

Reviewed by - Vishal Khandelwal
(Safalniveshak.com)

The Indian Hotels Company Limited

(A 200-page annual report. Too much to disclose!)

DIRECTORS' REPORT

TO THE MEMBERS

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

FINANCIAL RESULTS

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

↑4%

Loss!

STATE OF AFFAIRS OF THE COMPANY /BUSINESS OVERVIEW

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

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

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

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

(More people are travelling. Good volumes)

Disclosure - No holdings

Writing off past investments

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

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

INCOME

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

DEPRECIATION AND FINANCE COSTS

$\uparrow \text{Volumes} \times \uparrow \text{Room Rates} = \uparrow \text{Income}$

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

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

PROFIT BEFORE TAX & EXCEPTIONAL ITEM

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

EXCEPTIONAL ITEMS

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

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

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

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

Paying for past aggressiveness in acquiring properties

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

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

BORROWINGS

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

PROFIT/ (LOSS)

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

CONSOLIDATED FINANCIAL RESULTS

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

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

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

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

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

CAPITAL EXPENDITURE

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

DIVIDEND

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

(Sensible decision)

FIXED DEPOSITS

The outstanding amount of Fixed Deposits placed with your Company was Nil (Previous year Nil) excluding ₹ 1.04 crores

Too much written off!

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L74999MH1902PLC000183
- ii) Registration Date: April 1, 1902 (113 years!)
- iii) Name of the Company: The Indian Hotels Company Limited
- iv) Category: Company Limited by Shares
- v) Sub-Category of the Company: Indian Non- Government Company
- v) Address of the registered office and contact details: Mandlik House, Mandlik Road, Mumbai- 400001
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: The Company has an in-house Share Department at the registered office address. Tel. No. 022 66395515

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

- * 2 key revenue streams of most hotels -
1. What you pay for room.
 2. What you pay for food.

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

Sr. No.	Name	No. of Shares at the beginning (01-04-14)/end of the year (31-03-15)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	124,250,727	15.39	01 April 2014				
				11 April 2014	-900,000	Sale of Shares	123,350,727	15.28
				18 April 2014	-295,836	Sale of Shares	123,054,891	15.24
				23 May 2014	-1,900,000	Sale of Shares	121,154,891	15.00
				30 May 2014	-1,525,000	Sale of Shares	119,629,891	14.82
				06 June 2014	-1,970,901	Sale of Shares	117,658,990	14.57
				13 June 2014	-1,663,439	Sale of Shares	115,995,551	14.37
				20 June 2014	-1,194,085	Sale of Shares	114,801,466	14.22
				30 June 2014	-2,450,000	Sale of Shares	112,351,466	13.91
				04 July 2014	-854,961	Sale of Shares	111,496,505	13.81
				11 July 2014	-1,077,229	Sale of Shares	110,419,276	13.67
				18 July 2014	-300,000	Sale of Shares	110,119,276	13.64
				25 July 2014	-100,000	Sale of Shares	110,019,276	13.63
				12 September 2014	-25,361	Sale of Shares	109,993,915	13.62
				19 September 2014	-100,000	Sale of Shares	109,893,915	13.61
				30 September 2014	-17,300	Sale of Shares	109,876,615	13.61
				10 October 2014	-205,000	Sale of Shares	109,671,615	13.58
				17 October 2014	-100,000	Sale of Shares	109,571,615	13.57
				31 October 2014	-310,959	Sale of Shares	109,260,656	13.53
				07 November 2014	-1,019,650	Sale of Shares	108,241,006	13.40
				14 November 2014	-215,931	Sale of Shares	108,025,075	13.38
				21 November 2014	-495,388	Sale of Shares	107,529,687	13.32
				28 November 2014	-350,001	Sale of Shares	107,179,686	13.27
				05 December 2014	-4,705,983	Sale of Shares	102,473,703	12.69
				12 December 2014	-1,193,776	Sale of Shares	101,279,927	12.54
				19 December 2014	-625,308	Sale of Shares	100,654,619	12.47
				31 December 2014	-1,910,763	Sale of Shares	98,743,856	12.23
				09 January 2015	-2,148,864	Sale of Shares	96,594,992	11.96
				16 January 2015	-2,594,083	Sale of Shares	94,000,909	11.64
				23 January 2015	-773,528	Sale of Shares	93,227,381	11.55
				30 January 2015	-545,588	Sale of Shares	92,681,793	11.48
				06 February 2015	-399,289	Sale of Shares	92,282,504	11.43
				13 February 2015	-1,472,884	Sale of Shares	90,809,620	11.25
20 February 2015	-805,321	Sale of Shares	90,004,299	11.15				
27 February 2015	-530,586	Sale of Shares	89,473,713	11.08				
06 March 2015	-1,357,265	Sale of Shares	88,116,448	10.91				
13 March 2015	-301,244	Sale of Shares	87,815,204	10.88				
31 March 2015	-469,680	Sale of Shares	87,345,524	10.82				
2	Government Pension Fund	40,454,747	5.01	01 April 2014				
				11 April 2014	-154043	Sale of Shares	40,300,704	4.99
				18 April 2014	-126409	Sale of Shares	40,174,295	4.98
				25 April 2014	-168616	Sale of Shares	40,005,679	4.95
				02 May 2014	-170389	Sale of Shares	39,835,290	4.93
				09 May 2014	-176734	Sale of Shares	39,658,556	4.91
				16 May 2014	-33865	Sale of Shares	39,624,691	4.91
				23 May 2014	-25000	Sale of Shares	39,599,691	4.90
				30 May 2014	-247317	Sale of Shares	39,352,374	4.87
				06 June 2014	-293695	Sale of Shares	39,058,679	4.84
				13 June 2014	-251015	Sale of Shares	38,807,664	4.81
				20 June 2014	-279176	Sale of Shares	38,528,488	4.77
				30 June 2014	-276319	Sale of Shares	38,252,169	4.74
				04 July 2014	-509903	Sale of Shares	37,742,266	4.67
				11 July 2014	-442842	Sale of Shares	37,299,424	4.62
				18 July 2014	-297247	Sale of Shares	37,002,177	4.58
				25 July 2014	-499454	Sale of Shares	36,502,723	4.52
				08 August 2014	-420000	Sale of Shares	36,082,723	4.47
				23 August 2014	-2624356	Sale of Shares	33,458,367	4.14
				12 September 2014	-1820000	Sale of Shares	31,638,367	3.92
				19 September 2014	-1000000	Sale of Shares	31,538,367	3.91
				05 December 2014	-30000	Sale of Shares	31,508,367	3.90
				09 January 2015	-1000000	Sale of Shares	31,408,367	3.89
		31,383,367	3.89	13 February 2015	-25000	Sale of Shares	31,383,367	3.89

TY I - LIC cuts stake

- 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.
- c. Comparison of the Remuneration of each Key Managerial Personnel against the performance of the Company.

[* EIH's MD earns]
[Rs. 270 Lakh]

Salary
cuts

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

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

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

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

Traditionally, the Directors are paid commission each year, after the annual accounts are approved by the Members at the Annual General meeting of the Company. However, the Non-Executive Directors decided to forgo their Commission for the year 2013/14 as would have been receivable in 2014/15, on account of the financial performance of the Company.

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

Wonderful!
It happens only in Tata :-)

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

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

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

Particulars	₹ Lakhs
Aggregate Remuneration of KMP in 2014/15	2525.71
Full year Revenue	210360
% to Revenue	1.2%
Profit before Tax and Exceptional Items	23058
% to above	10.96%

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

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

The last public offer for the shares of the Company was an Offer for Sale made in the year 1970-71, for 11,50,000 Ordinary Shares (Equity Shares) of ₹ 10 each at par. The market quotation (BSE closing) of the Equity Shares of the Company as on March 31, 2015 was ₹ 116.85 per share of face value ₹ 1 each representing an increase of approximately 11585% over the period. *(11.4% CAGR over 44 years)*

i. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year is 6.07% and increase in Managerial Remuneration other than the severance payment made to Ex Managing Director is 9%. *→ 6.6% at EIH... so in line with industry*

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

Non-Executive Directors:

Based on the Company's performance, profits, returns to investors, shareholder value creation etc. the commission recommended for all the

developments within India and the countries within which your Company conducts its business, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints, etc.

OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY

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

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

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

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

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

The long term outlook for the Indian hospitality business continues to be positive, both for the business as well as the leisure segments, with potential for economic growth, increases in disposable incomes and the burgeoning middle class.

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

Future Trends

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

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

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

The key drivers for international travel demand growth to India include the easier e-visa regime, Swachh Bharat Abhiyan, Make in India and other similar initiatives which are expected to build a positive global image for the country and will have a long term impact for the travel and tourism industry. WTTC predicts that the travel and tourism industry in India will grow by 7.5% in 2015. This demonstrates the sector's enduring ability to generate economic growth, as the GDP is also targeted to increase by 7.5% in 2015-16. By the end of 2015, the travel and tourism sector will contribute 7% of India's GDP, and generate 37.4 million jobs; more than 1.8% of those generated in 2014.

* Industry has been resilient to economic shocks. Tourism is growing - both international & domestic. Good for IHCL, which has global presence.

tool which will provide avenues to employees to express themselves and share their opinions.

RISKS & CONCERNS

Industry Risk *(Keep these in mind)*

General economic conditions

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

Socio-political risks

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

Company specific Risks

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

Overseas Investments *(Have been too aggressive in the past)*

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

Heavy Dependence on India

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

Dependence on the high-end Luxury segment

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

Competition from Global Hotel Chains

(More international chains entering India)

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

Increased outbound travel

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

High Operating Leverage

(Big tail wind if economy improves further)

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

Foreign exchange fluctuation risks

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

Revenues

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

₹ crores

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

Key nos. to look at in hotel business

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

Operating Expenses

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

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

Finance Costs

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

Profit Before Tax & Exceptional Item

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

	FY10	FY11	FY12	FY13	FY14	FY15
ARR (₹)	8,792	9,582	9,469	9,504	9,360	9,562
Occupancy (%)	64	67	65	63	64	64

Almost stable over the years

Exceptional Items

Exceptional Items includes items as under:

₹ crores

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

(this hurts profits)

Profit/ (Loss) before Tax

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

Loss after Tax

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

Cash Flow Data

₹ crores

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
Net Cash from operating activities <i>(generates more cash →)</i>	399.78	367.86
Net Cash used for investing activities <i>(... spends even more →)</i>	(418.19)	(180.62)
Net Cash from/(used for) financing activities	261.96	(183.79)
Net Increase in cash and cash equivalents	243.55	3.45

Operating Activities

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

Investing Activities

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

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

Financing Activities

During the year, the Company allotted 18,18,01,228 Compulsorily Convertible Debentures (CCDs) of ₹ 55 each aggregating to ₹ 999.91 crores. Each CCD is convertible into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share after 18 months from the date of allotment of the CCD. Out of the issue proceeds along with cash generated from operations, the Company has repaid long term and short term loans of ₹ 638.28 crores during the year.

Certain Financial Ratios for Standalone Financials

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

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

Consolidated Financial Results

Standalone nos. Performance is worse on a consolidated basis

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

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

₹ crores

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
Income		
Sales & Other operating income <i>↑ 3%</i>	4188.64	4066.19
Other Income	98.71	59.75
Total Income	4287.35	4125.94
Expenditure		
Consumption of Raw Materials	443.09	427.07
Employee Benefits Expense	1462.46	1372.19
License Fees	209.61	208.15
Fuel, Power & Light	320.43	311.15
Depreciation	291.29	308.13
Other Expenditure	1264.47	1188.06
Total Expenditure	3991.35	3814.75
Profit Before Finance Cost and Tax	296.00	311.19
Finance Costs <i>(Hurt big time!)</i>	175.57	168.51
Profit before Tax and Exceptional Items	120.43	142.68
Exceptional Items	(352.91)	(554.84)
Loss before Tax	(232.48)	(412.16)
Provision for Tax (incl. for earlier years)	114.60	110.95
Loss after Tax before Minority Interest and Share of Associates	(347.08)	(523.11)
Profit/ (Loss) attributable to Minority Interest	(30.98)	(17.49)
Share of Profit/(Loss) of Associates	(0.04)	(13.25)
Loss after Tax, Minority Interest and Share of Associates <i>(Loss!)</i>	(378.10)	(553.85)

* Finance costs + loss recorded on sale of some international properties eat away entire profit... and more! This is what happens to companies who make bold, expensive acquisitions.

Revenues

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

₹ crores

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

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

Operating expenses

Operating expenses were commensurate to the scale of business and increased capacity due to addition of new hotels during the year. There has been an increase in staff cost commensurate to industry trends as also an increase in other expenses linked to business activities. The depreciation charge for the year was lower in the current year due to the change in useful life of the assets as required under the new Companies Act, 2013.

Consolidated Profits Before Finance Cost and Exceptional Items

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

Finance Costs

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

Exceptional Items

Exceptional Items includes the following:

₹ crores

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

Loss after Tax, Minority Interest and Share of Associates

Loss after tax, Minority Interest and Share of Associates for the year was lower at ₹ (378.10) crores as compared to ₹ (553.85) crores for the preceding year.

Cash Flow Data

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

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
Net Cash from operating activities	494.77	538.92
Net Cash used in investing activities	(725.79)	(301.04)
Net Cash from/(used in) financing activities	491.05	(211.86)
Net Increase in cash and cash equivalents	260.03	26.02

Handwritten notes:
 Cash in → (points to 494.77)
 Cash out → (points to (725.79))
 More borrowings → (points to 491.05)

Operating Activities

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

Investing Activities

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

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

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

Financing Activities

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

Certain Financial Ratios for Consolidated Financials

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

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

↙ Big board!

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

* Appointed as Managing Director and CEO effective September 1, 2014. Mr. Sarna also received remuneration of US \$ 4,04,293 from IHMS Inc.
 @ Appointed as Non- Executive Independent Directors effective September 10, 2014.
 ^ Retired as Director effective July 1, 2014
 \$ Resigned effective from September 8, 2014.
 # Resigned effective from August 31, 2014.

NOTE:
 Traditionally, the Directors are paid commission each year, after the annual accounts are approved by the Members at the Annual General Meeting of the Company.
 However, the Non-Executive Directors decided to forgo their commission for the year 2013-14 on account of the financial performance of the Company.

* Avg. size of BoD in India → 11 } FYI
 IHCL → 15

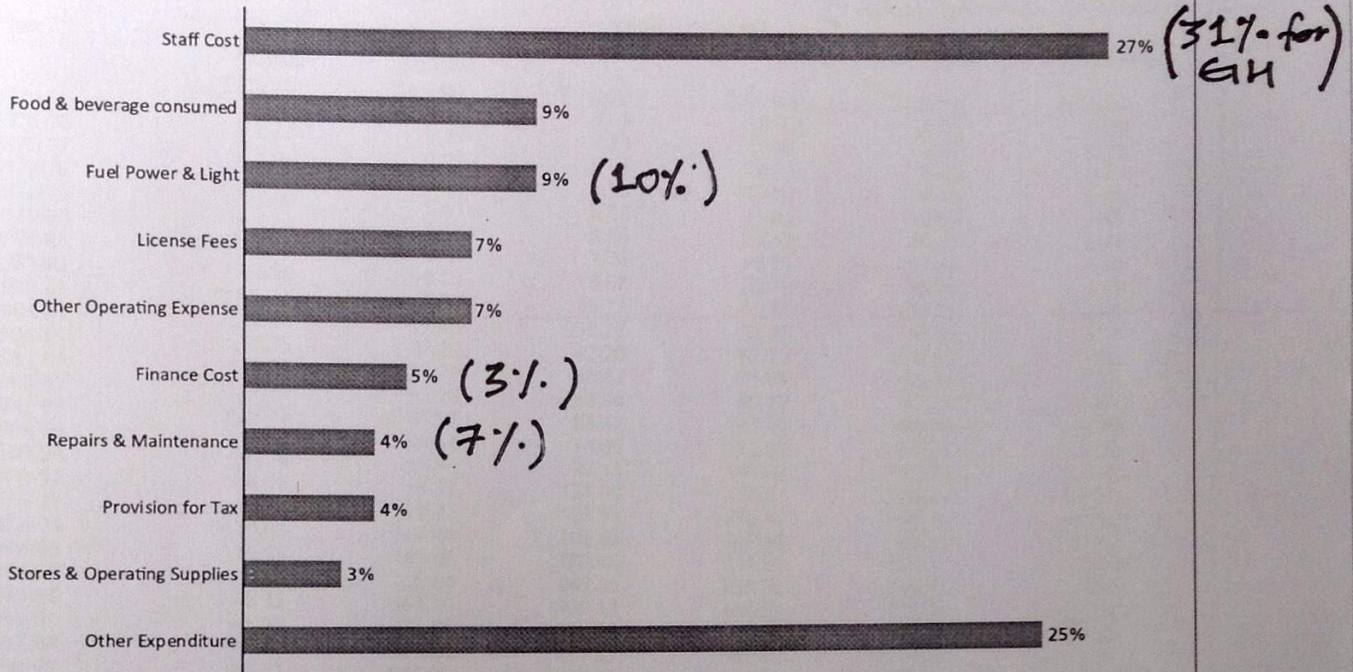
* Good info for your next holiday ↘

COMPANY-WISE LIST OF HOTELS/UNITS

Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms
The Indian Hotels Company Limited		Subsidiary Companies		Joint Venture Companies	
Taj Mahal Palace, Mumbai (Biggest)	560	Roots Corporation Limited		Taj GVK Hotels & Resorts Limited	
Taj Lands End, Mumbai	493	Ginger Hotel - Agartala	100	Taj Krishna, Hyderabad	260
Taj Wellington Mews, Mumbai	78	Ginger Hotel - Ahmedabad	93	Vivanta by Taj - Begumpet, Hyderabad	181
Taj Mahal Hotel, New Delhi	294	Ginger Hotel - Bangalore, Whitefield	101	Taj Banjara - Hyderabad	122
Taj Palace Hotel, New Delhi	403	Ginger Hotel - Bangalore, Inner Ring Road	65	Taj Deccan, Hyderabad	151
Taj Bengal, Kolkata	229	Ginger Hotel - Bhubaneswar	101	Taj Club House, Chennai	220
Taj West End, Bangalore	117	Ginger Hotel - Chennai, IITM	85	Taj Chandigarh, Chandigarh	149
Taj Lake Palace Hotel, Udaipur	83	Ginger Hotel - Chennai, Vadapalani	79		
Taj Falaknuma Palace, Hyderabad	60	Ginger Hotel - Faridabad	91	Taj Kerala Hotels & Resorts Limited	
Taj Exotica, Goa	140	Ginger Hotel - Goa	135	Vivanta by Taj - Kumarakom, Kerala	28
		Ginger Hotel - Guwahati	70	The Gateway Hotel - Marine Drive, Ernakulam	108
Vivanta by Taj - Aurangabad, Maharashtra	63	Ginger Hotel - Indore	95	The Gateway Hotel - Janardhanapuram, Varkala	30
Vivanta by Taj - Connemara, Chennai	150	Ginger Hotel - Jaipur	103		
Vivanta by Taj - Dwarka, New Delhi	250	Ginger Hotel - Jamshedpur	94	Kaveri Retreats and Resorts Limited	
Vivanta by Taj - Fort Aguada, Goa	145	Ginger Hotel - Mangalore	79	Vivanta by Taj - Madikeri, Coorg	63
Vivanta by Taj - Holiday Village, Goa	142	Ginger Hotel - Mysore	98		
Vivanta by Taj - Hari Mahal, Jodhpur	93	Ginger Hotel - Mumbai, Andheri East	116	Taj Karnataka Hotels & Resorts	
Vivanta by Taj - Whitefield, Bangalore	199	Ginger Hotel - Nashik	92	The Gateway Hotel - KM Road, Chikmagalur	29
Vivanta by Taj - Yeshwantpur, Bangalore	327	Ginger Hotel - Delhi (Rail Yatri Niwas - IRCTC)	109		
Jai Mahal Palace, Jaipur	100	Ginger Hotel - East Delhi	82	Taj Madras Flight Kitchen Private Limited	
Usha Kiran Palace, Gwalior	40	Ginger Hotel - Noida	83	Chennai	-
		Ginger Hotel - Pantnagar	98		
The Gateway Hotel - Residency Road, Bangalore	98	Ginger Hotel - Pondicherry	94	Taj Safaris Limited	
The Gateway Hotel - Rawalkot, Jaisalmer	32	Ginger Hotel - Pune (Wakad)	128	Mahua Kothi - Bandhavgarh	12
The Gateway Hotel - Beach Road, Calicut	74	Ginger Hotel - Pune (Pimpri)	97	Banjar Tola - Kanha	18
Hotel Chandela, Khajuraho	90	Ginger Hotel - Surat	98	Pashan Garh - Panna	12
Hotel Savoy, Ooty	40	Ginger Hotel - Thane	46	Baghvan - Pench	12
Kuteeram, Bangalore	9	Ginger Hotel - Trivandrum	101		
		Ginger Hotel - Vadodara	99	IHMS (SA) Pty Limited	
Managed Properties				Taj Cape Town, South Africa	166
Umaid Bhawan Palace, Jodhpur	64	Managed Properties - Ginger			
Rambagh Palace, Jaipur	79	Ginger Hotel - Chandigarh	102	TAL Maldives Resorts Private Limited	
Imperial Club by Taj, Mumbai	9	Ginger Hotel - Gurgaon (Manesar)	61	Taj Exotica, Maldives	64
		Ginger Hotel - Katra, Jammu	80	Vivanta by Taj - Coral Reef, Maldives	62
Vivanta by Taj - Bekal, Kerala	66	Ginger Hotel - Tirupur	91		
Vivanta by Taj - Dal View, Srinagar	83	Ginger Hotel - Vizag	72	Associate Companies	
Vivanta by Taj - Gurgaon, NCR	208			Oriental Hotels Limited	
Vivanta by Taj - Kovalam, Kerala	59	Piem Hotels Limited		Taj Coromandel, Chennai	213
Vivanta by Taj - Panaji, Goa	170	Vivanta by Taj - President, Mumbai	287		
Vivanta by Taj - Savai Madhopur	36	Vivanta by Taj - Blue Diamond, Pune	110	Vivanta by Taj - Fisherman's Cove, Chennai	152
Vivanta by Taj - Surajkund	287	Vivanta by Taj - Gomti Nagar, Lucknow	110	Vivanta by Taj - Malabar, Cochin	95
		Vivanta by Taj - M G Road, Bangalore	167	Vivanta by Taj - Surya, Coimbatore	178
The Gateway Hotel - Akota Gardens, Vadodara	86	The Gateway Hotel - Ambad, Nashik	100	Vivanta by Taj - Trivandrum, Kerala	129
The Gateway Hotel - Athwalines, Surat	206	The Gateway Hotel - Faridabad Road, Agra			
The Gateway Hotel - Banar Road, Jodhpur	88			The Gateway Hotel - Beach Road, Vskhapatnam	95
The Gateway Hotel - Damdama Lake, Gurgaon	78	United Hotels Limited		The Gateway Hotel - Church Road, Coonoor	32
The Gateway Hotel - EM Bypass, Kolkata	80	Vivanta by Taj - Ambassador, New Delhi	88	The Gateway Hotel - Old Port Road, Mangalore	96
The Gateway Hotel - Gir Forest, Junagadh	28			The Gateway Hotel - Pasumalai, Madurai	63
The Gateway Hotel - GE Road, Raipur	82	Beneras Hotels Limited			
The Gateway Hotel - IT Expressway, Chennai	200	Nadesar Palace - Varanasi	10	TAL Lanka Hotels PLC	
The Gateway Hotel - Lakeside Hubli	92	The Gateway Hotel - Ganges, Varanasi	130	Taj Samudra, Colombo	300
The Gateway Hotel - M G Road, Vijayawada	108	The Gateway Hotel - Balaghat Road, Gondia	34		
The Gateway Hotel - Ramgarh Lodge, Jaipur	14			Lanka Island Resorts Limited	
The Gateway Hotel - Ummid, Ahmedabad	91	Taj SATS Air Catering Limited		Vivanta by Taj - Bentota, Sri Lanka	160
SMS Hotel, Jaipur	27	Amritsar	-		
		Bangalore	-	Summary	
Taj Dubai	296	Delhi	-	Taj	27
Taj Pamodzi - Zambia	193	Goa	-	Vivanta	39
Taj Tashi, Thimpu, Bhutan	66	Kolkata	-	Gateway	32
Vivanta by Taj - Reebak Island, Langkawi	94	Mumbai	-	Ginger	33
The Gateway Hotel - Airport Garden, Colombo	208			Air catering units	7
		International Hotel Management Services Inc			
		The Pierre, New York	189		
		Taj Boston, Boston	273		
		Taj Campton Place, San Francisco	110		
		St James Court Hotels Limited			
		Taj 51 Buckingham Gate Suites, London	86		
		St James Court, A Taj Hotel, London	342		
		Taj International Hotels Limited			
		Bombay Brasserie Restaurant	-		
		Quilon Restaurant	-		

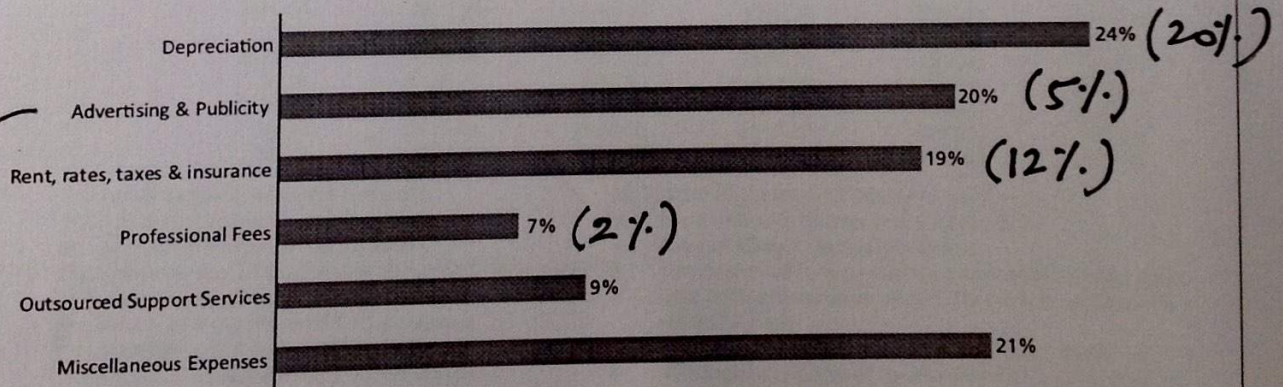
(Figures in brackets are of EIH)

BREAK UP OF TOTAL EXPENSES
(% of Total Expenses)



Footnote : Excludes Exceptional Items of ₹ 228.70 crores.

BREAK UP OF OTHER EXPENDITURE



→ IHCL much more aggressive in advertising than its closest competitor. It shows in the former's recall value.

40 yr. history in one shot. Wow!

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

Financial Statistics

(Balance Sheet)

Year	Capital Account					
	Share Capital ₹ crores	Reserves and Surplus ₹ crores	Borrowings ₹ crores	Gross Block ₹ crores	Net Block ₹ crores	Investments ₹ crores
1974-75	2.35	1.94	4.55	10.99	8.09	0.20
1975-76	2.35	2.21	4.21	11.82	8.42	0.20
1976-77	# 3.07	2.38	3.98	12.21	8.30	0.25
1977-78	3.07	3.39	4.73	13.14	8.69	0.34
1978-79	3.07	5.41	6.17	17.81	12.68	0.55
1979-80	* 5.09	5.58	5.56	20.48	14.31	0.74
1980-81	5.09	8.53	7.76	25.01	17.60	1.10
1981-82	** 6.90	9.20	8.87	28.79	20.06	1.13
1982-83	*** 6.35	12.34	26.71	49.54	39.22	2.65
1983-84	6.35	17.45	32.25	58.48	44.40	3.77
1984-85	6.35	22.23	42.20	67.77	44.55	11.70
1985-86	a 7.85	28.70	38.82	71.69	53.72	6.21
1986-87	7.85	32.73	53.58	89.73	67.56	5.53
1987-88	+ 9.86	41.97	63.47	107.70	80.08	6.90
1988-89	9.86	48.54	74.06	127.39	93.56	9.34
1989-90	!! 14.78	51.44	97.13	161.28	119.95	11.19
1990-91	14.78	56.77	121.07	178.61	128.43	12.37
1991-92	14.78	73.72	123.53	194.44	135.89	13.76
1992-93	!!! 19.96	124.44	106.86	210.68	142.53	16.93
1993-94	19.96	165.65	100.86	234.64	156.21	32.54
1994-95	æ 39.92	205.84	245.05	293.59	201.92	36.04
1995-96	= 45.12	205.84	245.05	293.59	201.92	36.04
1995-96	= 45.12	567.16	200.18	384.01	273.21	142.09
1996-97	45.12	671.86	219.75	500.10	364.08	214.80
1997-98	45.12	767.68	197.31	581.48	414.57	218.09
1998-99	45.12	844.35	178.42	665.67	466.77	259.09
1999-00	45.12	913.96	432.32	842.01	606.86	337.75
2000-01	45.12	980.10	555.31	942.16	665.06	422.13
2001-02	45.12	844.13	809.21	946.15	655.08	541.34
2002-03	45.12	842.17	799.50	985.71	677.77	571.64
2003-04	45.12	844.79	1412.46	1159.69	813.13	600.83
2004-05	¶ 50.25	1081.80	1052.03	1290.70	885.20	607.01
2005-06	¶ 58.41	1657.83	544.34	1308.34	843.01	656.57
2006-07	◇ 60.29	1738.39	943.94	2014.34	1360.05	962.81
2007-08	60.29	1956.29	1134.18	2072.16	1371.60	977.58
2008-09	Ω 72.34	2975.29	1766.47	2362.23	1585.40	2026.88
2009-10	72.35	2616.87	2650.55	2408.32	1561.26	2445.63
2010-11	& 75.95	3028.59	2341.44	2605.18	1725.74	3026.78
2011-12	75.95	3176.70	2679.38	2830.66	1838.75	3622.19
2012-13	§ 80.75	3226.90	2522.27	2861.65	1756.46	3369.14
2013-14	80.75	2613.09	2690.60	2910.27	1697.41	2761.64
2014-15	80.75	2534.40	3208.99	3329.33	2011.80	2977.96

- # Issue of Bonus Shares in the Ratio 2:5
- * 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 crores
- 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

* This is where the agony began. Too many bold acquisitions. Paying the price now.

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

Financial Statistics

(Income Statement)

Year	Revenue Account								
	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit / (Loss) before Tax	Tax Expenses	Profit / (Loss) after Tax	Net Transfer to General Reserves	Dividend	Rate of Dividend on Ordinary Shares
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	%
1974-75	7.26	5.79	0.49	0.98	0.00	0.98	3.61	â 0.37	18.00
1975-76	8.61	6.73	0.50	1.38	0.33	1.05	0.64	â 0.41	20.00
1976-77	10.77	8.45	0.52	1.80	0.75	1.05	0.49	â 0.56	20.00
1977-78	13.92	9.76	0.53	3.63	1.94	1.69	1.01	â 0.68	25.00
1978-79	18.42	13.63	0.69	4.10	1.40	2.70	2.02	â 0.68	25.00
1979-80	26.49	18.59	1.04	6.86	3.63	3.23	2.18	â 1.05	25.00
1980-81	31.54	23.13	1.24	7.17	3.17	4.00	2.95	â 1.45	22.00
1981-82	36.09	26.72	1.33	8.04	4.10	3.94	2.49	â 1.45	22.00
1982-83	42.98	36.87	1.62	4.49	0.00	4.49	2.99	â 1.50	23.00
1983-84	54.69	43.79	3.80	7.10	0.40	6.70	5.11	1.59	25.00
1984-85	65.50	55.39	2.66	7.45	1.08	6.37	4.78	1.59	25.00
1985-86	78.48	69.32	3.44	7.66	1.60	6.06	4.22	1.84	25.00
1986-87	93.05	79.68	4.25	9.12	2.75	6.37	4.02	2.35	30.00
1987-88	105.69	90.98	5.55	9.16	2.40	6.76	4.23	2.53	30.00
1988-89	117.72	100.61	6.24	10.87	1.50	9.37	6.42	2.96	30.00
1989-90	141.50	120.93	7.80	12.77	1.25	11.52	7.83	3.70	25.00
1990-91	159.11	139.42	9.11	10.58	1.55	9.03	5.33	3.70	25.00
1991-92	206.79	169.52	++8.85	27.58	6.50	21.08	16.75	5.17	35.00
1992-93	239.21	188.24	9.77	41.20	9.00	32.20	24.86	8.68	50.00
1993-94	301.92	223.49	10.90	67.53	15.50	52.03	41.21	13.97	70.00
1994-95	381.88	263.20	13.67	105.11	23.00	82.11	60.15	21.96	55.00
1995-96	547.36	347.42	20.37	179.57	39.00	140.57	107.10	33.47	75.00
1996-97	613.33	405.67	27.18	180.48	33.60	146.48	104.70	38.35	85.00
1997-98	623.91	427.53	32.42	163.96	26.00	137.96	95.78	38.35	85.00
1998-99	623.34	435.36	33.84	154.14	35.00	119.14	76.57	38.35	85.00
1999-00	650.91	482.49	37.69	130.73	17.50	113.23	70.66	@ 38.35	85.00
2000-01	742.92	560.47	45.16	137.29	20.50	116.79	67.07	45.12	100.00
2001-02	617.55	589.81	47.49	98.14	17.44	80.70	40.00	36.09	80.00
2002-03	609.91	575.43	38.98	53.80	13.72	40.48	7.50	31.58	70.00
2003-04	727.09	646.89	48.58	80.20	19.55	60.65	8.57	36.09	80.00
2004-05	896.23	754.55	56.77	141.68	35.82	105.86	11.00	50.25	100.00
2005-06	1154.80	890.90	65.90	272.00	88.22	183.78	20.00	77.95	130.00
2006-07	1618.83	1146.47	91.44	474.64	152.25	322.39	35.00	96.46	160.00
2007-08	1823.16	1254.11	85.48	580.47	203.01	377.46	38.00	114.54	190.00
2008-09	1706.52	1348.42	94.46	362.30	128.27	234.03	30.00	86.81	120.00
2009-10	1520.36	1358.48	104.14	218.25	65.15	153.10	15.31	72.35	100.00
2010-11	1737.14	1509.90	108.40	221.45	80.20	141.25	14.13	75.95	100.00
2011-12	1864.72	1628.69	113.90	229.92	84.57	145.35	14.54	75.95	100.00
2012-13	1924.79	1701.67	125.02	(209.79)	66.82	(276.61)	-	* 69.40	80.00
2013-14	1977.33	1761.13	122.26	(520.90)	69.59	(590.49)	-	-	-
2014-15	2103.60	1873.02	117.85	1.88	83.90	(82.02)	-	-	-

- â Preference and Ordinary Dividend
- ++ After deterring ₹ 0.04 crores towards excen prorations depreciation over previous year.
- @ Ordinary / Interim dividend for the year
- * Includes ₹ 4.80 crores dividend paid for previous year

Peak profit till now

Straight 3 years of losses!

* Sales CAGR over 40 yrs → 15%.
Expenditure CAGR → 16%.

Consolidated Balance Sheet as at March 31, 2015

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

** Book value declines due to addition of net loss in FY15*

D/E > 2x (Highest ever Level)

** EIH's D/E < 0.1x*

→ Premium paid for acquisitions... now being written-off

} All's fine here

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

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

For and on behalf of the Board
 Cyrus P. Mistry
 Rakesh Sarna
 Anil P. Goel
 Mehernosh S. Kapadia

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

Sanjiv V. Pilgaonkar
 Partner
 Membership No. 39826

S. Ramakrishnan
 Partner
 Membership No. 18967

Deepak Parekh
 Shapoor Mistry
 Nadir Godrej
 Gautam Banerjee
 Vibha Paul Rishi
 Ireena Vittal

Directors

Mumbai, May 29, 2015

Beejal Desai

Vice President - Legal & Company Secretary

*Notes - 1. Stretched Balance sheet
 2. Goodwill write-offs*

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

	Note	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Income			
Rooms, Restaurants, Banquets and Other income from operations ↑ 3%	25	4,188.64	4,066.19
Other Income	26	98.71	59.75
Total Income		4,287.35	4,125.94
Expenditure			
Food and beverages consumed (11% of sales)		443.09	427.07
Employee benefit expenses and Payment to Contractors (35%)	27	1,462.46	1,372.19
Finance costs	28	175.57	168.51
Depreciation and amortisation expenses	14	291.29	308.13
Other operating and general expenses (43%)	29	1,794.51	1,707.36
Total Expenses ↑ 4.6%		4,166.92	3,983.26
Profit Before Tax and Exceptional Items		120.43	142.68
Exceptional Items Gain / (Loss)	30	(352.91)	(554.84)
Loss Before Tax		(232.48)	(412.16)
Tax Expense			
Current Tax		72.31	94.35
Deferred Tax		87.28	42.03
Minimum Alternate Tax Credit		(42.94)	(0.59)
Short / (Excess) Provision of Tax / Deferred Tax of earlier years (Net)		(2.05)	(24.84)
Total Tax Expenses		114.60	110.95
Loss After Tax before Minority Interest & Share of Associates		(347.08)	(523.11)
Profit attributable to Minority Interest		(30.98)	(17.49)
Share of Profit / (Loss) of Associates		(0.04)	(13.25)
Loss After Tax, Minority Interest & Share of Associates Loss! →		(378.10)	(553.85)
Earnings Per Share -			
Basic - (₹)	45	(4.68)	(6.86)
Diluted - (₹)		(4.68)	(6.86)
Face Value per Ordinary share - (₹)		1.00	1.00
Summary of significant accounting policies			
The accompanying notes form an integral part of the consolidated financial statements	1 - 46		

In terms of our report attached.

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

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

For and on behalf of the Board

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

S. Ramakrishnan
Partner
Membership No. 18967

Deepak Parekh
Shapoor Mistry
Nadir Godrej
Gautam Banerjee
Vibha Paul Rishi
Ireena Vittal

Directors

Mumbai, May 29, 2015

Beejal Desai

Vice President - Legal & Company Secretary

* FY15 Gross Margin - 55%. (EIH → 61%)
FY15 EBITDA Margin - 12%. (EIH → 20%)

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

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

* Positive FCF
[A - B]

}

* Cash flows on this page look good

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

* Problem lies here - More money borrowed than repaid

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

Footnote :

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

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

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements 1 - 46

Note 25 : Rooms, Restaurants, Banquets and Other income from Operations

	March 31, 2015	March 31, 2014
	₹ crores	₹ crores
Room Income (47%)	1,980.28	1,937.98
Food, Restaurants and Banquet Income (42%) Best performer →	1,735.97	1,660.10
Shop rentals (1%)	40.94	37.28
Membership fees (1.4%)	60.02	55.24
Management and operating fees (3%)	136.36	122.70
Others (6%)	235.07	252.89
	<u>4,188.64</u>	<u>4,066.19</u>

Break-up of Income

(% of total income in brackets)

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

Note 29 : Operating and general expenses

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

*FYI -
* What a
hotel spends
on*

Footnotes :

Payment made to Statutory Auditors:

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

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

Key Segment Details

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

	Hoteliering		Others		Total	
	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Segment Assets	6,761.67	6,800.07	250.89	256.13	7,012.56	7,056.20
Unallocated Assets					2,874.42	2,462.37
Total Assets					9,886.98	9,518.57
Segment Liabilities	908.50	834.35	70.80	128.14	979.30	962.49
Unallocated Liabilities					5,942.60	5,183.76
Total Liabilities					6,921.92	6,146.25
Depreciation and amortisation	276.21	291.40	15.08	16.73	291.29	308.13
Significant Non Cash Expenditure other than Depreciation	36.83	25.04	0.26	1.48	37.09	26.52
Capital Expenditure	307.57	336.03	11.95	6.14	319.52	342.17

The disclosures in respect of the above geographic segment are as under:

Geographic segments

	Domestic		International		Total	
	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Segment Revenue	2,911.96	2,795.66	1,276.68	1,270.53	4,188.64	4,066.19
Segment Assets	3,923.05	3,819.86	3,089.51	3,236.34	7,012.56	7,056.20
Capital Expenditure	251.60	251.54	67.92	90.63	319.52	342.17

Footnotes :

- Unallocated assets include Goodwill on consolidation, Non-Current and Current Investments, Interest receivable, Cash and Bank Balance, Deferred Tax Assets, Loans and advances, Advance Tax and other current assets which are not directly attributable to segments
- Unallocated Liabilities includes Long Term Borrowings including current maturities of Long-Term Borrowings, Deferred Tax Liabilities, Provision for Tax, Short Term Borrowings, Premium on redemption of debenture, Interest accrued but not due, Interest accrued and due and other current liabilities which are not directly attributable to segments
- Figures pertaining to subsidiaries and jointly controlled entities have been reclassified wherever necessary in order to conform to the presentation in the consolidated financial statements.

	Domestic	International
% of total revenue	70%	30%
% of total assets	56%	44%

↓
Domestic assets more productive than international ones

The Indian Hotels Company Limited

Subsidiaries -
 * 48% of IHCL's consolidated sales
 * 270% of cons. PBT
 * 73% of total assets

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)
 Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures
 Part "A" : Subsidiaries

Sr. No	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Effective shareholding (%)
			₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	
1	Piem Hotels Ltd.	INR	3.81	482.63	573.22	86.78	135.90	324.30	48.25	16.42	31.83	15.24	51.57%
2	Benares Hotels Ltd.	INR	1.30	47.91	63.33	14.12	-	48.24	14.26	5.03	9.23	2.60	51.68%
3	United Hotels Ltd.	INR	8.40	17.85	38.85	12.60	6.25	35.69	8.12	2.78	5.34	3.78	55.00%
4	Roots Corporation Ltd.	INR	85.97	209.48	404.53	109.08	-	127.74	1.15	(0.25)	1.40	-	63.25%
5	Taj SATS Air Catering Ltd.	INR	17.40	198.93	305.73	89.40	25.25	266.96	7.28	(1.85)	9.13	-	51.00%
6	TIFCO Holdings Ltd	INR	81.50	148.58	230.38	0.30	186.25	16.06	15.68	1.09	14.59	4.08	100.0%
7	Inditravel Ltd.	INR	0.72	25.57	33.68	7.39	16.29	41.25	(4.43)	0.06	(4.49)	4.32	77.19%
8	Taj Trade & Transport Co Ltd.	INR	3.47	13.49	28.20	11.24	7.29	28.20	2.29	0.20	2.09	0.87	72.73%
9	KTC Hotels Ltd.	INR	0.60	0.70	5.58	4.28	-	0.29	0.22	0.07	0.15	-	100.00%
10	Northern India Hotels Ltd.	INR	0.44	19.61	20.22	0.17	0.10	3.39	3.37	1.05	2.32	-	48.03%
11	Taj Enterprises Limited	INR	0.50	2.61	3.12	0.01	0.07	0.65	0.58	0.07	0.51	-	74.70%
Foreign													
12	IHMS, Inc.	USD	2,650.44	(1,704.82)	1,873.61	927.99	-	752.08	(174.84)	1.76	(176.60)	-	100.00%
13	St. James Court Hotel Ltd.	GBP	521.75	(19.57)	975.80	473.62	-	298.86	9.45	(2.80)	12.25	-	72.25%
14	Taj International Hotels Ltd.	GBP	-	27.42	40.80	13.38	-	83.94	10.51	2.37	8.14	4.92	100.00%
15	Taj International Hotels (H.K.) Ltd.	USD	1,432.67	(1,590.96)	1,293.87	1,452.16	580.79	37.13	(232.39)	-	(232.39)	-	100.00%
16	Samsara Properties Ltd.	USD	124.59	(1,568.13)	580.92	2,024.46	576.86	(0.25)	(290.05)	-	(290.05)	-	100.00%
17	Piem International (HK) Ltd.	USD	49.83	165.66	215.53	0.04	181.04	4.27	1.75	-	1.75	-	51.57%
18	Apex Hotel Management Services (Pte) Ltd	SGD	-	-	0.11	0.11	-	2.20	0.01	0.01	-	-	100.00%
19	Chieftain Corporation NV.	GBP	0.09	107.44	113.07	5.54	113.06	0.64	0.59	-	0.59	-	100.00%
20	IHOCO BV.	EUR	12.44	100.99	116.57	3.14	111.94	-	(0.12)	(0.02)	(0.10)	-	100.00%
21	Apex Hotel Management Services (Australia) Pty Ltd	AUD	-	(0.18)	1.06	1.24	-	1.12	(0.21)	-	(0.21)	-	100.00%
22	BAHC 5 Pre Ltd. (Refer notes (iv))	USD	-	(238.83)	267.83	506.66	-	-	(50.61)	-	(50.61)	-	100.00%
23	Premium Aircraft Leasing Corporation Ltd. (Refer note (iv))	USD	-	(0.02)	-	0.02	-	0.17	0.14	-	0.14	-	100.00%

4287 (629)

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Notes:
 i. The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2015
 ii. Names of subsidiaries which are yet to commence operations - None
 iii. Names of subsidiaries which have been sold during the year:
 a) Ideal Ice & Cold Storage Co. Ltd.
 b) Taj Rhein Shoes Co. Ltd.
 c) Residency Foods & Beverages Ltd.
 d) TIFCO Security Services Ltd.
 e) IHMS (Australia) Pty Ltd.
 iv. These subsidiaries are excluded from consolidation as it is acquired and held exclusively with a view to its subsequent disposal in the near future:
 v. Exchange rates as at 31.03.2015:
 1 USD = ₹ 62.29; 1 GBP = ₹ 92.30; 1 AUD = ₹ 47.38; 1 SGD = ₹ 45.40; 1 EUR = ₹ 66.85
 vi. Average exchange rate for the year (for Profit & Loss items):
 1 USD = ₹ 61.0442; 1 GBP = ₹ 98.4079; 1 AUD = ₹ 53.3893; 1 SGD = ₹ 47.3924; 1 EUR = ₹ 77.3938

* Big subsidiaries are bleeding → Maybe, big room for improvement under new management team. Can provide fillip to future profits & margins.

14-Year Snapshot [Consolidated]

Consolidated Financial Statistics

Year	Capital Account					Revenue Account									
	Share Capital	Reserves and Surplus	Borrowings	Gross Block	Net Block	Investments	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit/(Loss) before Tax	Tax Expenses	Profit/(Loss) after Tax @	Net Transfer to General Reserves	Earning Per Share (Basic) *	Earning Per Share (Diluted)*
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
2001-02	45.12	981.09	1436.65	1934.43	1538.47	404.47	826.97	825.41	78.85	30.99	17.67	21.80	10.60	4.83	4.83
2002-03	45.12	1023.08	1374.91	2002.40	1569.72	390.22	894.74	887.51	75.65	26.96	18.03	28.07	5.95	6.22	6.22
2003-04	45.12	1025.40	2074.97	2158.55	1646.08	432.12	1039.76	1004.41	87.83	80.51	28.34	71.99	6.07	15.47	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	22.47	22.47
2005-06	₹ 58.41	1873.78	1500.95	3160.73	2334.34	581.93	1874.73	1570.19	127.35	314.07	90.35	248.74	20.00	42.41	42.41
2006-07	€ 60.29	2036.33	2055.14	4416.09	3382.08	514.27	2601.13	2076.87	160.67	532.55	196.52	370.31	35.00	6.14	6.14
2007-08	₹ 60.29	2188.83	3466.83	4646.45	3514.37	1541.94	3012.62	2416.84	167.62	560.52	246.98	354.98	38.00	5.43	5.43
2008-09	₹ 72.34	3105.55	4646.88	5376.11	4072.03	2407.68	2756.63	2615.91	188.53	158.51	155.77	12.46	35.09	0.15	0.15
2009-10	# 72.35	2352.80	4460.69	5814.15	4373.49	1905.42	2562.53	2659.71	218.54	(33.69)	84.71	(136.88)	18.94	(1.99)	(1.99)
2010-11	& 75.95	2570.13	4243.01	6120.25	4529.51	2505.81	2932.20	2920.9	227.89	23.23	92.10	(87.26)	16.67	(1.19)	(1.19)
2011-12	¥ 75.61	2893.72	3803.28	7276.94	5216.09	1903.90	3514.90	3365.81	255.07	147.57	121.75	3.06	26.75	0.04	0.04
2012-13	\$ 80.75	2898.53	3817.64	7736.01	5382.94	1563.30	3803.52	3664.88	288.42	(291.79)	98.96	(430.24)	5.28	(5.40)	(5.40)
2013-14	₹ 80.75	2555.71	4252.01	8357.90	5634.70	1427.21	4125.94	3983.26	308.13	(412.16)	110.95	(553.85)	3.45	(6.86)	(6.86)
2014-15	₹ 80.75	2146.47	5074.48	8693.44	5820.74	1586.90	4287.35	4166.92	291.29	(232.48)	114.60	(378.10)	1.65	(4.68)	(4.68)

Bad 6 years

- ¶ Conversion of foreign currency bonds into share capital.
- € Split of Shares of face value ₹ 10 each to share of Face value ₹ 1 each
- Ω After Right issue of Shares in the Ratio of 5:1
- # Issue of Ordinary Shares, being warrants exercised pursuant to Rights issue of Ordinary shares
- & Allotment of Shares on Preferential basis to Promoters
- ¥ Reduction due to Ordinary Shares owned by entities prior to their becoming subsidiaries
- \$ Conversion of Warrants into Ordinary Shares
- @ Profit after Tax is after Eliminating Minority's Share of Profit/Loss and after Considering Share of Profit/ Loss in Associates
- * Earning Per Share is after Extraordinary Items

* Revenue CAGR (14- yrs) → 13.57.
Assets (Gross Block) CAGR → 12.5%.

NOTES

operational

1. Business and cash flows not major issues. Balance sheet & past acquisitions are.
2. Write-offs of several past investments have eaten into profits & thus cash flows, which has led to greater borrowings to sustain and grow business.
3. Current management seems busy cleaning the past mess. A good sign!
4. Business — rising tourist inflows, higher ARRs & stable occupancy — ~~are~~. Looks good.
5. Rise in economic growth can act as tail wind for growth, and benefits of operating leverage will kick in.
6. No dividends & reduction in BoD's pay are signs of good management.
7. Overcapacity, rising competition, threat of substitutes (Airbnb & other affordable options), high capital intensity, etc. are big risks to the business.
8. Overall, a difficult business to operate, and a difficult to evaluate.

Disclosure — No holdings. Please do your own homework. PLEASE!

[Date - 31-7-15]