provisions	21(a)	102.33	83.55
Deferred tax liabilities (net)	10(b)	376.77	356.30
		2,346.44	**3,022.61**
Current liabilities			
Financial liabilities			
Borrowings	18(b)	35.68	5.00
Trade payables	19	325.25	339.95
Other financial liabilities	20(b)	1,246.56	616.62
Provisions	21(b)	147.64	138.40
Current income tax liabilities (net)		32.84	24.56
Other current liabilities	22	301.49	268.91
		2,089.46	**1,393.44**
Total liabilities		**4,435.90**	**4,416.05**
Total		**9,583.76**	**9,374.54**
The accompanying notes form an integral part of the consolidated financial statements	1 - 45		

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai, April 30, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Deepak Parekh
Director
DIN: 00009078

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal &
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

₹ crores

	Note	March 31, 2019	March 31, 2018
INCOME			
Revenue from operations	23	4,512.00	4,103.55
Other income	24	83.38	61.73
Total income		**4,595.38**	**4,165.28**
EXPENSES			
Food and beverages consumed		404.05	376.44
Employee benefit expense and payment to contractors	25	1,470.79	1,346.62
Finance costs	26	190.13	269.04
Depreciation and amortisation expenses	3 and 5	327.85	301.20
Other operating and general expenses	27	1,807.43	1,710.14
Total expenses		**4,200.25**	**4,003.44**
Profit before exceptional items, tax and share of profit of equity accounted investees		395.13	161.84
Exceptional items	28	6.58	22.45
Profit before tax and share of profit of equity accounted investees		**401.71**	**184.29**
Tax expense			
Current tax		178.54	138.37
Deferred tax credit		(21.42)	(17.31)
Total tax expense		**157.12**	**121.06**
Profit after tax before share of profit of equity accounted investees		**244.59**	**63.23**
Share of Profit of associates and joint venture (net of tax)		51.53	40.29
Profit for the year		**296.12**	**103.52**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(10.16)	(11.86)
Change in fair value of equity instruments designated irrevocably as fair value through other comprehensive income		(104.20)	78.98
Share of other comprehensive income in associates and joint ventures (net of tax)		(3.08)	7.23
Add/(Less) : Income tax credit/(expense) on the above		2.21	7.44
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(115.23)**	**81.79**
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating the financial statement of foreign operations		50.32	75.38
Share of other comprehensive income in associates and joint ventures (net of tax)		7.75	(1.17)
Add/(Less) : Income tax credit/(expense) on the above		-	-
Net other comprehensive income to be reclassified subsequently to profit or loss		**58.07**	**74.21**
Other comprehensive income for the year, net of tax		(57.16)	156.00
Total comprehensive income for the year		**238.96**	**259.52**
Profit/(Loss) for the year attributable to:			
Owners of the company		286.82	100.87
Non-controlling interests		9.30	2.65
		296.12	**103.52**
Total comprehensive Income for the year attributable to:			
Owners of the company		227.01	218.12
Non-controlling interests		11.95	41.40
		238.96	**259.52**
Earnings per share :	43		
Basic and Diluted - (₹)		2.41	0.91
Face value per equity share - (₹)		1.00	1.00
The accompanying notes form an integral part of the consolidated financial statements	1 - 45		

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai, April 30, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Deepak Parekh
Director
DIN: 00009078

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal &
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

₹ crores

	A. Equity Share Capital	B. Other Equity											
		Reserves and surplus						Items of other comprehensive income					
	Equity Share Capital Subscribed	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	General Reserve	Other reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statement of foreign operations	Total Other Equity	Equity attributable to owners of the company	Non Controlling Interests	Total Equity
Balance as at April 1, 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**
Profit for the year ended March 31, 2018	-	-	-	-	-	-	100.87	-	-	100.87	100.87	2.65	103.52
Other Comprehensive Income for the year ended March 31, 2018, net of taxes	-	-	-	-	-	-	(7.11)	65.74	58.62	117.25	117.25	38.75	156.00
Total Comprehensive Income for the year ended March 31, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**93.76**	**65.74**	**58.62**	**218.12**	**218.12**	**41.40**	**259.52**
Dividend	-	-	-	-	-	-	(34.62)	-	-	(34.62)	(34.62)	(1.41)	(36.03)
Tax on Dividend	-	-	-	-	-	-	(7.63)	-	-	(7.63)	(7.63)	(0.29)	(7.92)
Transfer to retained earnings	-	-	-	-	-	(42.42)	85.26	(42.84)	-	-	-	-	-
Allocation of Shares on Rights basis	20.00	-	-	-	-	-	-	-	-	-	20.00	-	20.00
Premium on allocation of shares on Rights basis	-	-	-	1,479.88	-	-	-	-	-	1,479.88	1,479.88	-	1,479.88
Equity issue expenses	-	-	-	(8.45)	-	(3.89)	-	-	-	(12.34)	(12.34)	-	(12.34)
Change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(0.13)	(0.13)
Balance as at March 31, 2018	**118.93**	**43.91**	**114.42**	**2,702.08**	**561.98**	**312.67**	**(56.86)**	**318.86**	**65.11**	**4,062.17**	**4,181.10**	**777.39**	**4,958.49**
Profit for the year ended March 31, 2019	-	-	-	-	-	-	286.82	-	-	286.82	286.82	9.30	296.12
Other Comprehensive Income for the year ended March 31, 2019, net of taxes	-	-	-	-	-	-	(6.56)	(112.85)	59.60	(59.81)	(59.81)	2.65	(57.16)
Total Comprehensive Income for the year ended March 31, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**280.26**	**(112.85)**	**59.60**	**227.01**	**227.01**	**11.95**	**238.96**
Adjustment on account of a joint venture (Refer Note 33(c)(iii))	-	-	-	-	-	-	(2.48)	-	-	(2.48)	(2.48)	-	(2.48)
Dividend	-	-	-	-	-	-	(47.57)	-	-	(47.57)	(47.57)	(14.24)	(61.81)
Tax on Dividend	-	-	-	-	-	-	(7.42)	-	-	(7.42)	(7.42)	(0.27)	(7.69)
Transfer from retained earnings to debenture redemption reserve	-	-	-	-	-	11.93	(11.93)	-	-	-	-	-	-
Allocation of Shares to minority on Rights basis	-	-	-	-	-	-	-	-	-	-	-	22.42	22.42
Issue expenses written off against Securities Premium	-	-	-	(0.03)	-	-	-	-	-	(0.03)	(0.03)	-	(0.03)
Change in ownership interests in subsidiaries	-	-	(2.61)	-	-	-	-	-	-	(2.61)	(2.61)	2.61	-
Balance as at March 31, 2019	**118.93**	**43.91**	**111.81**	**2,702.05**	**561.98**	**324.60**	**154.00**	**206.01**	**124.71**	**4,229.07**	**4,348.00**	**799.86**	**5,147.86**

The accompanying notes form an integral part of the consolidated financial statements (Refer Note 1 - 45)

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai, April 30, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Deepak Parekh
Director
DIN: 00009078

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal &
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

₹ crores

	March 31, 2019	March 31, 2018
Cash Flow From Operating Activities		
Profit Before Tax	**401.71**	**184.29**
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation	327.85	301.20
Profit on sale of investments	(15.94)	(6.36)
(Profit)/Loss on sale of assets and assets written off	(11.67)	1.96
Expenditure on discontinued projects written off	-	2.57
Allowance for Doubtful Debts and advances (Including Advances written off)	14.69	16.82
Dividend Income	(7.32)	(8.20)
Interest Income	(19.99)	(29.42)
Finance Cost	190.13	269.04
Exchange Gain on long term borrowings/assets (net)	1.43	(1.00)
Provision for disputed claims	11.57	19.99
Provision for Employee Benefits	5.26	12.47
Gain on investments carried at fair value through profit and loss	(1.83)	(0.06)
(Gain)/Loss on fair valuation of derivative contracts	41.03	(25.51)
	535.21	553.50
Cash Operating Profit before working capital changes	**936.92**	**737.79**
Adjustments for increase / decrease in operating assets and liabilities:		
Financial and Other Assets	(81.01)	(124.08)
Inventories	5.32	(4.29)
Financial and Other Liabilities	47.46	25.12
	(28.23)	(103.25)
Cash Generated from Operating Activities	**908.69**	**634.54**
Income Taxes Paid	(197.26)	(142.49)
Net Cash Generated From Operating Activities (A)	**711.43**	**492.05**
Cash Flow From Investing Activities		
Payments for purchase of property, plant & equipment	(478.61)	(509.69)
Proceeds from sale of property, plant & equipment	18.22	4.75
Additional Investment in a joint venture and subsidiary	(10.75)	(1.35)
Purchase of current investments	(1,513.58)	(1,404.73)
Proceeds from sale / redemption of current investments	1,650.67	1,171.48
Proceeds from sale of investments measured at fair value through other comprehensive income	-	83. 63
Interest Received	17.88	25.87
Dividend Received (includes dividend from joint ventures and associates)	22.15	16.04
Bank Balances not considered as Cash & Cash Equivalents	9.19	42.95
Short term loan realised	3.18	59.87
Long-term deposits placed for hotel properties	(60.00)	-
Short-term deposits placed for hotel properties	(45.00)	-
Deposits Refunded by / (Placed with) Other Companies	(1.50)	(17.55)
Net Cash Generated /(Used) In Investing Activities (B)	**(388.15)**	**(528.73)**
Carried over	**323.28**	**(36.68)**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

	March 31, 2019	₹ crores March 31, 2018
Brought over	**323.28**	**(36.68)**
Cash Flow From Financing Activities		
Share issue expenses / Debenture issue expenses	(0.38)	(12.38)
Interest Paid (including repayment of loan in the previous year)	(150.80)	(408.93)
Repayment of long term Loans and Debentures	(235.29)	(1,285.51)
Proceeds from long term Loans and Debentures	53.93	350.00
Short Term Loans Raised	45.68	677.34
Short Term Loans Repaid	(15.00)	(691.65)
Proceeds from rights issue by a subsidiary to the extent of minorities	22.42	-
Proceeds from issue of Equity shares on rights basis	-	1,499.88
Settlement of derivative contracts	4.70	11.66
Dividend Paid (Including tax on dividend)	(68.52)	(44.69)
Net Cash Generated/(Used) In Financing Activities (C)	**(343.26)**	**95.72**
Net Increase/(Decrease) In Cash and Cash Equivalents (A + B + C)	(19.98)	59.04
Cash and Cash Equivalents - Opening	207.84	141.31
Exchange difference on translation of foreign currency cash and cash equivalents	1.43	7.49
Cash and Cash Equivalents - Closing	**189.29**	**207.84**

Refer Note 18 (ix) for movement in financing activity

The accompanying notes form an integral part of the consolidated financial statements (Refer Note 1 - 45)

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai, April 30, 2019

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Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal &
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 1. CORPORATE INFORMATION

The Indian Hotels Company Limited ("IHCL" or the "Company"), and its subsidiaries (referred collectively as the "Group") is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts. These consolidated financial statements of the Group also include the Group's interest in associates and joint ventures.

The Company is domiciled and incorporated in India in 1902 and has its registered office at Mandlik House, Mandlik Road, Mumbai – 400 001, India. It is promoted by Tata Sons Private Limited (Formerly Tata Sons Limited), which holds a significant stake in the Company.

The consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 30, 2019.

NOTE 2. BASIS OF PREPARATION, PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The consolidated financial statements have been prepared on the following basis:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

(ii) Joint ventures, associates and equity method accounting

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets and obligations for the liabilities, relating to the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance Sheet.

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of Other Comprehensive Income of the investee in Other

Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its Associates and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying 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 and joint venture which has the reporting date of December 31, 2018.

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate an equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate.

(iv) Goodwill

a. Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

b. Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.

c. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Consolidated Statement of Profit and Loss.

d. Goodwill on acquisition of the foreign subsidiaries is restated at the rate prevailing at the end of the year.

(d) Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

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 the tax charges in the Consolidated Statement of Profit and Loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and the tax charge in the Consolidated Statement of Profit and Loss.

- **Loyalty programme:** The Group estimates the fair value of points awarded under the Loyalty programme by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.

  The group assessed whether the loyalty points provide a material right to the customer that needs to be accounted for as a separate performance obligation. The group determines that the loyalty points provide a material right that the customer would not exercise without entering into the contract.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet Date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

- **Litigation:** From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet Date.

- **Determination of control:** The group has exercised its judgement not to consolidate entities with majority holding where the group does not have any power or control over or exposure to entity and does not have any rights to variable returns from its involvement with the entity. Also, for all strategic investments in entities where there is a contractual agreement in the form of joint venture agreement were classified as joint venture.
- **Recognition of deferred tax liability on undistributed profits:** The extent to which the group can control the timing of reversal of deferred tax liability on undistributed profit of its subsidiaries requires judgement.

SIGNIFICANT ACCOUNTING POLICIES

(e) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Effective April 1, 2018 the Group has applied Ind AS 115 which replaces Ind AS 18 revenue recognition. Refer note 2(d) – Significant accounting policies – Revenue recognition in the Annual report of the group for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18.

Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other Allied services: In relation to the, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Management and Operating fees: Management fees earned from hotels managed by the Group are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Group's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

Membership Fees: Membership fee income majorly consists of membership fees received from the loyalty program and Chamber membership fees. Income is earned when the customer enrols for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Loyalty programme: The Group operates loyalty programme, which provides a material right to customers that they would not exercise without entering in to a contract and the eligible customers earns points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and a contract liability is created and on redemption/ expiry of such award points, revenue is recognised at pre-determined rates.

Contract balances (effective from April 1, 2018)

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

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

(f) Employee Benefits

i. Short term Employee Benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which the Group has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

ii. Post-Employment Benefits:

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

a) Provident and family pension fund

The eligible employees of domestic components of the Group are entitled to receive post-retirement benefits in respect of provident fund and family pension fund a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund managed by the trust set up by the Group, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred.

Employee benefits arising out of contributions towards Provident Fund and Family Pension Scheme to Regional Provident Fund Commissioner or the Central Provident Commissioner and Social Security etc. paid/payable during the year are recognised as expense in the Statement of Profit and Loss account in the period in which the employee renders services.

Eligible employees of some of the overseas components of the Group are members of defined contribution plans. These plans, in addition to employee contribution, require the Group to make contributions equivalent to a pre-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.

b) Superannuation

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

c) Others

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligation therein, based on independent external actuarial valuations carried out at the Balance Sheet date.

Certain international subsidiaries operate a defined contribution pension scheme and the pension charge represents the amounts paid/ payable by them to the fund in the period in which the employee renders services.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

a) Gratuity

The Group accounts for the net present value of its obligations for gratuity benefits, based on independent actuarial valuations, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or asset as of the reporting date. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

In case of funded scheme, the Group makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds in respect of eligible employee in case of certain domestic components and the parent / company.

b) Post-Retirement Pension Scheme and Medical Benefits

The net present value of the Group's obligation towards post retirement pension scheme for retired whole time directors and post-employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

The Group also participates in an industry-wide defined benefit plan which provides pension linked to final salaries in respect of employees of certain overseas hotel properties. The plan is funded in a manner such that contributions are set at a level that is expected to be sufficient to pay the benefits falling due in the same period. It is not practicable to determine the present values of the Group's obligations as the covered hotel properties have not received information from the plan's administrator. In the absence of sufficient information the plan has been accounted as if it was a defined contribution plan.

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

c) Provident Fund Trust

In respect of contribution to the trust set up by the Group, since the Group is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

Other Long-term Employee Benefits

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

(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 2(p) below). Initial estimate of costs of dismantling

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

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	30 to 80 years
Plant and Equipment	5 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices - Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Other miscellaneous hotel assets	4 years

In respect of buildings on leasehold land, depreciation is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to leasehold buildings are depreciated on the basis of their estimated useful lives or the expected lease period, whichever is lower. Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effects of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Proportionate depreciation is charged for the addition and disposal made during the year.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

(h) Intangible Assets

Intangible assets include cost of acquired software and designs, cost incurred for development of the Company's website and certain contract acquisition costs including the lease rights acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

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

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising for other intangible assets is as under:

Class of Assets	Estimated Useful Life
Website Development Cost	5 years
Software and Licences	6 years
Service and Operating Rights	10 years
Leasehold property rights	Over the term of lease

An intangible assets is derecognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(i) Impairment of Assets

Goodwill which has an indefinite useful life is not subject to amortisation and is tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

rates as at the end of the year. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. All resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as a part of gain or loss on sale.

(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.

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 paymen ts. 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.

(l) Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost includes the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(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 of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

Current tax

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates at the end of the reporting period in the countries where the company and its subsidiaries and its associates and joint ventures operate and generate taxable income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of the goodwill. The deferred tax is also not accounted if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profits/(taxable loss).

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets positions are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences between the carrying amount and the tax bases of investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

(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 capitalization. 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 Profit or Loss after tax by the weighted average number of equity shares outstanding during the year adjusting the bonus element for all the reported period arising on account of issue of equity shares on rights and including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

(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 operating performance of the Group and provides consistency with the Group's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group. Exceptional items can include, but are not restricted to, gains and losses on the disposal of properties/significant undertakings, impairment charges, exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

(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 Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payment is established.

  The Group has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments not held for trading.

  When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

<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.

<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.

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 are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The fair value changes of derivatives which are not designated as a hedging instrument are accounted through Statement of Profit and Loss. During the years reported, no hedge relationship was designated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(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 / equity instrument related) in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees are expensed as incurred.

If the Group obtains control over one or more entities that are not businesses, then the bringing together of those entities are not business combinations. The cost of acquisition is allocated among the individual identifiable assets and liabilities of such entities, based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill and no non-controlling interest is recognised.

In case of business combinations involving entities under common control, the above policy done not apply. 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:

Ind AS 116 - Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 - Leases replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group's operating leases mainly relate to real estate assets such as Land, Land & Building and fully fitted hotel properties which are on long term lease ranging from 15 to 198 years.

The group proposes to adopt the above standard retrospectively, with the cumulative effect of being recognised on the date of initial application i.e. 1 April 2019 to the opening balance of retained earnings.

Based on the information currently available, the Group estimates that it will recognise a right-of-use asset of approximately ₹ 1,573 crores and a corresponding lease liability of approximately ₹ 1,923 crores by adjusting retained earnings, net of taxes. There will be consequent reclassification in the cash flow categories in the statement of cash flows.

Other Amendments on the existing standard but not effective

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

a) Business combination accounting in case of obtaining control of a joint operation (Ind AS 103 – Business combination);

b) Accounting in case of obtaining joint control of an operation wherein there was no joint control earlier (Ind AS 111 – Joint arrangement);

c) Income tax consequences in case of dividends (Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend));

d) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities (Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments));

e) Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);

f) Accounting for prepayment features with negative compensation in case of debt instruments (Ind AS 109 – Prepayment Features with Negative Compensation);

g) Accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

h) Accounting for long-term interests in associates and joint ventures to wh ich the equity method is not applied but that in substance form part of the investment in the associate or joint venture (long-term interests) (Ind AS 28 – Long-term interests in associates and joint ventures).

The above amendments will come into force from April 1, 2019. The company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

₹ crores

	Freehold land	Buildings (Refer Footnote i and vi)	Plant and machinery	Furniture & fixtures (Refer Footnote ii)	Office equipment (Refer Footnote ii)	Vehicles	Total
COST							
Gross carrying value							
At April 1, 2017	258.81	3,376.16	997.19	402.50	55.11	8.29	**5,098.06**
Translation adjustment (Refer Footnote iii)	0.39	96.83	4.19	7.97	0.03	-	**109.41**
Additions (Refer Footnote iv)	-	233.59	171.13	124.01	11.99	0.83	**541.55**
Disposals	-	18.02	10.29	3.33	0.12	0.82	**32.58**
At March 31, 2018	**259.20**	**3,688.56**	**1,162.22**	**531.15**	**67.01**	**8.30**	**5,716.44**
Translation adjustment (Refer Footnote iii)	5.81	36.35	(0.23)	3.56	0.51	-	**46.00**
Additions (Refer Footnote iv)	0.16	284.57	160.13	76.58	6.32	2.59	**530.35**
Disposals	-	13.91	7.59	3.08	0.91	0.31	**25.80**
At March 31, 2019	**265.17**	**3,995.57**	**1,314.53**	**608.21**	**72.93**	**10.58**	**6,266.99**
Accumulated Depreciation							
At April 1, 2017	-	204.12	157.48	95.92	19.51	2.55	**479.58**
Translation adjustment (Refer Footnote iii)	-	5.90	0.95	2.89	0.03	-	**9.77**
Charge for the year	-	110.67	97.41	54.74	10.51	0.60	**273.93**
Disposals	-	14.93	7.84	1.86	0.04	0.13	**24.80**
At March 31, 2018	**-**	**305.76**	**248.00**	**151.69**	**30.01**	**3.02**	**738.48**
Translation adjustment (Refer Footnote iii)	-	3.29	(0.09)	1.86	0.27	-	**5.33**
Charge for the year	-	124.14	103.56	61.52	10.80	0.81	**300.83**
Disposals	-	2.87	5.11	1.85	0.74	0.26	**10.83**
At March 31, 2019	**-**	**430.32**	**346.36**	**213.22**	**40.34**	**3.57**	**1,033.81**
NET BLOCK							
At March 31, 2018	**259.20**	**3,382.80**	**914.22**	**379.46**	**37.00**	**5.28**	**4,977.96**
At March 31, 2019	**265.17**	**3,565.25**	**968.17**	**394.99**	**32.59**	**7.01**	**5,233.18**

Footnotes :

(i) Cost includes improvements to buildings constructed on leasehold land - ₹ 2,656.34 crores; (Previous year - ₹ 2,389.18 crores)

(ii) Furniture, Fixtures and Office Equipment as at the year end include assets on finance lease: Cost - ₹ 1.30 crore (Previous year - ₹ 0.68 crore), Accumulated Depreciation - ₹ 0.74 crore (Previous year ₹ 0.53 crore), Depreciation for the year - ₹ 0.23 crore (Previous year - ₹ 0.13 crore) and carrying value as at the reporting date of ₹ 0.56 crore (Previous year ₹ 0.15 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) Addition includes ₹ 0.07 crore (Previous year - ₹ 0.70 crore) on account of interest cost on borrowings capitalised on certain qualifying assets (Refer Note 26).

(v) For details of pledged assets Refer Note 18, Footnote (ii).

(vi) Disposals include ₹ 8.43 crores (Previous year - ₹ Nil) of Assets, comprising of residential flats, reclassified as held for sale.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

₹ crores

	March 31, 2019	March 31, 2018
Note 4 : Goodwill		
Opening Balance	565.52	555.56
Add : Foreign Exchange fluctuation for the year	17.93	9.96
Add : Addition stake acquired in a subsidiary	0.02	-
Closing Balance	**583.47**	**565.52**

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 ₹ 399.25 crores (March 31, 2018 - ₹ 381.32 crores) allocated to the International business (United Kingdom) and ₹ 130.99 crores (March 31, 2018 - ₹ 130.99 crores) allocated to a component of domestic business. The estimated fair value of these CGUs is based on market value of property. The remaining amount of goodwill of ₹ 53.23 crores (March 31, 2018 - ₹ 53.21 crores) relates to different CGUs which is individually immaterial.

NOTE 5 : OTHER INTANGIBLE ASSETS

₹ crores

	Leasehold property rights (Refer Footnote iii)	Website development cost	Software and licences (Refer Footnote i)	Service and operating rights	Total
COST					
Gross carrying value					
At April 1, 2017	623.52	18.57	48.71	3.47	**694.27**
Translation adjustment (Refer Footnote ii)	0.04	-	-	0.01	**0.05**
Additions	0.06	1.23	3.78	-	**5.07**
Disposals	-	-	0.01	-	**0.01**
At March 31, 2018	**623.62**	**19.80**	**52.48**	**3.48**	**699.38**
Translation adjustment (Refer Footnote ii)	0.65	-	-	0.22	**0.87**
Additions	8.95	1.70	2.55	-	**13.20**
Disposals	-	-	0.09	-	**0.09**
At March 31, 2019	**633.22**	**21.50**	**54.94**	**3.70**	**713.36**
Accumulated Amortisation					
At April 1, 2017	30.13	4.05	15.27	3.47	**52.92**
Translation adjustment (Refer Footnote ii)	0.03	-	0.01	0.01	**0.05**
Charge for the year	13.71	4.97	8.59	-	**27.27**
Disposals	-	-	0.01	-	**0.01**
At March 31, 2018	**43.87**	**9.02**	**23.86**	**3.48**	**80.23**
Translation adjustment (Refer Footnote ii)	0.40	-	-	0.22	**0.62**
Charge for the year	13.87	4.03	9.12	-	**27.02**
Disposals	-	-	0.11	-	**0.11**
At March 31, 2019	**58.14**	**13.05**	**32.87**	**3.70**	**107.76**
Net Block					
At March 31, 2018	**579.75**	**10.78**	**28.62**	**-**	**619.15**
At March 31, 2019	**575.08**	**8.45**	**22.07**	**-**	**605.60**

Footnotes :

(i) Software includes Customer Reservation System and other licensed software.

(ii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".

(iii) Leasehold property rights mainly consists of lease acquisition rights for the hotel property including land. Refer Note 2(h) for accounting policy .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 6 : INVESTMENTS ACCOUNTED USING EQUITY METHOD

		Face Value	March 31, 2019 Holdings As at	March 31, 2019 ₹ crores	March 31, 2018 Holdings As at	March 31, 2018 ₹ crores
Break up of investments in joint ventures and associate (carrying value determined using the equity method of accounting) as below :-						
(a) Equity investments in joint venture companies (Refer Note 33(c))						
Fully paid unquoted equity investments						
Taj Kerala Hotels & Resorts Ltd.	₹	10	1,41,51,664	15.57	1,41,51,664	16.68
Taj SATS Air Catering Ltd.	₹	10	88,74,000	61.83	88,74,000	59.94
Taj Karnataka Hotels & Resorts Ltd. (Refer footnote (iii))	₹	10	13,98,740	-	13,98,740	-
Taj Madras Flight Kitchen Pvt Ltd.	₹	10	79,44,112	25.23	79,44,112	23.87
Taj Safaris Ltd. (1,07,41,864 shares (Previous year 34,87,554) acquired during the year)	₹	10	2,67,26,085	10.93	1,59,84,221	0.70
Kaveri Retreat & Resorts Ltd.	₹	10	1,31,76,467	41.02	1,31,76,467	39.85
IHMS Hotels (SA) (Proprietary) Ltd. (Refer footnote (iii))	Zar	1	8,67,39,958	-	8,67,39,958	-
TAL Hotels and Resorts Ltd.	US $	1	49,46,282	122.31	49,46,282	122.67
Total Aggregate unquoted investments				**276.89**		**263.71**
Fully paid quoted equity investments						
Taj GVK Hotels & Resorts Ltd.	₹	10	1,60,00,400	117.33	1,60,00,400	114.91
Total Aggregate quoted investments				**117.33**		**114.91**
Total Investments carrying value				**394.22**		**378.62**
(b) Equity investments in associate companies (Refer Note 33(c))						
Fully paid unquoted equity investments						
Taj Madurai Ltd.	₹	10	9,12,000	6.22	9,12,000	5.29
Taida Trading & Industries Ltd. (Refer footnote (iv))	₹	100	65,992	-	65,992	-
Lanka Island Resorts Ltd.	LKR	10	1,99,65,525	33.71	1,99,65,525	33.24
Bjets Pte Ltd. (Refer footnote (iv))	US $	1	2,00,00,000	-	2,00,00,000	-
Total Aggregate unquoted investments				**39.93**		**38.53**
Fully paid quoted equity investments						
Oriental Hotels Ltd. (Refer footnote (v))	₹	10	6,61,66,530	240.07	6,61,66,530	207.16
TAL Lanka Hotels Plc	LKR	10	3,43,75,640	13.45	3,43,75,640	16.11
Total Aggregate quoted investments				**253.52**		**223.27**
Total Investments carrying value				**293.45**		**261.80**
Total Investments in joint ventures and associates				**687.67**		**640.42**

Footnotes :

		2019	2018
(i)	Aggregate carrying value of Quoted Investments	370.85	338.18
	Market value of Quoted Investments	697.34	563.09
	Aggregate amount of impairment in value of investments	-	-
(ii)	Aggregate amount of Unquoted Investments	316.82	302.24

(iii) The carrying value of these investments is carried at nil value as the Group's interest using equity method in these entities are reduced to zero. The Group has provided for additional losses and has recognised liability to the extent of the Group's exposure. (Refer Note 20(b))

(iv) The carrying amount of these investments has been reported as nil, as the Group's share of losses exceeds the cost/carrying value.

(v) Includes 5.40% (Previous year 5.40%), of the shares held in the form of Global Depository Receipts (GDR).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 7 : INVESTMENTS

		Face Value	March 31, 2019 Holdings As at	March 31, 2019 ₹ crores	March 31, 2018 Holdings As at	March 31, 2018 ₹ crores
(a)	**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	-
	Hotels and Restaurant Co-op. Service Society Ltd. *	₹ 50	20	-	20	-
	Kumarakruppa Frontier Hotels Private Ltd.	₹ 10	96,432	7.18	96,432	6.41
	MPOWER Information Systems Private Ltd. *	₹ 10	5,28,000	-	5,28,000	-
	Smile and Care Products Private Ltd. *	₹ 10	49,800	-	49,800	-
	Tata Ceramics Ltd.	₹ 2	1,54,29,480	-	1,54,29,480	-
	Tata Industries Ltd. (Refer Footnote (v))	₹ 100	42,74,590	55.73	42,74,590	55.73
	Tata International Ltd	₹ 1000	8,000	24.96	8,000	22.97
	Taj Air Ltd.	₹ 10	2,22,40,200	5.50	2,22,40,200	5.49
	Tata Services Ltd.	₹ 1000	421	0.04	421	0.04
	Tata Sons Private Ltd. (Refer Footnote (v))	₹ 1000	4,500	25.00	4,500	25.00
	TRIL Infopark Ltd. (Refer Footnote iii)	₹ 10	7,11,00,000	71.10	7,11,00,000	71.10
	Bombay Mercantile Co-operative Bank Ltd. *	₹ 30	333	-	333	-
	Hindustan Engineering & Industries Ltd. *	₹ 10	7	-	7	-
	Saraswat Co-operative Bank Ltd. *	₹ 10	2,000	-	2,000	-
				189.51		**186.74**
	Fully paid quoted equity investments:					
	India Tourism Development Corporation Ltd.	₹ 10	67,50,275	189.04	67,50,275	305.99
	Tulip Star Hotels Ltd.	₹ 10	35,800	0.23	35,800	0.19
	Asian Hotels (North) Ltd. *	₹ 10	2	-	2	-
	Asian Hotels (East) Ltd. *	₹ 10	2	-	2	-
	Asian Hotels (West) Ltd. *	₹ 10	2	-	2	-
	EIH Ltd. *	₹ 2	37	-	37	-
	Hotel Leela Venture Ltd. *	₹ 2	25	-	25	-
	Graviss Hospitality Ltd.	₹ 2	4,500	0.01	4,500	0.01
	HDFC Bank Ltd.	₹ 2	2,500	0.58	2,500	0.47
	Titan Company Ltd. (13,06,000 Shares sold during previous year)	₹ 1	5,00,000	56.88	5,00,000	47.06
				246.74		**353.72**
	Investment in Preference Shares (carried at amortised costs)					
	Central India Spinning Weaving & Manufacturing Company Ltd.* (10% unquoted Cumulative Preference Shares)	₹ 500	50	-	50	-
	Investment in Others (carried at amortised costs)					
	National Savings Certificate			0.01		0.01
	Total Investments carrying value			**436.26**		**540.47**

* Value of these investments individually is less than ₹ 25,000

Footnotes :

		March 31, 2019	March 31, 2018
(i)	Aggregate amount of Quoted Investments	246.74	353.72
	Market value of Quoted Investments	246.74	353.72
(ii)	Aggregate amount of Unquoted Investments and Others	189.52	186.75

(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, 2018 ₹ 71.10 crores) as Option Deposit, which shall be adjusted upon exercise of the option or refunded.

(iv) The fair value hierarchy and classification are disclosed in Note 34(b).

(v) For these investments, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 7 : INVESTMENTS

₹ crores

		March 31, 2019	March 31, 2018
(b)	**Current**		
	Investments carried at fair value through profit and loss:		
	Investments in mutual fund units (unquoted)	211.21	330.53
		211.21	**330.53**
	Investments carried at fair value through Other Comprehensive Income:		
	Equity investments in other entities (unquoted)		
	BAHC 5 Pte Ltd. (Refer Note ii)	-	-
	1 (Previous year - 1) equity shares of US $ 1 each (₹ 69 (Previous year ₹ 65))		
		-	-
	Total Current investments	**211.21**	**330.53**

Footnote :

(i) Aggregate amount of Unquoted Investments: 211.21 | 330.53

(ii) This investment are temporarily held for disposal in near future (Refer Note 33(a)(ii)(b))

NOTE 8 : LOANS

₹ crores

		March 31, 2019	March 31, 2018
(a)	**Non current (at amortised costs) (Unsecured)**		
	Loans to related parties (Refer Note 40)		
	Considered good	15.73	15.13
	Credit impaired	150.26	141.04
		165.99	**156.17**
	Less : Allowance for credit impaired	150.26	141.04
		15.73	**15.13**
(b)	**Current (at amortised cost) (Unsecured, considered good unless stated otherwise)**		
	Loans		
	Related parties (Refer Note 40)	2.87	8.55
	Others	0.57	0.59
		3.44	**9.14**

NOTE 9 : OTHER FINANCIAL ASSETS

₹ crores

		March 31, 2019	March 31, 2018
(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	34.37	39.65
		34.37	**39.65**
	Less : Allowance for doubtful deposits	2.00	2.00
		32.37	**37.65**
	Deposits with Public Bodies and Others at amortised costs		
	Related parties (Refer Note 40)	-	0.09
	Public Bodies and Others	25.19	26.36
		25.19	**26.45**
	Less : Allowance for doubtful deposits	0.10	0.10
		25.09	**26.35**
	Deposits with banks (Refer Note 15)	6.27	3.99
	Interest receivable	0.14	-
	Others	1.67	1.95
		65.54	**69.94**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 9 : OTHER FINANCIAL ASSETS

	March 31, 2019	March 31, 2018
		₹ crores
(b) Current		
Deposit with public bodies and others		
Public Bodies and Others	61.26	15.29
	61.26	**15.29**
Other advances		
Considered good	12.12	9.23
Considered doubtful	2.75	5.07
	14.87	**14.30**
Less : Allowance for doubtful advances	2.75	5.07
	12.12	**9.23**
Interest receivable		
Related Parties (Refer Note 40)	0.98	1.38
Others	2.57	3.17
	3.55	**4.55**
Other receivable		
Related Parties (Refer Note 40)	68.70	70.44
Others	14.51	15. 47
	83.21	**85.91**
	160.14	**114.98**

NOTE 10 : DEFERRED TAX ASSETS (NET)

	March 31, 2019	March 31, 2018
		₹ crores
(a) Deferred tax assets:		
Allowance for doubtful debts	0.05	0.44
Provision for employee benefits	0.25	3.36
Unused tax losses (Business)	67.39	62.56
MAT credit entitlement	0.17	16.39
Others	2.08	3.71
Total (A)	**69.94**	**86.46**
Deferred tax liabilities:		
Property, Plant and equipment & Intangible Assets	0.50	25.90
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	-	0.42
Total (B)	**0.50**	**26.32**
Net Deferred tax assets (A-B) (Refer Footnote i)	**69.44**	**60.14**

Footnotes :

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

(ii) For the movement in deferred tax balances, Refer Note 37.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 10 : DEFERRED TAX ASSETS (NET)

₹ crores

		March 31, 2019	March 31, 2018
(b)	**Deferred tax liabilities:**		
	Property, Plant and equipment & Intangible Assets	484.22	453.17
	Unamortised borrowing costs	0.37	0.45
	Fair valuation changes of derivative contracts	2.26	20.89
	Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	1.57	-
	Total (A)	**488.42**	**474.51**
	Deferred tax assets:		
	Allowance for doubtful debts	5.80	7.66
	Provision for employee benefits	38.62	28.59
	Unused tax losses (Business)	6.13	-
	MAT credit entitlement	19.17	33.57
	Reward Points	14.83	13.27
	Provision for Contingencies	11.67	26.51
	Others	15.43	8.61
	Total (B)	**111.65**	**118.21**
	Net Deferred tax liabilities (A-B) (Refer Footnote i)	**376.77**	**356.30**

Footnotes :

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

(ii) For the movement in deferred tax balances, Refer Note 37.

NOTE 11 : OTHER ASSETS

₹ crores

		March 31, 2019	March 31, 2018
(a)	**Non current**		
	Capital advances	12.55	18.38
	Prepaid expenses	208.02	117.66
	Deposits with government authorities	113.41	98.48
	Incentive receivables	82.12	96.38
	Others	5.90	7.51
		422.00	**338.41**
(b)	**Current**		
	Prepaid expenses	104.61	55.08
	Indirect tax recoverable	9.15	4.54
	Advances to suppliers	14.76	15.61
	Loans and advances to employee	2.40	3.31
	Incentive receivables	1.67	1.49
	Others	0.25	0.25
		132.84	**80.28**

NOTE 12 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

₹ crores

	March 31, 2019	March 31, 2018
Food and Beverages	42.83	41.61
Stores and Operating Supplies	37.57	44.11
	80.40	**85.72**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 13 : TRADE RECEIVABLES

₹ crores

	March 31, 2019	March 31, 2018
(Unsecured) (Refer Note 40 for Related Party Disclosures)		
Considered good	321.38	328.56
Balances having significant increase in credit risk	-	-
Credit impaired	29.81	25.66
	351.19	**354.22**
Less : Allowance for credit impaired	29.81	25.66
	321.38	**328.56**
Footnote:		
Allowance for credit impaired		
Opening balance	25.66	13.97
Add: Allowance during the year	15.83	15.49
	41.49	**29.46**
Less: Bad debts written off / reversed no longer required	(11.68)	(3.80)
Closing balance	**29.81**	**25.66**

NOTE 14 : CASH AND CASH EQUIVALENTS

₹ crores

	March 31, 2019	March 31, 2018
Cash on hand	4.51	4.22
Cheques, drafts on hands	6.68	17.19
Balances with banks in current account	95.39	120.06
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	82.71	66.37
	189.29	**207.84**

NOTE 15 : OTHER BALANCES WITH BANKS

₹ crores

	March 31, 2019	March 31, 2018
Call and Short-term deposit accounts	47.48	44.58
Deposits pledged with others	3.10	0.65
Margin money deposits	4.85	7.86
Earmarked balances	2.49	13.38
	57.92	**66.47**
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 9(a))	6.27	3.99
	51.65	**62.48**

NOTE 16 : EQUITY SHARE CAPITAL

₹ crores

	March 31, 2019	March 31, 2018
Authorised share capital		
200,00,00,000 Equity Shares of ₹ 1 each	200.00	200.00
	200.00	**200.00**
Issued share capital		
118,93,07,472 (Previous year - 118,93,07,472) Equity Shares of ₹ 1 each	118.93	118.93
	118.93	**118.93**
Subscribed and paid up		
118,92,58,445 (Previous Year - 118,92,58,445) Equity Shares of ₹ 1 each, Fully Paid (Refer Footnote (ii) & (iv)	118.93	118.93
	118.93	**118. 93**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 16 : EQUITY SHARE CAPITAL (CONTD.)

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) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2019		March 31, 2018	
	No. of shares	₹ crores	No. of shares	₹ crores
As at the beginning of the year	118,92,58,445	118.93	98,92,74,015	98.93
Add : Shares issued on Rights basis	-	-	199,984,430	20.00
As at the end of the year	**118,92,58,445**	**118.93**	**118,92,58,445**	**118.93**

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

	March 31, 2019		March 31, 2018	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity share of ₹ 1 each fully paid				
Tata Sons Private Limited	43,32,19,860	36.43	43,32,19,860	36.43
Reliance Capital Trustee Company Limited	9,26,91,722	7.79	6,92,59,654	5.82
HDFC Trustee Company Limited	6,73,02,453	5.66	*	*
Life Insurance Corporation of India	*	*	8,07,43,678	6.79

* less than 5%

(iv) 49,027 (March 31, 2018 - 49,027) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

(v) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (March 31, 2018 - Nil)

(vi) Equity Shares held by associates :

	March 31, 2019		March 31, 2018	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Oriental Hotels Limited	7,52,398	0.06	7,52,398	0.06
Taida Trading and Industries Limited	1,87,818	0.02	1,87,818	0.02
Taj Madurai Limited	11,25,393	0.09	11,25,393	0.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 17 : OTHER EQUITY

₹ crores

		March 31, 2019	March 31, 2018
a)	**Reserves and surplus**		
	Capital Reserve		
	Opening and Closing Balance	43.91	43.91
	Capital Reserve on Consolidation		
	Opening Balance	114.42	114.42
	Less : Change in ownership in a subsidiary	(2.61)	-
	Closing Balance	**111.81**	**114.42**
	Securities Premium		
	Opening Balance	2,702.08	1,230.65
	Add : Premium on allocation of shares on Rights basis	-	1,479.88
	Less : Issue expenses written off	(0.03)	(8.45)
	Closing Balance	**2,702.05**	**2,702.08**
	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
	Less : Transfer to retained earnings	-	(42.42)
	Closing Balance	**-**	**-**
	Debenture Redemption Reserve		
	Opening Balance	305.97	305.97
	Add : Transfer from retained earnings	11.93	-
	Closing Balance	**317.90**	**305.97**
	Other Reserve (Refer Footnote below)		
	Opening Balance	(3.89)	-
	Add : Issue expenses in a subsidiary company	-	(3.89)
	Closing Balance	**(3.89)**	**(3.89)**
		324.60	**312.67**
	General Reserve		
	Opening and Closing Balance	561.98	561.98
	Retained Earnings		
	Opening Balance	(56.86)	(193.63)
	Less : Adjustment on account of a joint venture (Refer Note 33(c)(iii))	(2.48)	-
	Add : Profit for the year	286.82	100.87
	Less : Transfer to Debenture Redemption Reserve	(11.93)	-
	Add : Transfer from Reserve Fund	-	42.42
	Less : Final Dividend	(47.57)	(34.62)
	Less : Tax on Dividend	(7.42)	(7.63)
	Add: Realised gain on equity shares carried at fair value through other comprehensive income	-	42.84
	Less: Remeasurements of post employment benefit obligation, (item of other comprehensive income recognised directly in retained earnings)	(9.95)	(10.87)
	Add : Tax on remeasurements of post employment benefit obligation	3.39	3.76
	Closing Balance	**154.00**	**(56.86)**
	Total	**3,898.35**	**3,678.20**
b)	**Other Comprehensive Income**		
	(Refer Statement of changes in equity for the reclassification adjustments to retained earnings)		
	Equity Instruments fair valued through Other Comprehensive Income	206.01	318.86
	Foreign Currency Translation Reserve		
	Opening Balance	65.11	6.49
	Add : Foreign Exchange fluctuation for the year (net)	59.60	58.62
	Exchange differences on translating the financial statement of foreign operations	**124.71**	**65.11**
		330.72	**383.97**
		4,229.07	**4,062.17**

Footnote :

These expenses relates to share issue expenses incurred by one of its subsidiary company and has been directly recognised as “Other Reserve” under “Other Equity” in accordance with Ind AS 32 : Financial Instruments Presentation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 18 : BORROWINGS

₹ crores

		March 31, 2019	March 31, 2018
(a)	**Non current**		
	Debentures		
	Non convertible debentures		
	Secured (Refer Footnote ii)	1,044.09	1,043.86
	Unsecured (Refer Footnote iii)	729.29	685.97
		1,773.38	**1,729.83**
	Term loans		
	From Banks		
	Secured (Refer Footnote iv)	516.36	642.44
	Unsecured (Refer Footnote v)	-	50.00
		516.36	**692.44**
	Others	**0.56**	**0.16**
	Total	**2,290.30**	**2,422.43**
	Less: Current maturities of Long term borrowings (shown under Other current financial liabilities)	602.78	93.22
	Total non current borrowings	**1,687.52**	**2,329.21**
(b)	**Current**		
	Loans repayable on demand		
	From Bank		
	Unsecured (Refer Footnote vi)	6.38	-
		6.38	**-**
	Other short-term loans		
	From Bank		
	Unsecured (Refer Footnote vii(b))	17.30	-
		17.30	**-**
	From Related parties (Refer Note 40)		
	Unsecured (Refer Footnote vii(a))	12.00	5.00
		12.00	**5.00**
	Total	29.30	5.00
	Total current borrowings	**35.68**	**5.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 18 : BORROWINGS (CONTD.)

Footnotes :

(i) Details of borrowings as at:

₹ crores

	Effective Rate of Interest (%)	Maturity	March 31, 2019		March 31, 2018	
			Face value	Amortised cost	Face value	Amortised cost
Debentures						
Non convertible debentures (NCDs)						
Secured						
7.85% Non convertible debentures	7.85	April 15, 2022	495.00	494.09	495.00	493.86
10.10% Non convertible debentures	10.10	November 18,2021	300.00	300.00	300.00	300.00
9.95% Non convertible debentures	9.95	July 27, 2021	250.00	250.00	250.00	250.00
			1,045.00	**1,044.09**	**1,045.00**	**1,043.86**
Unsecured						
7.85% Non-Convertible Debentures	7.85	April 20, 2020	200.00	199.84	200.00	199.77
2% Non convertible debentures	9.86	December 9, 2019	250.00	529.45	250.00	486.20
			450.00	**729.29**	**450.00**	**685.97**
			1,495.00	**1,773.38**	**1,495.00**	**1,729.83**
Term loan from banks						
Secured			-	516.36	-	642.44
Unsecured			-	-	-	50.00
			-	**516.36**	**-**	**692.44**
Term loans from other parties						
Secured			-	-	-	-
			-	**-**	**-**	**-**
Others				0.56		0.16
			1,495.00	**2,290.30**	**1,495.00**	**2,422.43**
Short term borrowings			-	35.68	-	5.00
Total Borrowings			**1,495.00**	**2,325.98**	**1,495.00**	**2,427.43**

(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 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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 18 : BORROWINGS (CONTD.)

(iii) Non convertible debentures - unsecured include:

a) 2,000, 7.85% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 20, 2017 are repayable on April 20, 2020, i.e at the end of the 3rd year from the date of allotment.

b) 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. This has been classified under current maturities of long term borrowings.

(iv) Term Loan from Banks (Secured) include:

a) Roots Corporation Limited (RCL), a subsidiary of the Company, had obtained a secured loan facility from Kotak Bank for ₹ 75 crores which carries variable interest rate of 6 month MCLR + 30bps (effective interest as at March 31, 2019, 9.15%) (Previous year 8.6%) payable at monthly rests. Principal amount is repayable in quarterly installments upto March 2022. Outstanding loan as at March 31, 2019 ₹ 49 crores (Previous Year ₹ 69 crores) . The Company has created a charge in April 2016 by way of hypothecation and mortgage of 4 hotel properties and Property, Plant and Equipment contained therein.

Further, another loan of ₹ 50 crores was taken from HDFC Bank Ltd. carrying variable interest rate of 1 year MCLR + 5bps (effective interest as at March 31, 2019, 9.7% (Previous year 8.2%) payable at monthly rest . Principal amount payable in 2 equal quarterly installments of ₹ 1 crores and 16 quarterly installments of ₹ 3 crores each. The repayment schedule shall start from July 2020. Outstanding loan as at March 31, 2019 ₹ 50 crores (Previous Year ₹ 50 crores). The company is in a process to create a charge by way of hypothecation and mortgage of one hotel property and assets contained therein.

Secured Loan of ₹ 7.20 crores outstanding at the beginning of the year was prepaid during the year.

b) St James Court Hotels Limited, an overseas subsidiary of the company, had undertaken a new loan of £ 44.5 million in the year 2017 at a floating rate of 3 month Sterling LIBOR + 1.65%. Repayments of this loan are £ 1.5 million per annum (payable quarterly) with the balance repayable in August 2021. During the year a new revolving loan facility was taken for £ 15 million at a floating rate of 3 month Sterling LIBOR + 1.85%. As at the year end March 31, 2019 balance outstanding is £ 39.08 million (Previous year £ 40.47 million) out of which repayble with in a year is £ 7.50 million (Previous year £ 1.5 million).

c) During the year United Overseas Holding Inc. (UOH), a wholly owned overseas subsidiary, has fully prepaid its oustanding term loan of $ 20.90 million.

(v) Term loan from banks (Unsecured) include:

Unsecured term loan from a bank of ₹ 50 crores outstanding at the beginning of the year was repaid in April, 2018.

Short Term Loans :

(vi) Loans repayable on demand

Loans repayable on demand from bank, consists of overdraft facility.

(vii) Other short-term loans and advances

a) 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.

b) United Overseas Inc, a Wholly owned subsidiary has availed $ 15 million of credit agreement from J.P. Morgan Bank which expires on Dec 23, 2019 and carries variable rate of interest. At March 31,2019 , $2,500,000 was drawn down and outstanding on credit facility. The weighted average interest rate of the outstanding loans was approximately 2.74% at March 31, 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 18 : BORROWINGS (CONTD.)

(viii) Disclosure of changes in liabilities arising from financing activities (read with cash flow statement)

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented below:

₹ crores

		March 31, 2019	March 31, 2018
a)	**Net debt**		
	Cash and cash equivalents	189.29	207.84
	Current investments	211.21	330.53
	Total Liquid investment (a)	**400.50**	**538.37**
	Long term borrowings (including current maturities shown under Other Current financial liabilities)	2,290.30	2,422.43
	Short term borrowings	35.68	5.00
	Gross Debt (b)	**2,325.98**	**2,427.43**
	Net Debt ((b) - (a))	**1,925.48**	**1,889.06**
b)	**Other financial liabilities**		
	Liability on derivative contracts	279.42	236.15
	Interest accrued but not due / Unclaimed interest	54.76	54.79
	Total Other financial liabilities	**334.18**	**290.94**
	Grand Total	**2,259.66**	**2,180.00**

₹ crores

	Liquid Assets		Liabilities from Financing activities				Total
	Cash and cash equivalents	Current Investments	Gross Debt	Net Debt	Derivatives	Interest accrued but not due / Unclaimed interest	
	(a)	(b)	(c)	(d) = (c)-(a)-(b)	(e)	(f)	(g) = (d)+(e)+(f)
Net Debt as at March 31, 2017	141.31	90.80	3,382.98	**3,150.87**	258.38	133.79	**3,543.04**
Cash flows	59.04	232.02	(949.82)	**(1,240.88)**	11.80	(0.01)	**(1,229.09)**
Interest expense	-	-	2.90	**2.90**	(10.23)	276.37	**269.04**
Interest paid	-	-	(53.41)	**(53.41)**	-	(355.52)	**(408.93)**
Transferred to IEPF	-	-	-	**-**	-	(0.07)	**(0.07)**
Other non- cash movements:							
Added to Borrowings							
Fair value adjustments	-	7.71	-	**(7.71)**	(25.51)	-	**(33.22)**
Foreign Currency Translation Difference	7.49	-	44.78	**37.29**	1.71	0.23	**39.23**
Net Debt as at March 31, 2018	**207.84**	**330.53**	**2,427.43**	**1,889.06**	**236.15**	**54.79**	**2,180.00**
Cash flows	(19.98)	(137.09)	(150.68)	**6.39**	5.86	-	**12.25**
Interest expense	-	-	43.54	**43.54**	(3.62)	150.21	**190.13**
Interest paid	-	-	-	**-**	-	(150.80)	**(150.80)**
Transferred to IEPF	-	-	-	**-**	-	(0.34)	**(0.34)**
Other non- cash movements:							
Added to Borrowings							
Fair value adjustments	-	16.65	-	**(16.65)**	41.03	-	**24.38**
Foreign Currency Translation Difference	1.43	1.12	5.69	**3.14**	-	0.90	**4.04**
Net Debt as at March 31, 2019	**189.29**	**211.21**	**2,325.98**	**1,925.48**	**279.42**	**54.76**	**2,259.66**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 19 : TRADE PAYABLES (REFER NOTE 40 FOR RELATED PARTY DISCLOSURES)

₹ crores

	March 31, 2019	March 31, 2018
Vendor payables	169.04	198.27
Accrued expenses and others	156.21	141.68
	325.25	**339.95**

NOTE 20 : OTHER FINANCIAL LIABILITIES

₹ crores

	March 31, 2019	March 31, 2018
(a) Non current		
Liability on derivative contracts	149.85	230.56
Deposits from others	14.54	12.83
Creditors for capital expenditure	2.74	1.49
Employee related liabilities	12.69	8.67
	179.82	**253.55**
(b) Current		
Current maturities of long-term borrowings (Refer Note 18 (i))		
Debentures	529.45	-
Term loan from banks	73.20	93.07
Others	0.13	0.15
	602.78	**93.22**
Liability on derivative contracts	129.57	5.59
Contract liability towards loyalty programmes (Refer Note 29(iii (b)))	43.43	41.94
Other payables		
From related parties (Refer Note 40)	1.05	14.52
From other parties	5.40	6.73
	6.45	**21.25**
Additional liability on account of loss in joint ventures to the extent of exposure (Refer Note 6(a)(iii))	74.52	75.61
Deposits from others		
Option Deposit received against purchase of shares (Secured) (Refer Note 7(a)(iii))	71.10	71.10
Unsecured	18.28	21.30
	89.38	**92.40**
Interest accrued but not due on borrowings	54.24	53.93
Creditors for capital expenditure	47.90	73.38
Unclaimed dividends	1.85	2.08
Unclaimed matured deposits and interest accrued thereon	0.52	0.86
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous Year - ₹ 25,153)	-	-
Employee related liabilities	127.09	98.17
Other liabilities	68.83	58.19
	1,246.56	**616.62**

Footnote :

The fair value hierarchy and classification are disclosed in Note 34.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 21 : PROVISIONS

₹ crores

		March 31, 2019	March 31, 2018
(a)	**Non current**		
	Provision for employee benefits (Refer Note 38)		
	Compensated absences	57.68	50.54
	Gratuity	20.65	11.01
	Post-employment medical benefits	6.20	5.28
	Post-retirement pension	17.80	16.72
		102.33	**83.55**
(b)	**Current**		
	Provision for employee benefits (Refer Note 38)		
	Compensated absences	22.03	20.89
	Gratuity	1.09	3.73
	Post-employment medical benefits	0.41	0.36
	Post-retirement pension	1.47	1.61
	Other employee benefits	0.69	1.43
		25.69	**28.02**
	Provision for others		
	Provision for disputed dues (Refer Footnote (i))	121.95	110.38
		121.95	**110.38**
		147.64	**138.40**

Footnotes :

(i) **Provision for disputed dues include provisions for the following:**

₹ crores

	Opening Balance	Additions	Utilisation	Closing Balance
Disputed claims for taxes, levies and duties	107.80	11.57	-	**119.37**
	84.35	*24.64*	*1.19*	***107.80***
Dispute on contractual matters	0.41	-	-	**0.41**
	0.43	-	*0.02*	***0.41***
Dispute in respect of employee benefits	2.17	-	-	**2.17**
	2.17	-	-	***2.17***
Total	**110.38**	**11.57**	**-**	**121.95**
	86.95	***24.64***	***1.21***	***110.38***

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

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

NOTE 22 : OTHER CURRENT LIABILITIES

₹ crores

	March 31, 2019	March 31, 2018
Income received in advance	28.73	25.08
Deferred Revenue	76.85	86.85
Advances collected from customers	122.67	106.95
Statutory dues	73.24	50.03
	301.49	**268.91**

Footnote :

Refer Note 29(iii) for detailed disclosure relating to Ind AS 115 - Revenue from contract with customers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 23 : REVENUE FROM OPERATIONS (REFER NOTE 29(I), (II))

₹ crores

	March 31, 2019	March 31, 2018
Rooms, restaurants and banquets income	3,957.36	3,581.71
Shop rentals	38.79	40.92
Membership fees	91.17	85.80
Management and operating fees	213.17	204.25
Other operating income	211.51	190.87
Total	**4,512.00**	**4,103.55**

NOTE 24 : OTHER INCOME

₹ crores

	March 31, 2019	March 31, 2018
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	1.63	0.13
Deposits with banks	6.89	16.86
Others	9.06	9.22
	17.58	**26.21**
Interest on income tax refunds	2.41	3.21
	19.99	**29.42**
Dividend Income from Investments		
from Investments that are fair valued through Other Comprehensive Income	6.12	5.87
from Investments that are fair valued through Profit and Loss	1.20	2.33
Profit on disposal of Property, plant and equipment (Net)	12.38	0.01
Profit on sale of current investment	15.94	6.36
Gain on investments carried at fair value through profit and loss	1.83	0.06
Exchange gain (Net)	1.05	1.22
Others	24.87	16.46
Total	**83.38**	**61.73**

NOTE 25 : EMPLOYEE BENEFIT EXPENSES AND PAYMENT TO CONTRACTORS

₹ crores

	March 31, 2019	March 31, 2018
Salaries, wages, bonus etc.	1,159.24	1,058.63
Company's contribution to provident and other funds (Refer Note 21, 38)	47.04	40.60
Reimbursement of expenses on personnel deputed to the company	45.21	39.04
Payment to contractors	99.18	91.52
Staff welfare expenses	120.12	116.83
Total	**1,470.79**	**1,346.62**

NOTE 26 : FINANCE COSTS

₹ crores

	March 31, 2019	March 31, 2018
Interest expense		
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	192.41	270.14
Less : Settlements on interest rate swap contracts	(3.60)	(9.53)
	188.81	**260.61**
On income tax demand	0.04	7.86
Other borrowing costs	1.35	1.27
	190.20	**269.74**
Less : Interest capitalised (Refer Footnote)	**0.07**	**0.70**
Total	**190.13**	**269.04**

Footnote :

The Group has capitalised the interest cost on borrowings relating to qualifying assets including within capital work in progress.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 27 : OPERATING AND GENERAL EXPENSES

₹ crores

		March 31, 2019	March 31, 2018
(a)	**Operating expenses consist of the following :**		
	Linen and room supplies	71.03	73.51
	Catering supplies	30.67	28.26
	Other supplies	6.67	7.06
	Fuel, power and light	273.57	259.11
	Repairs to buildings	56.19	58.24
	Repairs to machinery	73.85	67.84
	Repairs to others	35.73	30.50
	Linen and uniform washing and laundry expenses	45.54	41.57
	Security charges and Others	48.79	38.50
	Guest transportation	43.70	39.01
	Travel agents' commission	95.34	84.47
	Discount to collecting agents	50.79	46.73
	Other operating expenses	119.10	87.80
	Total	**950.97**	**862.60**
(b)	**General expense consist of the following :**		
	Rent	61.43	64.82
	Licence fees (Refer Note 36)	275.84	254.37
	Rates and taxes	100.50	95.12
	Insurance	15.51	14.67
	Advertising and publicity	108.60	121.32
	Printing and stationery	13.93	14.12
	Passage and travelling	18.31	18.20
	Allowance for doubtful debts and Bad debts written off	15.83	15.49
	Expenditure on corporate social responsibility	7.05	6.47
	Professional fees	51.32	46.57
	Support services	69.80	67.58
	Loss on Sale of Property, plant and equipment (Net)	-	0.77
	Payment made to statutory auditors (Refer Footnote)	7.85	8.12
	Directors' fees and commission	3.40	4.77
	Other expenses	107.09	115.15
	Total	**856.46**	**847.54**
		1,807.43	**1,710.14**

Footnote :

Payment made to statutory auditors:

₹ crores

	March 31, 2019	March 31, 2018
As auditors	6.58	6.45
For other services (including tax audit and company law matters)	0.90	1.52
Expenses and incidentals	0.37	0.15
	7.85	**8.12**

Excludes Nil (Previous year ₹ 1.36 crores) adjusted against Securities Premium Account

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 28 : EXCEPTIONAL ITEMS

₹ crores

	March 31, 2019	March 31, 2018
Exceptional Items comprises of the following :		
Exchange Gain / (Loss) on long term borrowings/assets (net)	-	0.07
Change in fair value of derivative contracts	(41.03)	25.51
Incentive fees received pursuant to amendment to a Management Service Agreement	48.24	-
Provison of financial exposure in an associate	(0.63)	(0.56)
Expenditure on projects written off for commercial reasons	-	(2.57)
Total	**6.58**	**22.45**

NOTE 29. REVENUE FROM CONTRACTS WITH CUSTOMERS AND ASSETS/LIABILITIES

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18. It introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the cumulative effect method (modified retrospective application) permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended March 31, 2019 only (i.e. the initial application period). This method requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at April 1, 2018 ('transition date') in equity and the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the standard on the financial statements is not material.

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months. (Also refer Credit Risk)

Prior to adoption of Ind AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations, Management and Operating Fee and Membership fees income. The recognition of these revenue streams is largely unchanged by Ind AS 115.

i) Details of revenue from contracts with customers recognized by the Company, net of indirect taxes in its statement of Profit and Loss:

₹ crores

	March 31, 2019
Revenue from operations	
a. Revenue from contract with customers	
Room Revenue, Food & Beverages and Banquets	3,957.36
Shop rentals	38.79
Membership fee	91.17
Management & Operating fees	213.17
	4,300.49
b. Other operating revenue	
Export Incentive	26.90
Other revenue	184.61
	211.51
Total Revenue from operations	**4,512.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 29. REVENUE FROM CONTRACTS WITH CUSTOMERS AND ASSETS/LIABILITIES (CONTD.)

ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

	₹ crores March 31, 2019
Revenue based on geography	
a. Revenue from contract with customers	
India	3,224.84
Overseas	1,075.65
	4,300.49
b. Other Operating Revenue	
India	181.37
Overseas	30.14
	211.51
Total Revenue based on geography	**4,512.00**
Revenue based on product and services	
a. Revenue from contract with customers	
Room Revenue	2,147.63
Food & Beverages and Banquets	1,809.73
Shop rentals	38.79
Membership fee	91.17
Management & Operating fees	213.17
	4,300.49
b. Other Operating Revenue	
Export Incentives	26.90
Other revenue	184.61
	211.51
Total Revenue based on product and services	**4,512.00**

iii) Contract balances

The contract liabilities primarily relate to the unredeemed customer loyalty points and the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered.

a) Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services. It also includes membership fee received for Chambers Membership, Epicure membership and Spa and Health Club Memberships.

b) Contract Liability towards Loyalty programme represents the liability of the Company towards the points earned by the members.

₹ crores

	March 31, 2019	April 1, 2018
Contract liabilities		
Income received in advance	28.73	25.08
Advance collections from customer	122.67	106.95
Deferred Revenue	76.85	86.85
Contract Liability towards Loyalty programmes	43.43	41.94
	271.68	**260.82**

Footnote:

Considering the nature of business of the Group, the advance from customer and income received in advance are generally materialised as revenue within the same operating cycle.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 30. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) AND CONTINGENT ASSETS

The Group is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Group's businesses and is exposed to other contingencies arising from having issued guarantees to lenders of its subsidiaries and other entities. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

(a) On account of matters in disputes :

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company and the Group, in respect of taxes, etc., which are in dispute, and not provided for, are as under:

₹ crores

	March 31, 2019	March 31, 2018
Income Tax	170.21	177.56
Luxury tax	1.05	15.49
Entertainment tax	2.23	2.23
Sales tax / VAT	30.04	30.56
Property and Water tax	213.53	179.01
Service tax	24.17	19.09
Others	19.90	16.25

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 lease agreement, on which the Company has constructed a hotel, the lessor has made a claim of ₹ 432.57 crores to date, (13 times the previous annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the lessor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the then existing lessor's policy as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch beyond ₹ 115.85 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been filed by the company before the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the lessor, pending a resolution of this dispute by the Honourable Bombay High Court, and the Company has obtained a stay order from the court.

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

(i) Legal and statutory matters ₹ 4.98 crores (March 31, 2018 - ₹ 4.98 crores)

(ii) Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimates above, including where:

a) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

b) the proceedings are in early stages;

c) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

d) there are significant factual issues to be resolved; and/or there are novel legal issues presented

The Group's Management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Group's financial position, though the outcomes could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

(d) Claims filed by the Group:

The Company 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 intermediate stage of verification and in the absence of virtual certainty at this stage on the amount that may be ultimately approved, no deferred income has been recognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 31. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for is ₹ 125.92 crores (March 31, 2018 - ₹ 177.38 crores).

NOTE 32. GUARANTEES AND UNDERTAKINGS GIVEN

(a) Guarantees given by the Group and outstanding as on March 31, 2019 - ₹ 12.78 crores (March 31, 2018 - ₹ 12.94 crores).

(b) The Group has given letters of support to few associates and joint venture companies during the year.

NOTE 33. INTEREST IN OTHER ENTITIES

a) Subsidiaries

i) The parent's subsidiaries at March 31, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the group and the effective ownership of the group is enumerated in the table below. The country of incorporation or registration is also their principal place of business.

	Country of Incorporation	Effective Ownership interest held by the Group		Ownership interest held by non-controlling interests	
		March 31, 2019 (%)	March 31, 2018 (%)	March 31, 2019 (%)	March 31, 2018 (%)
Domestic					
Benares Hotels Ltd.	India	51.68	51.68	48.32	48.32
ELEL Hotels & Investments Ltd.	India	85.72	85.72	14.28	14.28
Inditravel Ltd.	India	77.21	77.19	22.79	22.81
KTC Hotels Ltd.	India	100.00	100.00	-	-
Luthria & Lalchandani Hotels and Properties Private Ltd.	India	87.15	87.15	12.85	12.85
Northern India Hotels Ltd.@	India	48.56	48.56	51.44	51.44
Piem Hotels Ltd.	India	51.57	51.57	48.43	48.43
Roots Corporation Ltd.	India	63.74	63.25	36.26	36.75
Sheena Investments Private Ltd.	India	100.00	100.00	-	-
Skydeck Properties & Developers Private Ltd.	India	100.00	100.00	-	-
Taj Enterprises Ltd.	India	74.70	74.70	25.30	25.30
Taj Trade & Transport Ltd.	India	72.74	72.73	27.26	27.27
United Hotels Ltd.	India	55.00	55.00	45.00	45.00
International					
IHOCO BV	Netherlands	100.00	100.00	-	-
Piem International (HK) Ltd.	Hong Kong	51.57	51.57	48.43	48.43
St. James Court Hotel Ltd.	United Kingdom	72.25	72.25	27.75	27.75
Taj International Hotels (HK) Ltd.	Hong Kong	100.00	100.00	-	-
Taj International Hotels Ltd.	United Kingdom	100.00	100.00	-	-
United Overseas Holding Inc.	United States of America	100.00	100.00	-	-

@ In accordance with the directives issued by SEBI via its circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 02, 2016 the Group provided an exit option to the public shareholders of Northern India Hotels Limited (NIHL), an indirect subsidiary. Under the offer 50 and 4,466 shares were tendered by various public shareholders and acquired by the Group as of March 31, 2019 and March 31, 2018 respectively. As a result of which the Group's holding in NIHL has increased from 93.14% to 94.15%. Consequently, there are minor changes in the effective holding in certain subsidiaries.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 33. INTEREST IN OTHER ENTITIES (CONTD.)

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 94.15% through Piem Hotels Limited, a subsidiary in which the group holds 51.57%.

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 holds 51% of the equity share capital of Taj SATS Air Catering Ltd. However, as per the contractual arrangement in the form of joint venture agreement, the group considers it has joint control over the net assets of this entity and has been reclassified as joint venture.

b) Non-controlling interests ('NCI')

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 or other adjustment :-

₹ crores

Summarised Balance Sheet	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current Assets	52.18	56.70	59.47	40.56	5.38	17.61	43.42	45.78
Current Liabilities	106.35	87.04	53.52	78.91	49.73	41.30	131.54	80.99
Net Current Assets	**(54.17)**	**(30.34)**	**5.95**	**(38.35)**	**(44.35)**	**(23.69)**	**(88.12)**	**(35.21)**
Non-Current Assets	695.96	660.33	405.60	407.54	628.31	621.83	1,045.70	979.20
Non-Current Liabilities	8.43	6.16	94.52	109.57	-	-	353.72	369.08
Net Non-Current Assets	**687.53**	**654.17**	**311.08**	**297.97**	**628.31**	**621.83**	**691.98**	**610.12**
Net Assets	**633.36**	**623.83**	**317.03**	**259.62**	**583.96**	**598.14**	**603.86**	**574.91**
Accumulated NCI	**306.74**	**302.12**	**114.96**	**95.41**	**83.39**	**85.41**	**167.57**	**159.53**

₹ crores

Summarised Statement of Profit and Loss	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue	416.44	358.43	206.33	186.68	0.61	0.88	330.95	279.29
Profit/(Loss) for the year	27.31	(4.32)	(14.98)	(19.06)	(14.18)	(13.95)	37.85	30.47
Other Comprehensive Income	8.89	44.16	(0.14)	-	-	-	(8.87)	60.41
Total Comprehensive Income	**36.20**	**39.84**	**(15.12)**	**(19.06)**	**(14.18)**	**(13.95)**	**28.98**	**90.88**
Total Comprehensive Income allocated to NCI	17.53	19.29	(5.48)	(7.00)	(2.02)	(1.99)	8.04	25.22
Dividend paid to NCI	**12.92**	**7.38**	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 33. INTEREST IN OTHER ENTITIES (CONTD.)

₹ crores

Summarised Statement of Cash Flows	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash Flows from Operating Activities / (Used in)	45.32	25.41	20.93	1.05	(12.82)	(2.69)	74.15	51.81
Cash Flows from Investing Activities / (Used in)	(41.50)	(11.38)	(29.24)	(19.31)	12.86	2.66	(102.25)	(49.43)
Cash Flows from Financing Activities / (Used in)	(5.58)	(16.08)	11.29	18.99	-	-	24.06	(31.70)
Net Increase/(Decrease) in Cash & cash Equivalents	**(1.76)**	**(2.05)**	**2.98**	**0.73**	**0.04**	**(0.03)**	**(4.04)**	**(29.32)**

ii) Individually immaterial non-controlling interest:

₹ crores

	March 31, 2019	March 31, 2018
Aggregate carrying amount of individually immaterial	127.21	134.92
Aggregate amount of the group's share of profits/loss	6.42	5.28
Aggregate amount of the group's share of other comprehensive Income	0.86	0.61
Aggregate amount of the group's share of total comprehensive Income	7.28	5.89

c) Interests in associates and joint ventures

i) Details of the associates and joint ventures of the group as at March 31, 2019 and 2018 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:

₹ crores

	Country of Incorporation	Effective Holding "%" #	Carrying amount		Quoted fair value	
			March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Joint Ventures						
Taj SATS Air Catering Ltd.	India	51.00	61.83	59.94	*	*
Taj Madras Flight Kitchen Private Ltd.	India	50.00	25.23	23.87	*	*
Taj Karnataka Hotels & Resorts Ltd. (Refer Note 20(b))	India	44.27	-	-	*	*
Taj Kerala Hotels & Resorts Ltd.	India	28.30	15.57	16.68	*	*
Taj GVK Hotels & Resorts Ltd.	India	25.52	117.33	114.91	379.93	262.33
Taj Safaris Ltd. #	India	40.67	10.93	0.70	*	*
Kaveri Retreat & Resorts Ltd.	India	50.00	41.02	39.85	*	*
TAL Hotels & Resorts Ltd.	Hong Kong	27.49	122.31	122.67	*	*
IHMS Hotels (SA)(Pty) Ltd. (Refer Note 20(b))	South Africa	50.00	-	-	*	*
			394.22	**378.62**	**379.93**	**262.33**
Associates						
Oriental Hotels Ltd.	India	35.67	240.07	207.16	304.70	276.58
Taj Madurai Ltd.	India	26.00	6.22	5.29	*	*
Taida Trading and Industries Ltd.	India	34.76	-	-	*	*
BJets Pte Ltd	Singapore	45.69	-	-	*	*
Lanka Island Resorts Ltd	Sri Lanka	24.66	33.71	33.24	*	*
TAL Lanka Hotels PLC	Sri Lanka	24.62	13.45	16.11	12.71	24.18
			293.45	**261.80**	**317.41**	**300.76**
Total			**687.67**	**640.42**	**697.34**	**563.09**

* Unlisted entity – no quoted price available

There was no change in the effective ownership of the Group's Holding % during the year except in case of Taj Safaris Ltd. where the group has acquired addition 10,741,864 shares during the year and the effective ownership has increased from 38.15% to 40.67%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 33. INTEREST IN OTHER ENTITIES (CONTD.)

ii) Commitments and contingent liabilities in respect of associates and joint ventures

₹ crores

	March 31, 2019	March 31, 2018
Commitment to provide funding for joint ventures capital commitments, if called	131.44	116.77
Capital Commitment for joint ventures and associate	7.37	11.91
Guarantees given by joint ventures and associates	3.31	3.54
Share of contingent liabilities in joint ventures and associates	39.84	42.51

iii) Summarised financial information for associates and joint ventures

The summarised financial information for those joint ventures and associates that are material to the Group are set out below. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not of the Group's share of those amount. They have amended to reflect adjustments made when using equity method for the differences in accounting policies.

₹ crores

Summarised Balance Sheet	Taj GVK Hotels & Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
	December 31 2018 *	March 31 2018	March 31 2019	March 31 2018	March 31 2019	March 31 2018	March 31 2019	March 31 2018
Current assets								
Cash and cash equivalents	0.21	14.61	5.26	8.42	69.92	66.72	28.02	5.53
Other assets	57.43	44.36	160.00	173.59	45.25	48.55	109.87	71.58
	57.64	**58.97**	**165.27**	**182.01**	**115.17**	**115.27**	**137.89**	**77.11**
Non-current assets	672.20	677.50	189.98	183.26	460.79	456.49	714.02	750.12
Total assets	**729.84**	**736.47**	**355.25**	**365.27**	**575.96**	**571.76**	**851.91**	**827.23**
Current liabilities								
Financial liabilities (excluding trade payables)	41.42	35.84	10.96	9.87	25.72	22.14	264.23	40.66
Other liabilities	73.32	70.16	55.40	65.90	41.79	33.06	46.35	43.74
	114.74	**106.00**	**66.36**	**75.77**	**67.52**	**55.20**	**310.58**	**84.40**
Non-current Liabilities								
Financial liabilities (excluding trade payables)	172.23	198.36	-	-	71.22	75.97	1.93	296.36
Other liabilities	64.26	62.95	23.57	27.92	38.19	40.25	5.58	4.91
	236.49	**261.31**	**23.57**	**27.92**	**190.41**	**116.22**	**7.51**	**301.27**
Total liabilities	**351.23**	**366.31**	**89.93**	**103.69**	**257.93**	**171.42**	**318.09**	**385.67**
NET ASSETS	**378.61**	**369.16**	**265.32**	**261.58**	**318.03**	**400.34**	**533.82**	**441.56**

Footnote :

* The latest available financial statement of this entity is only up to December 31, 2018 and accordingly has been used for the purpose of the preparation of the consolidated financial statement of the Company. For the purpose of comparability of the income statement, the results for the period of 12 months (January 1, 2018 to December 31, 2018) has been considered and impact of result of 3 months (January 1, 2018 to March 31, 2018) has been adjusted in the equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 33. INTEREST IN OTHER ENTITIES (CONTD.)

iv) Reconciliation of carrying amounts

₹ crores

	Taj GVK Hotels & Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Limited	
	December 31 2018	March 31 2018	March 31 2019	March 31 2018	March 31 2019	March 31 2018	March 31 2019	March 31 2018
Net Assets	378.61	369.16	265.32	261.58	399.04	400.34	533.81	441.56
Group's Share	25.52%	25.52%	51.00%	51.00%	27.49%	27.49%	35.67%	35.67%
Share of Net assets	96.63	94.21	135.31	133.42	109.70	110.05	190.41	157.50
Goodwill	20.70	20.70	-	-	12.62	12.62	49.66	49.66
Unrealized Gain	-	-	(73.48)#	(73.48)#	-	-	-	-
Carrying Amount	**117.33**	**114.91**	**61.83**	**59.94**	**122.31**	**122.67**	**240.07**	**207.16**

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.

v) Summary Statement of Profit and Loss

₹ crores

Summarised statement of profit and loss	Taj GVK Hotels & Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
	December 31 2018*	March 31 2018	March 31 2019	March 31 2018	March 31 2019	March 31 2018	March 31 2019	March 31 2018
Revenue	315.91	290.88	417.90	387.32	296.66	294.91	354.76	362.27
Depreciation	17.02	17.27	10.96	10.77	25.93	33.39	28.38	27.66
Interest Income	0.22	0.18	1.83	4.01	0.10	0.09	2.59	1.64
Interest Expense	22.66	24.97	0.06	0.02	6.24	6.24	27.18	30.89
Income Tax Expense	8.56	11.01	3.43	12.79	3.13	2.78	12.98	2.53
Profit for the year	23.40	20.39	14.03	21.70	8.28	22.19	91.59	6.12
Other Comprehensive Income for the year	0.19	0.19	0.59	0.67	17.43	17.71	0.69	23.21
Total Comprehensive Income for the year	**23.59**	**20.58**	**14.62**	**22.37**	**25.71**	**39.90**	**92.28**	**29.33**
Dividend Received	0.96	0.64	-	-	7.67	7.28	-	-

* Refer Footnote of Note 33 (c)(iii) above

vi) Individually immaterial joint ventures and associates

₹ crores

	March 31, 2019	March 31, 2018
Aggregate carrying amount of individually immaterial	146.14	135.74
Aggregate amount of the group's share of profit/loss	3.46	15.72
Aggregate amount of the group's share of other comprehensive Income	(0.96)	(7.48)
Aggregate amount of the group's share of total comprehensive Income	2.50	8.24

Footnote:

The financial statements of joint ventures and associates consolidated are drawn upto the same reporting date as of the company except in case of a joint venture and an associate company where the financial statements have been drawn upto December 31, 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 34. FINANCIAL INSTRUMENTS MEASUREMENTS AND DISCLOSURES

a) Financial instruments by category:

₹ crores

	FVTPL		FVOCI		Amortised cost		Total carrying value	
	March 31 2019	March 31 2018	March 31 2019	March 31 2018	March 31 2019	March 31 2018	March 31 2019	March 31 2018
Financial assets:								
Measured at fair value								
Investments (Refer Footnote below):								
Equity shares	-	-	436.26	540.47	-	-	**436.26**	540.47
Mutual fund units	211.21	330.53	-	-	-	-	**211.21**	330.53
Total	**211.21**	**330.53**	**436.26**	**540.47**	**-**	**-**	**647.47**	**871.00**
Not measured at fair value								
Trade receivables	-	-	-	-	321.38	328.56	**321.38**	328.56
Cash and cash equivalents	-	-	-	-	189.29	207.84	**189.29**	207.84
Other balances with banks	-	-	-	-	51.65	62.48	**51.65**	62.48
Loans	-	-	-	-	19.17	24.27	**19.17**	24.27
Other financial assets	-	-	-	-	225.68	184.92	**225.68**	184.92
	-	**-**	**-**	**-**	**807.17**	**808.07**	**807.17**	**808.07**
Total	**211.21**	**330.53**	**436.26**	**540.47**	**807.17**	**808.07**	**1,454.64**	**1,679.07**
Financial liabilities:								
Measured at fair value								
Derivative instruments	279.42	236.15	-	-	-	-	**279.42**	236.15
Not measured at fair value								
Borrowings	-	-	-	-	2,325.98	2,427.43	**2,325.98**	2,427.43
Trade payables	-	-	-	-	325.25	339.95	**325.25**	339.95
Other financial liabilities	-	-	-	-	544.18	540.80	**544.18**	540.80
Total	**279.42**	**236.15**	**-**	**-**	**3,195.41**	**3,308.19**	**3,474.83**	**3,544.33**

Footnotes:

a. The above excludes investments in joint ventures and associates amounting to ₹ 687.67 crores (March 31, 2018 - ₹ 640.42 crores) which are accounted as per equity method.

b. FVTPL = Fair Value Through Profit and Loss and FVOCI = Fair Value Through Other Comprehensive Income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 34. FINANCIAL INSTRUMENTS MEASUREMENTS AND DISCLOSURES (CONTD.)

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.

₹ crores

	Level 1		Level 2		Level 3		Total	
	March 31 2019	March 31 2018	March 31 2019	March 31 2018	March 31 2019	March 31 2018	March 31 2019	March 31 2018
Financial assets:								
Measured at fair value								
Investments:								
Equity shares	246.74	353.73	-	-	189.52	186.74	436.26	540.47
Mutual fund units	211.21	330.53	-	-	-	-	211.21	330.53
Total	**457.95**	**684.26**	**-**	**-**	**189.52**	**186.74**	**647.47**	**871.00**
Financial liabilities:								
Measured at fair value								
Derivative instruments	-	-	279.42	236.15	-	-	279.42	236.15
Not measured at fair value (Refer Footnotes below)								
Borrowings								
Non-convertible debentures	-	-	1,786.37	1,763.28	-	-	1,786.37	1,763.28
Term loan from banks	-	-	516.36	692.44	-	-	516.36	692.44
Term loan from others	-	-	-	-	-	-	-	-
Total	**-**	**-**	**2,582.15**	**2,691.87**	**-**	**-**	**2,582.15**	**2,691.87**

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.

c) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

a. **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This includes listed equity instruments, traded debentures and mutual funds that have quoted price / declared NAV. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

b. **Level 2:** Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 34. FINANCIAL INSTRUMENTS MEASUREMENTS AND DISCLOSURES (CONTD.)

d) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for the equity instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of non-convertible debentures is valued using FIMMDA guidelines
- the fair value for the cross currency swaps/principal swap is determined using forward exchange rates at the balance sheet date
- certain long term unlisted shares have been considered at their respective cost as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. All other unlisted shares are determined based on the income approach or the comparable market approach. These unquoted investments categorized under Level 3.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis.

e) Inter level transfers:

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

f) Reconciliations of level 3 fair values

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

₹ crores

	Equity instruments
Balance as at March 31, 2017	**180.40**
Net change in fair value (unrealised)	6.34
Balance as at March 31, 2018	**186.74**
Net change in fair value (unrealised)	2.78
Balance as at March 31, 2019	**189.52**

NOTE 35. FINANCIAL RISK MANAGEMENT

Risk management framework

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a Risk Management Committee, which is responsible for developing and monitoring the 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 adhoc 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 35. FINANCIAL RISK MANAGEMENT (CONTD.)

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ crores

Particulars	March 31, 2019	March 31, 2018
Expiring within one year:		
Bank overdraft	85.00	80.00
Bank Loans	86.48	97.68
Expiring beyond one year	-	-
Total	**171.48**	**177.68**

The bank overdraft facilities may be drawn at any time by the respective companies in the Group. Further, the Group has a balance undrawn short term loan facility from a financial institution which is available up to 1 year from the balance sheet date.

ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross, undiscounted and exclude future contractual interest payments.

₹ crores

	Carrying value as at March	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:						
Borrowings	2,325.98	670.94	237.98	1,442.83	13.29	**2,365.04**
(including redemption premium)	*2,427.43*	*484.50*	*571.67*	*1,247.87*	*15.96*	***2,320.00***
Trade and other payables	325.25	325.25	-	-	-	**325.25**
	339.95	*339.95*	-	-	-	***339.95***
Interest Accrued on borrowings	54.05	113.17	94.89	67.76	-	**275.82**
	53.93	*118.70*	*113.17*	*162.65*	-	***394.52***
Other Financial liabilities	490.13	490.13	-	-	-	**490.13**
	486.87	*486.86*	-	-	-	***486.86***
Total	**3,195.41**	**1,586.49**	**332.87**	**1,510.59**	**13.29**	**3,456.24**
	3,308.18	***1,441.53***	***684.84***	***1,410.52***	***15.96***	***3,541.33***
Derivative instruments	279.42	131.54	-	147.88	-	**279.42**
	236.15	*5.59*	*104.81*	*125.75*	-	***236.15***
Financial guarantee contract	-	17.30	-	131.44	-	**148.74**
	-	*20.95*	*30.26*	*201.67*	-	***252.88***
Total financial liabilities	**3,474.83**	**1,748.33**	**332.87**	**1,789.91**	**13.29**	**3,884.40**
	3,544.33	***1,456.55***	***819.91***	***1,737.94***	***15.96***	***4,030.36***

Figures in italics are of the previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 35. FINANCIAL RISK MANAGEMENT (CONTD.)

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, 2019 and March 31, 2018 was 5.30 and 3.00 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.

₹ crores

	Note	March 31, 2019	March 31, 2018
Borrowings	18	2,325.98	2,427.43
Less: Cash and cash equivalents	14	189.29	207.84
Less: Current investments	7(b)	211.21	330.53
Net debt		**1,925.48**	**1,889.06**
Total Equity	16/17	5147.86	4,958.49
Gearing ratio %		0.37	0.38

c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

i) Foreign Currency risk

The predominant currency of the Group's revenue and operating cash flows is Indian Rupees (₹). The Company's reported debt has an exposure to borrowings held in US dollars. Movements in foreign exchange rates can affect the Company's reported profits and net assets.

The Group uses forward exchange contracts, interest rate swaps, currency swaps and options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:-

Derivative Instruments outstanding:

Nature of Derivative	Currency	March 31, 2019		March 31, 2018	
		Currency million	Fair values ₹ crores	Currency million	Fair values ₹ crores
Cross currency swap	US$	108.42	277.45	108.42	230.56
Interest Rate Swap	GBP	20.00	1.97	30.00	5.59
Total			**279.42**		**236.15**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 35. FINANCIAL RISK MANAGEMENT (CONTD.)

Sensitivity

For the year ended March 31, 2019 and March 31, 2018, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall increase the Group's profit/loss before tax by approximately 11.61% and 15.88% respectively and every 3% increase in the interest rate shall increase the Group's profit/loss before tax by approximately 5.72% and 9.92% respectively.

For the year ended March 31, 2019 and March 31, 2018, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall reduce the Group's profit/loss before tax by approximately 0.58% and 1% respectively and every 3% decrease in the interest rate shall increase/(decrease) the Group's profit/loss before tax by approximately 5.32% and 9.10% 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, 2019	March 31, 2018
United States Dollar (Million)	0.62	0.62

Sensitivity

For the year ended March 31, 2019 and March 31, 2018, every 3% depreciation/appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the Group's profit before tax by approximately 0.03% and 0.04 % 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 ₹ 534.22 crores as at March 31, 2019 (March 31, 2018 - ₹ 571.38 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, 2019 would increase/ decrease by ₹ 7.40 crores (for the year ended March 31, 2018: increase/ decrease by ₹ 10.61 crores).

NOTE 36. 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 27 (b)).

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:-

₹ crores

	March 31, 2019	March 31, 2018
Not later than one year	156.05	129.52
Later than one year but not later than five years	649.51	467.69
Later than five years	5,107.62	3,600.12

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.

Expenses recognised in the Statement of Profit and Loss:

₹ crores

	March 31, 2019	March 31, 2018
Minimum Lease Payments/ Fixed Rentals	152.73	141.71
Contingent rents *	139.37	133.16
	292.10	**274.87**

* contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 37. INCOME TAX DISCLOSURE

i) Income Tax recognised in the Statement Profit and Loss:

₹ crores

	March 31, 2019	March 31, 2018
Current Tax		
In respect of the current year	190.09	138.46
In respect of earlier years	(11.55)	(0.09)
	178.54	**138.37**
Deferred Tax		
In respect of the current year		
MAT credit	(3.17)	(16.03)
Other items	(35.03)	(1.28)
In Respect of earlier years	16.78	-
	(21.42)	**(17.31)**
Total tax expense recognised in the current year	**157.12**	**121.06**

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:

₹ crores

	March 31, 2019	March 31, 2018
Profit/(Loss) before tax (a)	401.71	184.29
Income tax rate as applicable in India (b)	34.94%	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**140.37**	**63.78**
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(3.21)	(1.44)
Income considered to be capital in nature under tax and tax provisions	-	(0.08)
Effect of expenses that are not deductible in determining taxable profit	12.22	26.31
Expense considered to be capital in nature under tax and tax provisions	4.93	4.64
Income subject to lower rate of income tax	(4.69)	-
Deferred tax asset not recognised in Statement of Profit and Loss	17.50	40.02
Effect on deferred tax balances due to the change in income tax rate	(1.13)	1.85
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	(20.18)	(22.11)
Difference (net) in tax rates between the company and components/ Jurisdiction	0.44	10.94
Others items, individually not material	5.64	(2.76)
	151.89	**121.15**
Prior year taxes as shown above	5.23	(0.09)
Income tax expense recognised in the Statement of Profit and Loss	**157.12**	**121.06**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 37. INCOME TAX DISCLOSURE (CONTD.)

iii) Income tax recognised in Other Comprehensive Income:

₹ crores

	March 31, 2019	March 31, 2018
Current Tax		
Tax impact on profit on sale of investment in equity shares at fair value through Other Comprehensive Income	-	-
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	1.15	(3.28)
Remeasurement of defined benefit obligation	(3.36)	(4.16)
Reversal of Deferred Tax Liability on account of a investment fair valued through Other Comprehensive Income	-	-
Reversal of Deferred Tax Assets on Unused Tax Losses	-	-
	(2.21)	**(7.44)**
Total income tax recognised in Other Comprehensive Income	**(2.21)**	**(7.44)**
Bifurcation of the income tax recognised in Other Comprehensive Income into:		
Items that will not be reclassified to profit or loss	(2.21)	(7.44)
	(2.21)	**(7.44)**

iv) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

₹ crores

	March 31, 2019	March 31, 2018
Deferred Tax assets (net)	69.44	60.14
Deferred Tax liabilities (net)	(376.77)	(356.30)
Net Deferred Tax Liability	**(307.33)**	**(296.16)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 37. INCOME TAX DISCLOSURE (CONTD.)

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

₹ crores

	Opening Balance	Recognised in the Statement of Profit and Loss (net)	Recognised in Other Comprehensive Income (net)	MAT credit utilised	Exchange difference (net)	Closing balance
Deferred tax (liabilities)/ assets:						
Property, Plant and equipment & Intangible Assets	(479.07)	(5.67)	-	-	0.02	**(484.72)**
	(458.18)	*(20.77)*	-	-	*(0.12)*	***(479.07)***
Unamortised borrowing cost	(0.45)	0.08	-	-	-	**(0.37)**
	(0.33)	*(0.12)*	-	-	-	***(0.45)***
Provision for Employee Benefits	31.95	3.56	3.36	-	-	**38.87**
	27.90	*(0.11)*	*4.16*	-	-	***31.95***
Fair valuation changes of derivative contracts	(20.89)	18.63	-	-	-	**(2.26)**
	(15.94)	*(4.95)*	-	-	-	***(20.89)***
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(0.42)	-	(1.15)	-	-	**(1.57)**
	(3.70)	-	*3.28*	-	-	***(0.42)***
MAT Credit Entitlement	49.96	3.16	-	(33.78)	-	**19.34**
	78.03	*16.02*	-	*(44.09)*	-	***49.96***
Unused tax losses (Business) (net)	62.56	12.00	-	-	(1.04)	**73.52**
	34.18	*23.04*	-	-	*5.34*	***62.56***
Allowance for doubtful debts	8.10	(2.25)	-	-	-	**5.85**
	4.45	*3.65*	-	-	-	***8.10***
Reward Points	13.27	1.56	-	-	-	**14.83**
	17.90	*(4.63)*	-	-	-	***13.27***
Provision for Contingencies	26.51	(14.84)	-	-	-	**11.67**
	21.12	*5.39*	-	-	-	***26.51***
Others	12.32	5.19	-	-	-	**17.51**
	12.53	*(0.21)*	-	-	-	***12.32***
Total Deferred Tax Liability	**(296.16)**	**21.42**	**2.21**	**(33.78)**	**(1.02)**	**(307.33)**
	(282.04)	***17.31***	***7.44***	***(44.09)***	***5.22***	***(296.16)***

Figures in italics are of the previous year.

v) Deferred tax asset amounting to ₹ 900.50 crores and ₹ 852.70 crores as at March 31, 2019 and March 31, 2018 respectively in respect of unused tax losses have not been recognized by the Group. The group has not created deferred tax assets of ₹ 10.11 crores on certain carry forward capital losses of ₹ 41.87 crores due to lack of reasonable certainty that the group will have future taxable capital gains in the near future to absorb/set off these losses. The tax loss carry-forwards of ₹ 2,913.51 crores and ₹ 2,776.92 crores as at March 31, 2019 and March 31, 2018, respectively, relates to certain subsidiaries on which deferred tax asset has not been recognized by the Group, because there is a lack of reasonable certainty that these subsidiaries may generate future taxable profits. Approximately, ₹ 446.89 crores and ₹ 490.75 crores as at March 31, 2019 and March 31, 2018 respectively of these tax losses has carry-forwards is not currently subject to expiration dates. The remaining tax loss carry-forwards of approximately ₹ 2,466.62 crores and ₹ 2,286.17 crores as at March 31, 2019 and March 31, 2018 respectively, expires in various years through fiscal 2037. The potential tax benefit for the capital losses will expire by fiscal 2023. Deferred tax assets on unused tax losses have been recognized by certain subsidiaries to the extent of profits arising from the reversal of existing taxable temporary differences.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 37. INCOME TAX DISCLOSURE (CONTD.)

vi) Deferred income tax liabilities are recognized 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 ₹ 1,499.67 crores and ₹ 1,471.19 crores as at March 31, 2019 and March 31, 2018, respectively has not been recognized. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

NOTE 38. EMPLOYEE BENEFITS

(a) The Group has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

₹ crores

	March 31, 2019	March 31, 2018
Provident Fund	23.04	20.57
Superannuation Fund	4.30	5.02
Total	**27.34**	**25.59**

In light of the recent Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement

Multi-Employer Benefit Plans

One of the international subsidiaries, United Overseas Holding Inc., along with its LLP's namely "the New York LLC" is a party to the Industrywide Collective Bargaining Agreement between the New York Hotel Trades Council ("NYC Union") and the Hotel Association of New York City, Inc. . The collective bargaining agreement provides for union sponsored multi-employer defined benefit plans (the "Plans") to which the New York LLC makes contributions for the benefit of their employees covered by the collective bargaining agreements. The New York LLC has not received information from the Plans' administrators to determine their share of unfunded benefit obligations, if any. The New York LLC has not undertaken to terminate, withdraw or partially withdraw from the Plans. The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects:

(i) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

(ii) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

(iii) If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The New York LLC's participation in the Plans for 2018 and 2017 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, 2018 and 2017.

The zone status is based on information that the New York LLC received from the Plans and is certified by the actuaries of the Plans. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's contributions to its respective Plans did not exceed more than 5% of the total contributions to the Plans by all participating employers. The following is a summary of the Plans to which the New York LLC make contributions for the benefit of their employees covered by the collective bargaining agreements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 38. EMPLOYEE BENEFITS (CONTD.)

Plans	EIN Number	Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contribution by the Company for the year ended	
			2019	2018		December 31, 2018 US $	December 31, 2017 US $
New York LLC							
Pension Fund (i)	13-1764242	001	Green	Green	Yes	2,763,241	2,202,377
Health Benefits Fund (ii)	13-6126923	501	NA	NA	Yes	7,111,838	8,115,173
Prepaid Legal Services Fund (iii)	13-3418414	508	NA	NA	Yes	69,546	73,752
Total - New York LLC						**9,944,625**	**10,391,302**

(i) New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund

(ii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund

(iii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund

Defined Contribution 401(k) Plans

United Overseas Holding Inc. and its LLC's, wholly owned subsidiaries in the United States of America, have defined contribution plans for the benefit of their eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plans require employer contributions of 3% of each eligible participant's plan compensation for each year. The employer may also make a profit sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined. The employer contributions charged to the Company's and the Subsidiaries' operations for the years ended March 31, 2019 and 2018 are as follows:

US $

	March 31, 2019	March 31, 2018
San Francisco LLC	112,596	114,651
New York LLC	182,818	176,791
Company	8,031	7,067
Total Employer Contributions	**303,445**	**298,509**

(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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 38. EMPLOYEE BENEFITS (CONTD.)

(c) Provident Fund:

The Company operates Provident Fund Scheme through a trust – 'Indian Hotels Company Limited Employees Provident Fund Trust' ('the Plan'), set up by the Company and for certain categories contributions are made to State Plan.

The Plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at March 31, 2019 and March 31, 2018.

The details of fund and plan asset position are given below:

₹ crores

	March 31, 2019	March 31, 2018
Plan Assets as at period end	593.97	529.33
Present Value of Funded Obligation at period end	593.97	529.33
Amount recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	March 31, 2019	March 31, 2018
Guaranteed Rate of Return	8.65%	8.55%
Discounted Rate for remaining term to Maturity of Investment	7.65%	7.75%
Expected Rate of Return on Investment	8.83%	9.16%

The Company contributed ₹ 10.63 crores and ₹ 9.98 crores towards provident fund during the year ended March 31, 2019 and March 31, 2018 respectively and the same has been recognised in the statement of profit and loss.

In light of the recent Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement.

(d) Pension Scheme for Employees:

The Group has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(e) The above defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

a. Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has a relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the Fund.

b. Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 38. EMPLOYEE BENEFITS (CONTD.)

c. **Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

d. **Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(f) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2019 :-

(i) Amount to be recognised in Balance Sheet and movement in net liability

₹ crores

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Present Value of Funded Obligations	206.05	-	-	-	7.91
	194.91	-	-	-	*7.28*
Present Value of Unfunded Obligations	1.88	6.61	2.65	16.62	-
	1.14	*5.63*	*2.75*	*15.61*	-
Fair Value of Plan Assets	(186.19)	-	-	-	(10.15)
	(181.31)	-	-	-	*(9.70)*
Amount not recognised due to asset limit	-	-	-	-	0.77
	-	-	-	-	*0.82*
Net (Asset) / Liability	**21.74**	**6.61**	**2.65**	**16.62**	**(1.47)**
	14.74	***5.63***	***2.75***	***15.61***	***(1.59)***

(ii) Expenses recognised in the Statement of Profit & Loss

₹ crores

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Current Service Cost	11.38	0.08	0.16	0.16	0.13
	10.84	*0.08*	*0.28*	*0.15*	*0.14*
Past service Cost	(0.60)	0.96	-	-	-
	(4.12)	-	*(1.47)*	-	-
Interest Cost	0.45	0.41	0.19	1.14	(0.12)
	(0.76)	*0.39*	*0.27*	*1.10*	*(0.09)*
Total	**11.23**	**1.45**	**0.35**	**1.30**	**0.01**
	5.96	***0.47***	***(0.92)***	***1.25***	***0.05***

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 38. EMPLOYEE BENEFITS (CONTD.)

(iii) Expenses recognised in Other Comprehensive Income (OCI)

₹ crores

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Remeasurements during the period due to:					
Changes in financial assumptions	(0.02)	-	-	-	-
	(2.76)	*(0.14)*	*(0.08)*	*(0.38)*	*(0.15)*
Changes in demographic assumptions	(0.07)	(0.21)	0.03	(0.68)	-
	5.26	*-*	*(0.03)*	*-*	*-*
Experience adjustments	8.57	0.04	0.17	1.45	0.39
	8.36	*0.06*	*0.86*	*(0.01)*	*0.03*
Actual return on plan assets less interest on plan assets	0.56	-	-	-	0.05
	1.06	*-*	*-*	*-*	*(0.39)*
Adjustment to recognise the effect of asset ceiling	-	-	-	-	(0.12)
	-	*-*	*-*	*-*	*0.17*
Expenses recognised	**9.04**	**(0.17)**	**0.20**	**0.77**	**0.32**
	11.92	***(0.08)***	***0.75***	***(0.39)***	***(0.34)***

(iv) Reconciliation of Defined Benefit Obligation

₹ crores

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Defined Benefit Obligation	196.05	5.63	2.75	15.61	7.28
	186.45	*5.55*	*4.25*	*15.33*	*7.15*
Current Service Cost	11.38	0.08	0.16	0.16	0.13
	10.84	*0.08*	*0.28*	*0.15*	*0.14*
Past Service Cost	(0.60)	0.96	-	-	-
	(4.12)	*-*	*(1.47)*	*-*	*-*
Interest Cost	13.50	0.41	0.19	1.14	0.53
	12.48	*0.39*	*0.27*	*1.10*	*0.51*
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	(0.02)	-	-	-	-
	(2.76)	*(0.14)*	*(0.08)*	*(0.38)*	*(0.15)*
Changes in demographic assumptions	(0.07)	(0.21)	0.03	(0.68)	-
	5.26	*-*	*(0.03)*	*-*	*-*
Experience adjustments	8.57	0.04	0.17	1.45	0.39
	8.36	*0.06*	*0.86*	*(0.01)*	*0.03*
Benefits Paid	(21.22)	(0.30)	(0.65)	(1.06)	(0.42)
	(21.51)	*(0.31)*	*(1.33)*	*(0.58)*	*(0.39)*
Liabilities assumed	0.34	-	-	-	-
	1.05	*-*	*-*	*-*	*-*
Closing Defined Benefit Obligation	**207.93**	**6.61**	**2.65**	**16.62**	**7.91**
	196.05	***5.63***	***2.75***	***15.61***	***7.28***

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 38. EMPLOYEE BENEFITS (CONTD.)

(v) Reconciliation of Fair Value of Plan Assets

₹ crores

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Fair Value of Plan Assets	181.31 *188.61*	- *-*	- *-*	- *-*	9.70 *8.95*
Interest on Plan Assets	13.05 *13.24*	- *-*	- *-*	- *-*	0.71 *0.64*
Remeasurements due to:					
Actual return on plan assets less interest on plan assets	(0.57) *(1.06)*	- *-*	- *-*	- *-*	(0.05) *0.39*
Contribution by Employer	13.61 *0.97*	0.30 *0.31*	0.65 *1.33*	1.06 *0.58*	0.21 *0.12*
Benefits Paid	(21.22) *(21.51)*	(0.30) *(0.31)*	(0.65) *(1.33)*	(1.06) *(0.58)*	(0.42) *(0.39)*
Assets acquired	0.01 *1.05*	- *-*	- *-*	- *-*	- *-*
Closing Fair Value of Plan Assets	**186.19** ***181.31***	**-** ***-***	**-** ***-***	**-** ***-***	**10.15** ***9.70***
Expected Employer's contribution/ outflow next year	**17.02** *16.65*	**-** *-*	**-** *-*	**-** *-*	**-** *-*

(vi) Actuarial Assumptions

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.) in %	7.55% *7.55-8.00%*	7.55% *7.55%*	7.55% *7.55%*	7.55% *7.55%*	7.55% *7.55%*
Salary Escalation Rate (p.a.) in %	4.00-8.00% *4.00-9.00%*	- *-*	4.00% *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 2*	Table 1 *Table 2*	Table 1 *Table 2*	NA *NA*	NA *NA*
Mortality table in retirement(LIC)	NA *NA*	Table 3 *Table 4*	Table 3 *Table 4*	Table 3 *Table 4*	Table 3 *Table 4*

* Table 1 – Indian Assured Lives Mortality (2012-14) Ult table
Table 2 – Indian Assured Lives Mortality (2006-08) Ult table
Table 3 – UK Published S1PA Mortality rate
Table 4 – UK Published PA (90) annuity rated down by 4 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 38. EMPLOYEE BENEFITS (CONTD.)

(vii) Disaggregation of Plan Assets (Managed by an Insurance Company)

a) Gratuity Funded

	March 31, 2019				March 31, 2018			
	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%
Government Debt Instruments	50.24	-	50.24	27%	51.91	-	51.91	29%
Other Debt Instruments	51.42	0.09	51.51	28%	-	0.09	0.09	0%
Property	-	-	-	-	56.82	-	56.82	31%
Other Equity Instruments	37.78	-	37.78	20%	32.65	-	32.65	18%
Insurer managed funds	-	21.40	21.40	11%	-	17.82	17.82	10%
Others	0.63	24.63	25.26	14%	0.63	21.39	22.02	12%
Total	**140.07**	**46.12**	**186.19**	**100%**	**142.01**	**39.30**	**181.31**	**100%**

b) Pension Staff Funded

	March 31, 2019				March 31, 2018			
	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%
Government Debt Instruments	4.78	-	4.78	47%	4.10	-	4.10	43%
Other Debt Instruments	5.06	-	5.06	50%	5.26	-	5.26	54%
Other Equity Instruments	0.24	-	0.24	2%	0.24	-	0.24	2%
Others	-	0.07	0.07	1%	-	0.10	0.10	1%
Total	**10.08**	**0.07**	**10.15**	**100%**	**9.60**	**0.10**	**9.70**	**100%**

(viii) Sensitivity Analysis (for each defined benefit plan)

	Gratuity				Pension Top up			
	March 31, 2019		March 31, 2018		March 31, 2019		March 31, 2018	
	Discount rate (%)	Salary Escalation rate (%)	Discount rate (%)	Salary Escalation rate (%)	Discount rate (%)	Life Expectancy (%)	Discount rate (%)	Life Expectancy (%)
Impact of increase in 50 bps on DBO	(3.07)	3.29	(3.99)	3.24	(5.53)	-	(5.51)	-
Impact of decrease in 50 bps on DBO	3.21	(3.17)	3.17	(3.08)	6.02	-	6.00	-
Impact of life expectancy 1 year decrease	-	-	-	-	-	(1.77)	-	(1.83)
Impact of life expectancy 1 year Increase	-	-	-	-	-	1.69	-	1.82

	Pension Staff Funded					
	March 31, 2019			March 31, 2018		
	Discount rate (%)	Life Expectancy (%)	Pension rate (%)	Discount rate (%)	Life Expectancy (%)	Pension rate (%)
Impact of increase in 50 bps on DBO	(3.64)	-	-	(3.93)	-	-
Impact of decrease in 50 bps on DBO	3.90	-	-	4.20	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 38. EMPLOYEE BENEFITS (CONTD.)

	Post- Employment Medical Benefits Unfunded					
	March 31, 2019			March 31, 2018		
	Discount rate (%)	Life Expectancy (%)	Pension rate (%)	Discount rate (%)	Life Expectancy (%)	Pension rate (%)
Impact of increase in 50 bps on DBO	(4.66)	-	-	(4.79)	-	-
Impact of decrease in 50 bps on DBO	5.08	-	-	5.23	-	-
Impact of life expectancy 1 year decrease	-	(3.23)	-	-	(3.26)	-
Impact of life expectancy 1 year Increase	-	3.05	-	-	3.07	-
Defined benefit obligation on healthcare costs rate minus 100 bps	-	-	(4.44)	-	-	(5.76)
Defined benefit obligation on healthcare costs rate plus 100 bps	-	-	5.24	-	-	6.86

	Pension Director Funded					
	March 31, 2019			March 31, 2018		
	Discount rate (%)	Life Expectancy (%)	Pension rate (%)	Discount rate (%)	Life Expectancy (%)	Pension rate (%)
Impact of increase in 50 bps on DBO	(4.42)	-	-	(4.59)	-	-
Impact of decrease in 50 bps on DBO	4.79	-	-	4.99	-	-
Impact of life expectancy 1 year decrease	-	(3.58)	-	-	(3.04)	-
Impact of life expectancy 1 year Increase	-	3.43	-	-	2.92	-
Defined benefit obligation on pension increase rate minus 100 bps	-	-	(8.85)	-	-	(9.18)
Defined benefit obligation on pension increase rate plus 100 bps	-	-	10.24	-	-	10.71

(ix) Movement in Asset Ceiling

₹ crores

	March 31, 2019	March 31, 2018
Opening Value of asset ceiling	0.82	0.61
Interest on Opening balance of asset ceiling	0.07	0.04
Remeasurement due to:		
change in Surplus/(deficit)	(0.12)	0.17
Closing value of asset ceiling	**0.77**	**0.82**

Footnote: Figures in italics under (i) to (vi) are of the previous year.

(x) Expected future benefit payments:

₹ crores

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff funded
Within one year	36.81 *34.60*	0.41 *0.36*	0.33 *0.59*	1.14 *1.05*	0.65 *0.51*
Between one and five years	95.09 *90.10*	1.89 *1.59*	1.66 *1.26*	4.88 *4.49*	2.75 *2.23*
After five years	243.48 *225.14*	15.42 *13.75*	1.69 *2.06*	35.21 *35.34*	12.78 *12.76*
Weighted average duration of the Defined Benefit Obligation (in years)	6.32 *6.15*	9.72 *10.01*	11.67 *3.84*	9.19 *9.57*	7.16 *7.69*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 38. EMPLOYEE BENEFITS (CONTD.)

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 39. OTHER REGULATORY MATTERS

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to the period prior to 1998. Arising out of such disclosures, the Company received show cause notices and the Company had replied to the notices. During the earlier year, the Company has received adjudication cum demand of ₹ 10.89 crores on certain matters which has been disputed by the Company. This has been disclosed as Contingent Liability. The Company has filed appeal against the adjudication cum demand, and the appeal is pending. During the year, the Company received adjudication cum demand aggregating ₹ 1.12 crore on three other matters being contested. The Company is in the process of filing appeals against these adjudication cum demand orders. For the balance Show Cause Notices, adjudication proceedings are in progress.

NOTE 40. RELATED PARTY DISCLOSURES

(a) The names of related parties of the Group are as under:

(i) Company having substantial interest

Tata Sons Private Ltd. (including its subsidiaries and joint ventures)

(ii) Associates and Joint Ventures

The names of all the associates and joint ventures are given in Note 33 (c)

(iii) Key Management Personnel

Key managerial personnel comprise the whole-time directors of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Following are the Key Management Personnel:	Relation
Puneet Chhatwal	Managing Director & CEO
Mehernosh S. Kapadia*	Executive Director - Corporate Affairs

* for part of the year upto May 23, 2018.

(iv) Post Employment benefit plans

The Indian Hotels Company Ltd. Employees Provident Fund

The Indian Hotels Company Ltd. Superannuation Scheme

The Indian Hotels Employees Gratuity Trust

Taj Residency Employees Provident fund Trust (Bangalore unit)

Piem Hotel Employees Gratuity Trust

Taj Residency Hotel Employees Gratuity Trust

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 40. RELATED PARTY DISCLOSURES (CONTD.)

(b) The details of related party transactions during the year ended March 31, 2019 and March 31, 2018 are as follows:

₹ crores

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
Interest expense	-	-	1.23	-
	-	-	*0.67*	-
Interest income	-	-	2.11	-
	0.97	-	*2.45*	-
Dividend Paid	18.08	-	0.08	-
	10.25	-	*0.07*	-
Dividend income	3.60	-	15.16	-
	3.60	-	*10.01*	-
Operating/ License Fees expenses	0.27	-	-	-
	0.27	-	-	-
Operating fees income	3.47	-	68.05	-
	3.55	-	*68.69*	-
Purchase of goods and services	76.10	-	0.43	-
	59.04	-	*0.42*	-
Sale of goods and services	63.87	-	1.37	-
	44.36	-	*0.74*	-
Subscription in rights issue	-	-	6.15	-
	-	-	*0.70*	-
Deputed staff reimbursements	0.01	-	7.86	-
	0.02	-	*6.97*	-
Deputed staff out	0.45	-	35.74	-
	0.42	-	*34.80*	-
Other cost reimbursements	0.18	-	2.27	-
	0.32	-	*2.01*	-
Loyalty expense (Net of redemption credit)	0.14	-	7.15	-
	0.19	-	*9.77*	-
Contribution to funds	-	-	-	25.52
	-	-	-	*15.29*
Inter Corporate Deposit ("ICD") Raised	-	-	-	-
	-	-	*10.00*	-
ICD Placed	-	-	1.50	-
	20.00	-	*0.30*	-
ICD Encashed	-	-	2.28	-
	55.24	-	*10.00*	-
Remuneration paid / payable (Refer Footnote ii)	-	8.58	-	-
	-	*20.98*	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 40. RELATED PARTY DISCLOSURES (CONTD.)

The details of amounts due to or from related parties as at March 31, 2019 and March 31, 2018 are as follows:

₹ crores

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
Trade receivables (Refer Note 13)	12.26	-	38.39	-
	11.88	-	*69.41*	-
Trade payables(Refer Note 19)	11.48	-	0.28	-
	14.14	-	*1.24*	-
Other Receivables/ (Other Payable) (Refer Note 9 and 20)	0.29	-	67.45	-
	0.30	-	*55.76*	-
Interest Receivable (Refer Note 9)	-	-	0.98	-
	-	-	*1.38*	-
Interest Payable (Refer Note 20)	-	-	0.19	-
	-	-	-	-
Loan Receivable (Refer Note 8)	1.28	-	168.76	-
	1.23	-	*159.71*	-
Allowance for doubtful loan (Refer Note 8)	-	-	150.16	-
	-	-	*140.94*	-
Option Deposit (Refer Note 20)	71.10	-	-	-
	71.10	-	-	-
Deposits Payable (Refer Note 18)	0.26	-	12.00	-
	0.28	-	*5.00*	-
Deposits Receivable (Refer Note 9)	-	-	-	-
	0.09	-	*4.90*	-

* 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.

(iii) From time to time key management personel of the group including directors of entites which they have control or significant influence, may purchase services from the group those purchase are on the same terms and conditions as those entered into with other group employees or customers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 40. RELATED PARTY DISCLOSURES (CONTD.)

(c) Statement of Material Transactions

₹ crores

Company Name	March 31, 2019	March 31, 2018
Company having substantial interest and its subsidiaries and joint ventures		
Tata Sons Private Limited		
Dividend income	3.60	3.60
Dividend paid	17.33	9.70
Trade payables	3.85	3.52
Sale of goods and services	10.59	9.79
Tata SIA Airlines Limited		
Sale of goods and services	7.25	9.03
Tata AIG General Insurance Company Limited		
Purchase of goods and services	9.11	8.70
Tata Realty and Infrastructure Limited		
Option Deposit	71.10	71.10
Tata Zambia Limited		
Operating / License fees expense	0.27	0.27
Tata Consultancy Services Limited		
Purchase of goods and services	48.26	38.73
Sale of goods and services	31.10	17.80
Trade receivables	5.70	6.73
Trade payables	6.76	6.95
Remuneration to Key Management Personnel		
Puneet Chhatwal	6.01	1.72
Mehernosh S. Kapadia	2.57	2.73
Associates		
Oriental Hotels Ltd.		
Operating fees income	33.66	28.74
Deputed staff reimbursement	3.31	3.29
Deputed staff out	16.54	16.88
Loyalty expense (Net of redemption credit)	4.20	4.90
Other cost reimbursements	1.28	0.92
Trade receivables	14.96	9.12
Taida Trading & Industries Ltd.		
Interest income	0.50	0.53
Interest receivable	0.39	0.35
Deposit given	1.50	0.90

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 40. RELATED PARTY DISCLOSURES (CONTD.)

₹ crores

Company Name	March 31, 2019	March 31, 2018
Bjets Pte Limited, Singapore		
Loan receivable	146.99	137.77
Allowance for doubtful loan	146.99	137.77
Joint Ventures		
Taj GVK Hotels & Resorts Ltd.		
Operating fees income	12.61	16.14
Deputed staff reimbursement	3.11	2.51
Deputed staff out	9.39	9.27
Other cost reimbursements	0.62	0.83
Trade Receivables	11.88	43.73
Taj Karnataka Hotels & Resorts Ltd.		
Interest income	0.48	0.48
Interest Receivable	0.59	0.59
Taj Kerala Hotels & Resorts Ltd.		
Deputed staff reimbursement	0.90	0.74
Taj SATS Air Catering Ltd.		
Interest expense	1.23	0.67
Dividend income	4.61	-
Deposits taken	12.00	5.00
Interest Payable	0.19	-
IHMS Hotels (SA) (Proprietary) Ltd.		
Trade Receivables	5.63	6.00
Other Receivables	66.29	63.40
Taj Safaris Ltd.		
Purchase of Shares	6.15	0.70
ICP Encashed	2.28	4.00
TAL Hotels & Resorts Ltd.		
Dividend income	7.89	7.28
Interest income	0.94	0.87
Operating fees income	8.89	9.59
Post-employment benefits plans		
Contribution to superannuation fund	5.03	4.99
Contribution to provident fund	10.63	9.94
Contribution to Gratuity Fund	9.50	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

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 of the Company who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker. From the internal organisation of the Group's activities and consistent with the internal reporting provided to the chief operating decision-maker and after considering the nature of its services, the ultimate customer availing those services and the methods used by its to provide those services, "Hotel Services" has been identified to be the Group's sole operating segment. Hotel Services include "Revenue from Operations" including Management and Operating Fees where hotels are not owned or leased by the Group. The organisation is largely managed separately by property based on centrally driven policies and the results and cash flows of the period, financial position as of each reporting date aggregated for the assessment by the Managing Director and Chief Executive Officer. The Group's management reporting and controlling systems principally use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under Ind AS. As the Group is engaged in a single operating segment, segment information that has been tabulated below is Group-wide:

₹ crores

Country	Revenue from Hotel Services by location of operations		Non-current assets (see footnote below)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
India	3,406.22	3,160.06	4,714.79	4,482.38
U.S.A.	686.93	585.30	860.07	843.22
U.K.	418.85	358.19	922.02	937.79
Other Overseas locations	-	-	-	-
Total	**4,512.00**	**4,103.55**	**6,566.87**	**6,263.39**

Footnote: Non-current assets exclude financial assets, deferred tax assets and goodwill.

No single customer contributes more than 10% or more of the Group's total revenue for the years ended March 31, 2019 and March 31, 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 42 : 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 profit or loss	₹ 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.	82.47%	4,245.36	91.94%	263.70	(201.62)%	(120.59)	63.04%	143.11
SUBSIDIARIES								
Indian								
Piem Hotels Ltd.	12.16%	625.77	9.52%	27.31	14.86%	8.89	15.95%	36.20
Benares Hotels Ltd.	1.39%	71.70	3.04%	8.72	0.03%	0.02	3.85%	8.74
United Hotels Ltd.	0.52%	26.87	1.18%	3.38	(0.13)%	(0.08)	1.45%	3.30
Roots Corporation Ltd.	6.16%	317.03	(5.22)%	(14.98)	(0.23)%	(0.14)	(6.66)%	(15.12)
Inditravel Ltd.	0.09%	4.82	(0.32)%	(0.92)	(0.03)%	(0.02)	(0.41)%	(0.94)
Taj Trade & Transport Company Ltd.	0.23%	11.92	(0.17)%	(0.50)	(0.38)%	(0.23)	(0.32)%	(0.73)
KTC Hotels Ltd.	0.05%	2.36	0.05%	0.14	-	-	0.06%	0.14
Northern India Hotels Ltd.	0.56%	28.78	0.69%	1.99	-	-	0.88%	1.99
Taj Enterprises Ltd.	0.08%	4.17	0.03%	0.09	-	-	0.04%	0.09
Skydeck Properties and Developers Private Ltd.	8.73%	449.41	(0.01)%	(0.04)	-	-	(0.02)%	(0.04)
Sheena Investments Private Ltd.	0.05%	2.73	0.03%	0.10	-	-	0.04%	0.10
ELEL Hotels and Investments Ltd.	11.34%	583.96	(4.94)%	(14.18)	-	-	(6.25)%	(14.18)
Luthria and Lalchandani Hotel and Properties Private Ltd.	-	(0.03)	-	-	-	-	-	-
Foreign								
United Overseas Holdings Inc.	13.81%	710.79	(17.10)%	(49.06)	-	-	(21.61)%	(49.06)
St. James Court Hotel Ltd.	11.73%	603.87	13.20%	37.85	-	-	16.67%	37.85
Taj International Hotels Ltd.	0.27%	13.74	(0.67)%	(1.93)	-	-	(0.85)%	(1.93)
Taj International Hotels (H.K.) Ltd.	2.42%	124.65	(0.60)%	(1.71)	-	-	(0.75)%	(1.71)
Piem International (HK) Ltd.	3.02%	155.31	4.66%	13.38	-	-	5.89%	13.38
IHOCO BV.	36.71%	1,890.00	(14.24)%	(40.85)	-	-	(17.99)%	(40.85)
Non-controlling interests in all subsidiaries		799.86		(9.30)		(2.65)		(11.95)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 42 : ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES / JOINT VENTURES (CONTD.)

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 profit or loss	₹ 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.	4.66%	240.07	11.39%	32.67	0.42%	0.25	14.50%	32.92
Taj Madurai Ltd	0.12%	6.22	0.12%	0.34	1.24%	0.74	0.48%	1.08
Taida Trading & Industries Ltd (Refer Footnote below)	-	-	-	-	-	-	-	-
Foreign								
Lanka Island Resorts Ltd.	0.65%	33.71	0.90%	2.57	(1.34)%	(0.80)	0.78%	1.77
TAL Lanka Hotels Plc	0.26%	13.45	(0.66)%	(1.89)	(1.30)%	(0.78)	(1.18)%	(2.67)
Bjets Pte Ltd. (Refer Footnote below)	-	-	-	-	-	-	-	-
JOINT VENTURES (Investment as per the equity method)								
Indian								
Taj GVK Hotels and Resorts Ltd.	2.28%	117.33	2.08%	5.97	0.08%	0.05	2.65%	6.02
Taj Kerala Hotels and Resorts Ltd.	0.30%	15.57	(0.24)%	(0.68)	(0.17)%	(0.10)	(0.34)%	(0.78)
Taj SATS Air Catering Ltd.	1.20%	61.83	2.49%	7.15	0.50%	0.30	3.28%	7.45
Taj Karnataka Hotels and Resorts Ltd.	(0.03)%	(1.56)	0.38%	1.09	-	-	0.48%	1.09
Taj Safaris Ltd.	0.21%	10.93	(0.18)%	(0.51)	-	-	(0.22)%	(0.51)
Kaveri Retreat & Resorts Ltd	0.80%	41.02	0.40%	1.16	-	-	0.51%	1.16
Taj Madras Flight Kitchen Pvt. Ltd.	0.49%	25.23	0.48%	1.38	(0.02)%	(0.01)	0.60%	1.37
Foreign								
IHMS Hotels (SA)(Pty) Ltd.	(1.42)%	(72.96)	-	-	-	-	-	-
TAL Hotels & Resorts Ltd.	2.38%	122.31	0.79%	2.28	8.39%	5.02	3.22%	7.30
Consolidation Adjustments / Eliminations	(119.24)%	(6,138.36)	4.22%	12.10	84.13%	50.32	27.50%	62.42
TOTAL	**100.00%**	**5,147.86**	**100.00%**	**286.82**	**100.00%**	**(59.81)**	**100.00%**	**227.01**

Footnotes:

The carrying value of these investments in Associates has been reported as Nil, as the Group's share of losses exceeds the cost of investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2019

NOTE 43. EARNINGS PER SHARE (EPS)

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'.

	March 31, 2019	March 31, 2018
Profit/(Loss) after tax (owner's share) – (₹ crores)	286.82	100.87
Opening balance	1,18,92,58,445	98,92,74,015
Effect of fresh issue of shares for cash	-	11,37,04,608
Weighted average number of Equity Shares #	**1,18,92,58,445**	**1,10,29,78,623**
Earnings Per Share - Basic and Diluted - (₹)	2.41	0.91
Face Value per Equity Share (₹)	1	1

Earnings per share for the previous year ended March 31, 2018 has been retrospectively adjusted for the bonus element in respect of the rights issue.

NOTE 44. NEGATIVE WORKING CAPITAL

As at the year end, the group's current liabilities have exceeded its current assets by ₹ 930.68 crores primarily on account of current maturities of long term borrowings aggregating ₹ 602.78 crores and liability on derivative contract of ₹ 129.57 crores falling due within 12 months following the balance sheet date. Management is confident of its ability to generate cash inflows from operations and also raise long term funds to meet its obligations on due date.

NOTE 45. DIVIDENDS

Dividends paid during the year ended March 31, 2019 out of Retained Earnings was ₹ 0.40 per equity share for the year ended March 31, 2018.

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, 2018, retained earnings not transferred to reserves available for distribution was ₹ 603.77 crores.

On April 30, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 0.50 per share in respect of the year ended March 31, 2019, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 71.69 crores, inclusive of dividend distribution tax of ₹ 12.22 crores.

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Vijay Bhatt
Partner
Membership No. 036647

Mumbai, April 30, 2019

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Deepak Parekh
Director
DIN: 00009078

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal &
Company Secretary

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	Total Income ₹ 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	629.55	748.14	114.78	155.15	416.44	35.43	8.12	27.31	3.81	51.57%
2	Benares Hotels Ltd.	November 03, 1971	INR	1.30	70.40	96.60	24.90	-	60.39	12.18	3.46	8.72	1.95	51.68%
3	United Hotels Ltd.	November 07, 1950	INR	8.40	18.47	40.16	13.29	1.56	44.71	4.45	1.07	3.38	0.84	55.00%
4	Roots Corporation Ltd.	December 24, 2003	INR	94.03	223.00	465.07	148.04	4.40	206.33	(14.98)	-	(14.98)	-	63.74%
5	Inditravel Ltd.	February 19, 1981	INR	0.72	15.27	16.49	0.50	9.33	1.68	(0.65)	0.26	(0.91)	-	77.21%
6	Taj Trade & Transport Co Ltd.	November 02, 1977	INR	3.47	10.31	19.94	6.16	5.93	18.41	(0.50)	-	(0.50)	-	72.74%
7	KTC Hotels Ltd.	December 22, 1984	INR	0.60	1.76	5.28	2.92	-	0.50	0.39	0.25	0.14	-	100.00%
8	Northern India Hotels Ltd.	August 18, 1971	INR	0.44	28.34	28.99	0.21	0.10	2.96	2.77	0.78	1.99	-	48.56%
9	Taj Enterprises Ltd.	July 18, 1979	INR	0.50	3.67	4.19	0.02	0.07	0.25	0.15	0.06	0.09	-	74.70%
10	Skydeck Properties and Developers Private Ltd.	May 13, 1998	INR	893.03	(443.62)	529.25	79.84	528.61	0.03	(0.04)	-	(0.04)	-	100.00%
11	Sheena Investments Private Ltd.	February 12, 1990	INR	1.00	1.73	2.83	0.10	0.40	0.16	0.14	0.04	0.10	-	100.00%
12	ELEL Hotels and Investments Ltd.	July 09, 1979	INR	2.82	581.14	633.69	49.73	5.24	0.61	(14.18)	-	(14.18)	-	85.72%
13	Luthria and Lalchandani Hotel and Properties Private Ltd.	February 18, 2008	INR	0.01	(0.04)	0.01	0.04	-	-	-	-	-	-	87.15%
	Foreign													
14	United Overseas Holdings Inc.	August 24, 2015	USD	1,277.92	(567.13)	912.54	201.75	-	699.53	(48.80)	0.26	(49.06)	-	100.00%
15	St. James Court Hotel Ltd.	February 17, 2000	GBP	508.13	95.74	1,089.13	485.26	-	330.95	26.89	(10.96)	37.85	-	72.25%
16	Taj International Hotels Ltd.	July 5, 1995	GBP	-	13.74	33.77	20.03	-	92.59	(2.22)	(0.29)	(1.93)	-	100.00%
17	Taj International Hotels (H.K.) Ltd.	December 02, 1980	USD	1,591.14	(1,466.50)	124.79	0.15	-	1.72	(1.71)	-	(1.71)	-	100.00%
18	Piem International (HK) Ltd.	September 08, 1994	USD	55.34	164.14	219.54	0.06	217.40	0.12	(0.01)	-	(0.01)	-	51.57%
19	IHOCO BV.	December 18, 1997	USD	160.45	1,647.59	1,808.80	0.76	1,769.54	19.15	(40.65)	0.20	(40.85)	-	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, 2019

ii) Names of subsidiaries which are yet to commence operations - None

iii) Exchange rates as at 31.03.2019:
1 USD = ₹ 69.18; 1 GBP = ₹ 89.89;

iv) Average exchange rate for the year (for Profit & Loss items):
1 USD = ₹ 69.7615; 1 GBP = ₹ 91.5287;

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 share-holding as per latest audited Balance Sheet ₹ crores	Profit/ loss for the year: Considered in Consolidation (to the extent of Group's effective share-holding) ₹ 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, 2019	September 18, 1970	66,166,530	118.68	35.67%	190.41	32.67	-	Note (iii)	-
2	Taj Madurai Ltd	March 31, 2019	March 16, 1990	912,000	0.95	26.00%	6.18	0.34	-	Note (iii)	-
3	Taida Trading & Industries Ltd (Refer note (v))	March 31, 2019	July 09, 1959	65,992	0.62	34.78%	-	-	-	Note (iii)	-
	Foreign										
4	Lanka Island Resorts Ltd.	March 31, 2019	May 26, 1995	19,965,525	35.33	24.66%	11.99	2.57	-	Note (iii)	-
5	TAL Lanka Hotels Plc	March 31, 2019	June 14, 1980	34,375,640	18.72	24.62%	14.13	(1.89)	-	Note (iii)	-
6	Bjets Pte Ltd. (Refer note (v))	December 31, 2018	November 28, 2007	20,000,000	102.59	45.69%	-	-	-	Note (iii)	-
	Joint Ventures										
	Indian										
7	Taj GVK Hotels and Resorts Ltd.	December 31, 2018	February 02, 1995	16,000,400	40.34	25.52%	96.62	5.97	-	Note (iv)	-
8	Taj Kerala Hotels and Resorts Ltd.	March 31, 2019	May 07, 1991	14,151,664	15.67	28.30%	13.85	(0.68)	-	Note (iv)	-
9	Taj SATS Air Catering Ltd.	March 31, 2019	August 28, 2001	8,874,000	61.82	51.00%	135.31	7.16	-		
10	Taj Karnataka Hotels and Resorts Ltd.	March 31, 2019	February 15, 1995	1,398,740	1.40	44.27%	(1.60)	1.09	-	Note (iv)	-
11	Taj Safaris Ltd.	March 31, 2019	October 07, 2004	26,726,085	25.94	40.67%	8.80	(0.51)	-	Note (iv)	-
12	Kaveri Retreat & Resorts Ltd	March 31, 2019	October 25, 2005	13,176,467	44.80	50.00%	31.51	1.16	-	Note (iv)	-
13	Taj Madras Flight Kitchen Pvt. Ltd.	March 31, 2019	March 29, 1995	7,944,112	8.56	50.00%	24.10	1.38	-	Note (iv)	-
	Foreign										
14	IHMS Hotels (SA)(Pty) Ltd. (Refer Note (viii))	March 31, 2019	June 07, 2006	86,739,958	57.09	50.00%	-	-	-	Note (iv)	-
15	TAL Hotels & Resorts Ltd.	March 31, 2019	March 16, 2001	4,946,282	38.03	27.49%	109.69	2.28	-	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) The carrying value of these investments along with long term interest in Joint Venture has been reported as Nil, as the Group's share of losses exceeds the cost of investments including long term interest.

ix) Exchange rates as at 31.03.2019:
1 USD = ₹ 69.18; 1 LKR = ₹ 0.3933; 1 ZAR = ₹ 4.7970

x) Average exchange rate for the year (for Profit & Loss items): 1 USD = ₹ 69.7615; 1 LKR = ₹ 0.4132; 1 ZAR = ₹ 5.0771

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Deepak Parekh
Director
DIN: 00009078

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Legal
& Company Secretary

CONSOLIDATED FINANCIAL STATISTICS

Year	Capital Accounts						Revenue Accounts										
	Share Capital	Reserves and Surplus (Other Equity)	Borrowings	Gross Block	Net Block	Investments	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit/ (Loss) before Tax	Tax Expenses	Net Profit/ (Loss) for the year @	Other Comprehensive Income @	Total Comprehensive Income @	Net Transfer to General Reserves	Earning Per Share (Basic)*	Earning Per Share (Diluted)*
	₹ crores	₹ crores	₹ crores	₹ 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	α 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	Ŧ 98.93	2481.32	4526.09	6475.09	6187.97	1515.24	4122.78	3846.45	284.82	(91.17)	90.63	(231.08)	45.54	(185.54)	-	(2.34)	(2.34)
2016-17	98.93	2418.76	3382.98	5792.33	5259.83	1243.71	4075.51	3734.78	299.37	30.58	113.74	(63.20)	34.70	(28.50)	-	(0.60)	(0.60)
2017-18	¥ 118.93	4062.17	2427.43	6415.82	5597.11	1511.42	4165.28	3702.24	301.20	184.29	121.06	100.87	117.25	218.12	-	0.91	0.91
2018-19	118.93	4229.07	2325.98	6980.35	5838.78	1335.14	4595.38	3872.40	327.85	401.71	157.12	286.82	(59.81)	227.01	-	2.41	2.41

¶ 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 1:5
Issue of Equity Shares,being warrants exercised pursuant to Rights Issue of Equity shares
& Allotment of Shares on Preferential basis to Promoters
α Reduction due to Equity Shares owned by entities prior to their becoming subsidiaries
§ Conversion of Warrants into Equity Shares on exercise of warrants
Ŧ After conversion of 18,18,01,228 Compulsorily Convertible Debentures into Equity Shares at a premium of ₹ 54 per share
¥ After Right issue of Shares in the Ratio of 1:5
@ Attributable to owners of the company
* Earning Per Share is after extraordinary item

NOTICE

NOTICE is hereby given that the HUNDRED AND EIGHTEENTH (118th) ANNUAL GENERAL MEETING of THE INDIAN HOTELS COMPANY LIMITED will be held on Thursday, June 20, 2019, at 3.00 p.m. at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai 400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Board of Directors and the Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Auditors thereon.

3. To declare a dividend on Equity Shares for the Financial Year ended March 31, 2019.

4. To appoint a Director in place of Mr. Puneet Chhatwal (DIN: 07624616) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Appointment of Mr. Venu Srinivasan as a Director of the Company.**

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

   "RESOLVED THAT Mr. Venu Srinivasan (DIN: 00051523) who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 10, 2018 and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013, ('the Act') and Article 132 of the Articles of Association of the Company, but who is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.**"**

6. **Appointment of Mr. Mehernosh Kapadia as a Director of the Company.**

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

   "RESOLVED THAT Mr. Mehernosh Kapadia (DIN: 00050530) who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 10, 2018 and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013, ('the Act') and Article 132 of the Articles of Association of the Company but who is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.**"**

7. **Commission to Non-Executive Directors**

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

   "RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification or re-enactment thereof for the time being in force), a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and/or Executive Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors of the Company and such payments shall be made in respect of the profits of the Company for each year commencing on or after April 1, 2019."

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in regard to the business as set out in Item Nos. 5 to 7 above and the relevant details of the Directors seeking re-appointment/ appointment as set out inItem Nos. 4 to 6 above as required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation.

   Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting ('AGM') pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.

4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

5. Members, Proxies and Autorised representatives are requested to bring the duly completed attendance slip enclosed herewith to attend the AGM.

6. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, June 14, 2019 to Thursday, June 20, 2019, both days inclusive, for payment of dividend, if approved at the AGM.

7. The Dividend on Equity Shares, as recommended by the Board of Directors, if approved at the AGM, will be paid on or after June 28, 2019, to the Members whose names appear on the Company's Register of Members on Thursday, June 13, 2019, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before Thursday, June 13, 2019. 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 Thursday, June 13, 2019.

8. Transfer of Unclaimed / Unpaid dividend to the Investor Education and Protection Fund (IEPF): In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed or unpaid in respect of dividends declared upto the financial year ended March 31, 2011 have been transferred to the IEPF. The details of the unclaimed dividends so transferred are available on the Company's website at **https://www.ihcltata.com/investors/.** and on the website of the Ministry of Corporate Affairs at **www.mca.gov.in.**

   It may be noted that unclaimed dividend for the financial year 2011-12 declared on August 3, 2012 is due to be transferred to the IEPF by September 2019. The same can, however, be claimed by the Members by August 2019. Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2012 may forward their claims to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF, details of which are given in the Corporate Governance Report. In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2011 and remained unpaid or unclaimed were transferred to the IEPF. The Company has sent notices to all such Members in this regard and thereafter transferred the shares to the IEPF during Financial Year 2018-19.

   The details of such shares transferred is available on the Company's website at **https://www.ihcltata.com/investors/.** The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/ Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf. gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

9. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/ deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their Depository Participants ('DPs').

10. 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 DPs with whom they are maintaining their dematerialized accounts. Moreover SEBI vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has mandated all listed companies to update the PAN and Bank Account details of their security holders holding shares in physical form who have not updated their PAN and Bank Account Details by March 31, 2019. In view of the same the Company has sent notices to Members holding shares in physical form to submit their PAN and Bank Account Details to the Company along with the proof thereof.

11. SEBI vide notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, has amended Regulation 40 of Listing Regulations, mandating transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities)which shall be effective April 1, 2019. Accordingly requests for transfer of securities of listed entities shall not be processed unless the securities are held in the dematerialized form with depositories. In view of the same Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management.

12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

13. Non-Resident Indian members are requested to inform the Company or their respective DP's immediately of: a) Change in their residential status on return to India for permanent settlement; b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

14. As per the provisions of Section 72 of the Act, facility for making nomination is available to 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 said details to the Company and to the respective DP's in case the shares held by them are in dematerialized form.

15. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details/NECS/mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their DP's only and not to the Company. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company provide efficient and better service to the Members. In case of Members holding shares in physical form, such information is required to be provided to the Company. A form for capturing the above details is annexed hereto for use by the Members. Members' Referencer giving guidance on securities related matters is put on the Company's website and can be accessed at **https://www.ihcltata.com/investors/**.

16. The Attendance Slip, Proxy Form and the Route Map showing directions to reach the venue of the AGM along with indication of prominent landmark are annexed hereto.

17. To support the "Green Initiative" announced by the Government of India, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those Members whose e-mail addresses have been made available to the Company / DP's unless the Member

has specifically requested for a hard copy of the same. The Members who are desirous of receiving the full Annual Report may write to the Company for a copy of the same. **MEMBERS WHO HAVE NOT REGISTERED THEIR EMAIL ADDRESSES WITH COMPANY /DEPOSITORIES ARE REQUESTED TO CONTRIBUTE TO THE GREEN INITIATIVE BY REGISTERING THEIR EMAIL ADDRESS, FOR RECEIVING ALL FUTURE COMMUNICATIONS THROUGH E-MAIL.** Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website at **https://www.ihcltata.com/investors/**.

18. Relevant documents referred to in the Notice and the Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the AGM and also at the venue of the AGM.

19. The Members are requested to note that the Company is pleased to provide a Webcast Facility to view one way live streaming of the AGM for the convenience of those Members who are unable to attend the AGM due to locational constraints. The Members will be able to view the live AGM proceedings which will be hosted on NSDL's e-voting Web Portal, on the following link **https://www.evoting.nsdl.com**.

    Members who are unable to attend the Meeting in person may use this facility by using the same login credentials as provided for remote e-voting. Members at the AGM day and time will login through their user ID and password on to the e-voting website. The link will be available in Member login where the EVEN of Company will be displayed. On clicking this link, the Member will be able to view the webcasting of the AGM proceedings. The Webcast facility will be available on June 20, 2019 from 3.00 p.m. onwards till the conclusion of the AGM.

20. Voting through electronic means

A. In compliance with the provisions of Section 108 of the Act, the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means either by (a) remote e-voting (by using the electronic voting system provided by NSDL as explained at 'Para D' herein below) or (b) Electronically at the AGM venue. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

B. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on June 13, 2019 ('the cut-off date'), shall be entitled to vote in respect of the shares held, by availing the facility of remote e-voting / voting through electronic ballot at the meeting. Any person who is not a member as on the cut-off date should treat this Notice for information purposes only.

C. The Members can opt for only one mode of voting i.e. either by remote e-voting or electronic ballot at the AGM. The Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM through electronic ballot. The Members who have cast their vote by remote e-voting are eligible to attend the AGM but shall not be entitled to cast their vote again.

D. INSTURCTIONS FOR REMOTE E-VOTING

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 AGM.

The remote e-voting period commences on Saturday, June 15, 2019 (9:00 a.m. IST) and ends on Wednesday, June 19, 2019 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

The process and manner for remote e-voting consists of 'Two Steps' as mentioned below:

Step 1 : Log-in to NSDL e-voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-voting system.

Details on Step 1 is mentioned below:
How to Log-in to NSDL e-voting website?

1. Access the e-voting website of NSDL: Open the internet web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at ***https://eservices.nsdl.com/*** *with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will prompt you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Open the email sent to you by NSDL and access the attached PDF file viz. "remote e-voting.pdf" The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote. Shareholders who forgot the User Details / Password can access the e-voting by following the below mentioned instructions:

a) Click on 'Forgot User Details/Password?'(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**.

c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

8. Now, you will have to click on 'Login' button.

9. After you click on the 'Login' button, Home page of e-voting will open.

Details on Step 2 is given below:
How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

2. After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

3. Select 'EVEN' of The Indian Hotels Company Limited.

4. Now you are ready for e-voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

6. Upon confirmation, the message 'Vote cast successfully' will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Instructions for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by sending an e-mail to **kkdlegal@gmail.com** with a copy marked to **evoting@nsdl.co.in**.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on **www.evoting.nsdl.com** to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on toll free no.: 1800-222-990 or send a request by email at **evoting@nsdl.co.in.**

4. Mr. Khushroo K Driver- Advocate High Court (Reg no :OS-8111)has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the remote e-voting and voting at the AGM in a fair and transparent manner.

5. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM 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 two days from 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.

6. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.ihcltata.com** and on the website of NSDL immediately after the results are declared. The Company shall simultaneously forward the results to The BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed. The Results shall also be displayed on the Notice Board at the Registered Office & the Corporate Office of the Company.

7. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. June 20, 2019.

By Order of the Board of Directors

Beejal Desai
Senior Vice President – Legal and Company Secretary

Mumbai, April 30, 2019

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

EXPLANATORY STATEMENT

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), given hereunder sets out all the material facts relating to the Special Business mentioned at Item Nos. 5 to 7 of the accompanying Notice dated April 30, 2019.

Item No. 5

2. Based on the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors of the Company ('Board') appointed Mr. Venu Srinivasan as an Additional Director of the Company with effect from August 10, 2018 under Section 161(1) of the Companies Act, 2013 ('the Act') and Article 132 of the Company's Articles of Association.

3. In terms of Section 161(1) of the Act, Mr. Srinivasan holds office only upto the date of the forthcoming Annual General Meeting ('AGM') but is eligible for appointment as Director, whose office shall be liable to retire by rotation. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Srinivasan's appointment as a Director.

4. Mr. Venu Srinivasan is a director on the board of Tata Sons Pvt Ltd and the Chairman of Sundaram-Clayton and TVS Motor Company, one of the largest two-wheeler manufacturers in India. He has held various important positions in the Indian industry such as Chairman - National Safety Council, Government of India; President - Confederation of Indian Industries for 2009/10; and President - Society of Indian Automobile Manufacturers from 1999/2001. For his contribution to leadership and management, Mr. Srinivasan was conferred with the JRD Tata Corporate Leadership Award by the All India Management Association and the Jamsetji Tata Lifetime Achievement Award by the Indian Society for Quality. He was also bestowed with The 'Padma Shri' award in 2010 by the President of India, for his valuable and outstanding contributions in the field of trade and industry. Mr. Srinivasan is also the Managing Trustee of the Srinivasan Services Trust which is engaged in the transformation and empowerment of over 3,000 villages in rural India, impacting over 1.6 million people. He is also Vice Chairman / trustee in various Tata trusts.

5. Mr Srinivasan has an Engineering degree from the College of Engineering, Chennai and a Master's degree in Management from Purdue University, USA. In recognition of his contribution to management, he was conferred with 'Doctor of Management' by his alma-mater, Purdue University in 2014.

6. The Board commends the Resolution at Item No.5 of the accompanying Notice for approval by the Members of the Company.

7. Other than Mr. Srinivasan and his relatives, none of the Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.5 of the accompanying Notice.

8. Mr. Srinivasan is not related to any other Director or KMP of the Company.

Item No. 6

9. Based on the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors of the Company ('Board') appointed Mr. Mehernosh Kapadia as an Additional Director of the Company with effect from August 10, 2018 under Section 161(1) of the Act and Article 132 of the Company's Articles of Association.

10. In terms of Section 161(1) of the Act, Mr. Kapadia holds office only upto the date of the forthcoming AGM but is eligible for appointment as Director, whose office shall be liable to retire by rotation. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Kapadia's appointment as a Director.

11. Mr. Kapadia joined the Company in 1977 and has served the Taj Group of hotels in a variety of managerial positions for over 41 years and has considerable experience in handling various issues with the Central and State Governments and Municipal Authorities. Mr. Kapadia has been instrumental for planning and executing the growth strategy for Taj SATS Air Catering Ltd., (a subsidiary of IHCL) a role which helped him develop and hone his leadership and business acumen skills. Thereafter, he was appointed as the Managing Director of Taj SATS Air Catering Ltd. in October, 2001, a role which he dutifully and meritoriously carried out until 2011. Known for his vast network, Mr. Kapadia thereafter served as the Executive Director - Corporate Affairs of the Company from August 2011 upto his retirement in May 2018. During his time on the Board, Mr. Kapadia provided the organization with invaluable support and to draw upon his counsel across a wide array of situations he was appointed as a Non-Executive Director on August 10, 2018.

12. Mr. Kapadia holds a Diploma in Travel management, he is also the Chairman of Taj Air Limited - a leading charter aviation brand and Vice Chairman of TajSats Air Catering Limited - India's top air caterer. Today, as the Non-Executive Director and a Board Member on several other Companies of Tata Group, he continues to work closely with senior leadership.

13. The Board commends the Resolution at Item No.6 of the accompanying Notice for approval by the Members of the Company.

14. Other than Mr. Kapadia and his relatives, none of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the accompanying Notice.

15. Mr. Kapadia is not related to any other Director or KMP of the Company.

Item No. 7

16. Section 197 of the Act permits payment of remuneration to Non-Executive Directors of a Company by way of commission, if the Company authorises such payment by way of a resolution of Members. Regulation 17(6)(a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 authorises the Board of Directors to recommend all fees and compensation, if any, to Non-Executive Directors, including Independent Directors and shall require approval of Members in general meeting.

17. The Members of the Company, at the 113th Annual General Meeting held on August 27, 2014, approved the remuneration payable to Non-Executive Directors of the Company by way of commission not exceeding one percent per annum of the net profits of the Company for each year for a period of five years commencing from April 1, 2014 till March 31, 2019.

18. Since the validity of the earlier resolution passed by the Members expired in Financial Year 2019, approval is sought from Members for renewal of the resolution from April 1, 2019.

    Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that remuneration not exceeding one percent per annum of the net profits of the Company calculated in accordance with provisions of the Act, be continued to be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the recommendations of the Nomination and Remuneration Committee and approval by the Board of Directors of the Company. Such payment will be in addition to the sitting fees for attending Board/ Committee meetings.

19. The Board commends the Resolution at Item No.7 of the accompanying Notice for approval by the Members of the Company.

20. Other than the Non-Executive Directors of the Company and their relatives, none of the Executive Directors (i.e. presently the Managing Director and CEO) and KMP of the Company or their respective relatives, are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice.

By Order of the Board of Directors

Beejal Desai
Senior Vice President – Legal and Company Secretary

Mumbai, April 30, 2019

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

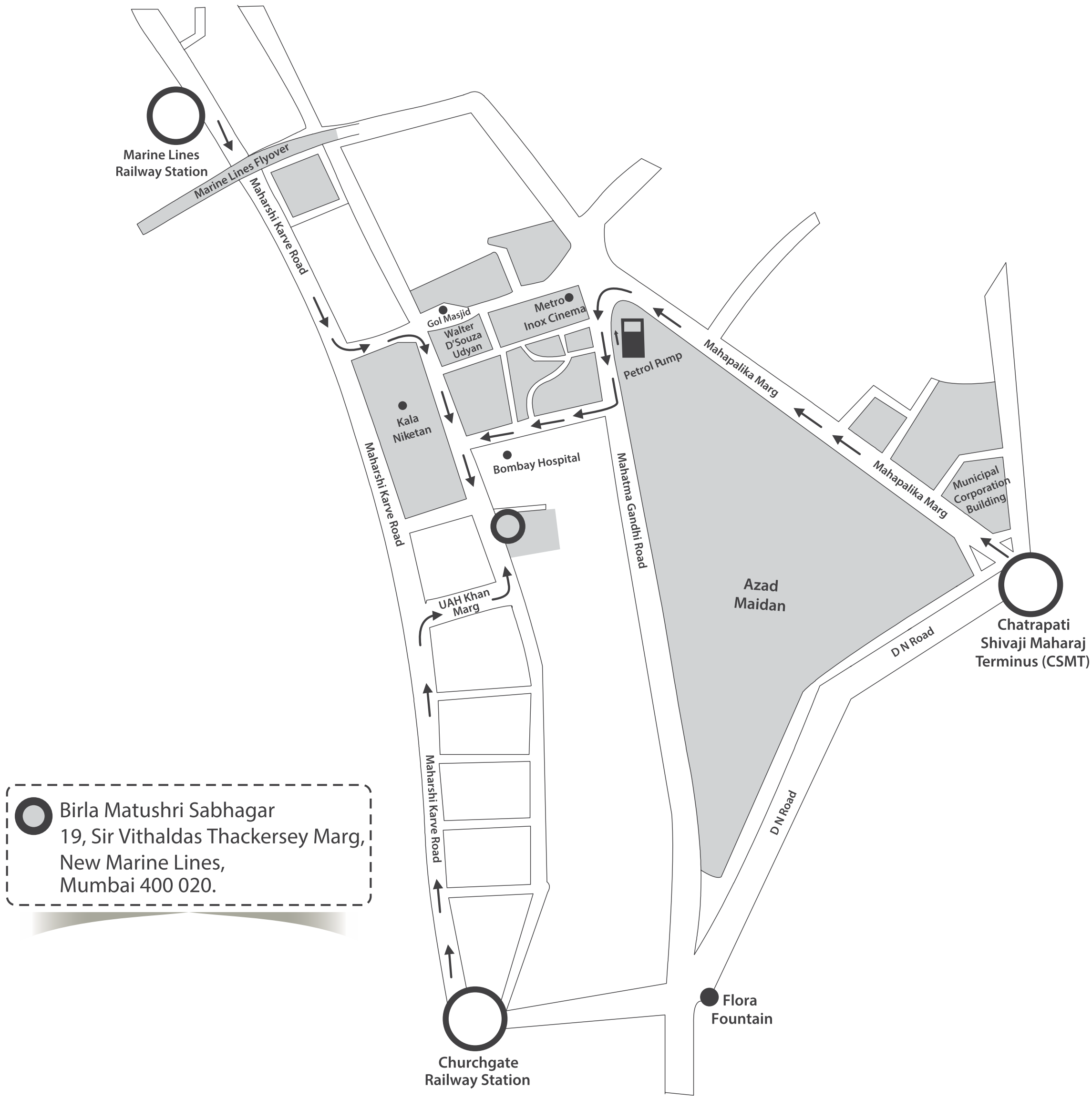
DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING OF THE COMPANY

(Pursuant to the Listing Regulations and Secretarial Standard-2 on General Meetings)

Name of Director	**Mr. Puneet Chhatwal**	**Mr. Venu Srinivasan**	**Mr. Mehernosh Kapadia**
Age	55	66	66
Date of Birth	April 16, 1964	December 11, 1952	May 22, 1953
Date of First Appointment	November 6, 2017	August 10, 2018	August 10, 2011
Experience & Expertise in specific functional areas/ brief resume	Mr. Chhatwal is a hospitality industry veteran, with an experience of over three decades. He was previously the Chief Executive Officer of Deutsche Hospitality/ Steigenberger Hotels AG. He has been in senior international leadership roles for almost 20 years. He is perceived as a recognised team builder focusing on relationships, people and teams. He is credited with having a detailed understanding of board function in minority and sliver equity partnerships, joint ventures or other partnerships. Mr. Chhatwal has won several awards including the prestigious Carlson Fellowship and was rated as one of Europe's 20 extraordinary minds in Sales, Marketing and Technology - HSMAI European Awards 2014. He was also the First Alumni included in the ESSEC-IMHI Hall of Honor 2014. During Mr. Chhatwal's tenure, Steigenberger Hotels AG was accredited amongst Germany's Superbrands (among top 50 brands) and was the winner of 2016 Grand Prix for the most progressive company at Worldwide Hospitality Awards in Paris besides being chosen as the Best Employer and Service Champion for five years in a row.	Mr. Srinivasan is the Chairman and Managing Director of Sundaram -Clayton Limited and TVS Motor Company Limited, one of the largest two-wheeler manufacturers in India. He has held various important positions in the Indian Industry, such as: • Chairman of National Safety Council, Government of India • President, Confederation of Indian Industries ('CII') for the year 2009-10 • President, Society of Indian Automobile Manufacturers for the period 1999-01 In recognition of his contribution to manufacturing, R&D, technology and quality excellence, he was conferred with 'Doctor of Science' by the University of Warwick, UK in the year 2004 and by The Indian Institute of Technology, Kharagpur, in the year 2009. He was bestowed with the Ishikawa-Kano award in the year 2012 by the Asian Network of Quality, the apex body for quality in Asia which covers 18 countries including Japan, China, India, Korea and Thailand. For his contribution to Leadership and Management, Mr Srinivasan was conferred with JRD Tata Corporate Leadership Award by the All India Management Association in the year 2005, and the Jamsetji Tata Lifetime Achievement award by the Indian Society for Quality in the year 2004. Mr. Srinivasan is also the Managing Trustee of Srinivasan Services Trust (SST) – engaged in transformation & empowerment of over 5000 villages in rural India touching the lives of over 3.1 million people and various other Tata Trusts.	Mr. Kapadia joined The Indian Hotels Company Limited ('IHCL') in 1977 and has served the Taj Group of hotels in a variety of managerial positions for over 41 years and has considerable experience in handling various issues with the Central and State Governments and Municipal Authorities. He is the Chairman of Taj Air Ltd and holds Directorships in Taj SATS Air Catering Limited, and Ewart Investments Limited. Mr. Kapadia has been instrumental for planning and executing the growth strategy for Taj SATS Air Catering Ltd., (a subsidiary of IHCL) a role which helped him develop and hone his leadership and business acumen skills. Thereafter, he was appointed as the Managing Director of Taj SATS Air Catering Ltd. in October, 2001, a role which he dutifully and meritoriously carried out until 2011. Known for his vast network, Mr. Kapadia was then appointed as the Executive Director — Corporate Affairs in September 2011. During his time on the Board, Mr. Kapadia provided the organization with invaluable support and counsel across a wide array of situations.
Qualifications	• MBA in Hospitality from ESSEC, Paris • Advanced Management Program from INSEAD	• B.E. – College of Engineering, Chennai • Masters in Management – Purdue University, USA • Doctor of Management – Purdue University, USA	• Diploma in Travel Management

Details of shares held in the Company	NIL	NIL	63,480
List of Body Corporates in which outside directorship held as on March 31, 2019	**Listed Companies** • Oriental Hotels Limited • Taj GVK Hotels & Resorts Limited • Benares Hotels Limited **Unlisted Public Companies** • Piem Hotels Limited • Taj SATS Air Catering Limited • ELEL Hotels & Investments Limited • Roots Corporation Limited **Others** • IHM - Aurangabad • St. James' Court Hotel Limited	**Listed Companies** • Cummins India Limited • TVS Motor Company Limited • Sundaram-Clayton Limited **Unlisted Public Companies** • Harita-NTI Limited • Lucas TVS Limited • Southern Roadways Limited • TVS Credit Services Limited **Others** • Tata Sons Private Limited • T.V. Sundaram Iyengar & Sons Private Limited • Harita Venu Private Limited • TVS Investments Private Limited • TVS Housing Finance Private Limited • LV Trustee Private Limited • S. Venu Trustee Private Limited • VS Trustee Private Limited • Harita Consultancy and Management Services LLP • Harita Realty Developers LLP • Harita Accessories LLP • Harita Receivables and Collection Services LLP • TVS Motor (Singapore) Pte Limited • Sundaram Holding USA Inc.	**Listed Companies** • NIL **Unlisted Public Companies** • Taj SATS Air Catering Limited • Ewart Investments Limited • The Associated Building Company Limited • Taj Air Limited **Others** • Business Jets India Private Limited • BJets Pte Limited • Business Jets Pte. Limited
Chairman/Member of the Committees of other Boards (Committees includes the Statutory Committees) as on March 31, 2019	**Audit Committee** • Taj GVK Hotels & Resorts Limited **Nomination and Remuneration Committee** • Piem Hotels Limited • Taj GVK Hotels & Resorts Limited • Oriental Hotels Limited • Taj SATS Air Catering Limited	**Audit Committee** • Cummins India Limited • T.V. Sundaram Iyengar & Sons Private Limited **Nomination and Remuneration Committee** • Tata Sons Private Limited **Corporate Social Responsibility Committee** • TVS Motor Company Limited • Sundaram-Clayton Limited • TVS Credit Services Limited • Harita-NTI Limited **Stakeholders Relationship Committee** • TVS Motor Company Limited • Cummins India Limited **Risk Management Committee** • Cummins India Limited	**Audit Committee** • Taj Air Limited **Nomination and Remuneration Committee** • Taj Air Limited **Corporate Social Responsibility Committee** • Taj SATS Air Catering Ltd
Number of Board meetings attended during the year	5	1	3
Terms and conditions of appointment/ re-appointment	For a period of five years as per his contract as MD & CEO with the Company	Director liable to retire by rotation	Director liable to retire by rotation
Remuneration to be paid	Details of remuneration provided in the Corporate Governance Report	Sitting Fees and Commission	Sitting Fees and Commission
Last drawn remuneration	Details of remuneration provided in the Corporate Governance Report	NA	Details of remuneration provided in the Corporate Governance Report
Relationship with other Directors & Key Managerial Personnel	None	None	None

Route Map to the AGM Venue



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

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

THE INDIAN HOTELS COMPANY LIMITED

Corporate Identification No. (CIN) - L74999MH1902PLC000183
Registered Office: Mandlik House, Mandlik Road, Mumbai 400 001
Phone: 91 22 6639 5515 Fax: 91 22 2202 7442 E-mail: investorrelations@tajhotels.com Website: www.ihcltata.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : ....

Registered address : ....

E-mail ID : ....

Folio No. / Client ID No. : .... DP ID No. ....

I / We, being the Member(s) of The Indian Hotels Company Limited, holding …….............................. shares hereby appoint

1. Name: ………………………...................................... E-mail ID: ………………………......................................

   Address: ....

   .... Signature: …………….. , or failing him/her

2. Name: ………………………...................................... E-mail ID: ………………………......................................

   Address: ....

   .... Signature: …………….. , or failing him/her

3. Name: ………………………...................................... E-mail ID: ………………………......................................

   Address: ....

   .... Signature: ……………..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Hundred and Eighteenth Annual General Meeting to be held on Thursday, June 20, 2019, at 3.00 p.m. at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as indicated below:

Item No.	Resolution	Type of Resolution
1	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Board of Directors and the Auditors thereon.	Ordinary
2	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Report of the Auditors thereon.	Ordinary
3	To declare a dividend on Equity Shares for the Financial Year ended March 31, 2019.	Ordinary
4	To appoint a Director in place of Mr. Puneet Chhatwal (DIN: 07624616) who retires by rotation and, being eligible, offers himself for re-appointment.	Ordinary
5	Appointment of Mr. Venu Srinivasan as a Director of the Company.	Ordinary
6	Appointment of Mr. Mehernosh Kapadia as a Director of the Company.	Ordinary
7	Commission to Non-Wholetime Directors.	Ordinary

Signed this .... day of ………………. 2019

Signature of Member.. Signature of Proxyholder(s)..

Affix
Revenue
Stamp

NOTES:

1. This Form, in order to be effective, should be duly stamped, completed and deposited at the Registered Office of the Company at Mandlik House, Mandlik Road, Mumbai 400 001 not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/ Proxy.

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117TH ANNUAL GENERAL MEETING OF IHCL

THE INDIAN HOTELS COMPANY LIMITED

MANDLIK HOUSE, MANDLIK ROAD, MUMBAI - 400 001.

A TATA Enterprise

TAJ SELEQTIONS VIVANTA GINGER EXPRESSIONS TAJ sats

IHCLTATA.COM