TAJ
HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

The Indian Hotels Company Limited was incorporated on April 1, 1902 in the Republic of India as a public limited company under the Indian Companies Act of 1882.

Registered Office: Mandlik House, Mandlik Road, Mumbai 400 001
Contact Person: Beejal Desai, Vice-President - Legal and Company Secretary and Compliance Officer
Tel: +91 22 6639 5515; **Fax**: +91 22 2202 7442; **E-mail**: investorrelations@tajhotels.com; **Website**: www.tajhotels.com
Corporate Identity Number: L74999MH1902PLC000183

PROMOTER OF THE COMPANY: TATA SONS LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE INDIAN HOTELS COMPANY LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 1.00 EACH OF THE COMPANY(THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) NOT EXCEEDING ₹[1,500] CRORE ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANYIN THE RATIO OF [●] EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●], 2017 (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE SEE THE SECTION ENTITLED "TERMS OF THE ISSUE" ON PAGE [●].

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Investors are advised to refer to the section entitled "Risk Factors" on page [●] before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of the Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**"). The Company has received "in-principle" approvals from BSE and NSE for listing the Equity Shares to be allotted pursuant to the Issue through their letters dated **[●]** and **[●]**, respectively. For the purposes of the Issue, the Designated Stock Exchange is the **[●]**.

LEAD MANAGER	REGISTRAR TO THE ISSUE
citi	LINK INTIME INDIA PVT LTD
Citigroup Global Markets India Private Limited 1202, 12th Floor First International Financial Center G-Block Bandra Kurla Complex Bandra East Mumbai 400 098 Tel: +91 22 6175 9999 Fax: +91 22 6175 9961 E-mail: indian.hotels.rights@citi.com Investor grievance E-mail: investors.cgmib@citi.com Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact Person: Nishit Dedhia SEBI Registration Number: INM000010718	**Link Intime India Private Limited** C-101, 247 Park L B S Marg Vikhroli (West) Mumbai 400 083 Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: indhotels.rights2017@linkintime.co.in Investor Grievance E-Mail: indhotels.rights2017@linkintime.co.in Website: www.linkintime.co.in Contact Person: Sumeet Deshpande SEBI Registration Number: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

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SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Company Related Terms

Term	Description
Our Company/ the Company/ the Issuer	The Indian Hotels Company Limited, a public limited company incorporated under the provisions of the Indian Companies Act, 1882 and having its registered office at Mandlik House, Mandlik Road, Mumbai 400 001
"We", "Our", or "Us"	The Indian Hotels Company Limited along with its subsidiaries, jointly controlled entities or joint ventures and associate companies. For details of the subsidiaries, jointly ventures and associate companies of the Company, please see the section entitled "Financial Statements" on page [●]
Articles of Association or Articles	Articles of Association of the Company, as amended
Board of Directors or Board	Board of directors of the Company
Director(s)	Any or all the directors on the Board, as may be appointed from time to time
Equity Shares	Equity shares of face value of ₹ 1 each of the Company
Financial Statements	Annual Financial Statements and Limited Review Financial Information. For details, please see the section entitled "Financial Statements" on page [●]
Group Companies	Companies as covered under the applicable accounting standards and also their companies as considered material by the Company.
Limited Review Financial Information	Limited review standalone and consolidated financial information of the Company as at and for the three month period ended June 30, 2017.
Annual Financial Statements	Audited standalone and consolidated financial statements of the Company as at and for the year ended March 31, 2017
Memorandum of Association or Memorandum	Memorandum of Association of the Company
Promoter	The promoter of the Company being, Tata Sons Limited
Promoter Group	Promoter group of the Company as determined in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered Office	The registered office of the Company situated at Mandlik House, Mandlik Road, Mumbai 400 001
Shareholders	The shareholders of the Company
Statutory Auditors	Statutory auditors of the Company namely, B S R & Co. LLP, Chartered Accountants
Subsidiary(ies)	Subsidiaries of the Company in accordance with the Companies Act, 2013, being, TIFCO Holdings Limited, KTC Hotels Limited, United Hotels Limited, Roots Corporation Limited, Taj SATS Air Catering Limited, Piem Hotels Limited, Taj Trade & Transport Company Limited, Inditravel Limited, Northern India Hotels Limited, Skydeck Properties and Developers Private Limited, Sheena Investments Private Limited, Luthria & Lalchandani Hotel & Properties Private Limited, ELEL Hotels and Investments Limited, Taj Enterprises Limited, Benares Hotels Limited, Taj International Hotels (H.K.) Limited, Cheiftain Corporation NV, IHOCO BV, St. James Court Hotels Limited, Taj International Hotels Limited, Apex Hotel Management Services Pte. Limited, Piem International Hotels (H.K) Limited, BAHC 5 Pte Limited, and United Overseas Holding Inc.

Issue Related Terms

Term	Description
Abridged Letter of Offer/ ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Allotment/ Allot/ Allotted	Allotment of Equity Shares pursuant to the Issue
Allotment Date	Date on which the Allotment is made
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment
Applicant(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer, including an ASBA Applicant
Application Money	Aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the CAF by the Applicant for blocking the amount mentioned in the CAF
ASBA Applicant/ ASBA Investor	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who: 1. are holding the Equity Shares of the Company in dematerialized form as on the Record Date and have applied for their Rights Entitlements and/or additional Equity Shares in dematerialized form; 2. have not renounced their Rights Entitlements in full or in part; 3. are not Renouncees; and 4. are applying through blocking of funds in a bank account maintained with the SCSBs.
Bankers to the Issue/ Escrow Collection Banks	ICICI Bank Limited and Kotak Mahindra Bank Limited
Citi	Citigroup Global Markets India Private Limited
Composite Application Form/ CAF	Form used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Stock Exchange	[●]
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of the Company as on the Record Date
Equity Shareholder(s)	Holder(s) of the Equity Shares of the Company
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Investor(s)	Eligible Equity Shareholder(s) of the Company on the Record Date, i.e. [●] and the Renouncee(s)
Issue/ the Issue/ this Issue	This issue of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating up to ₹1,500 crores on a rights basis to the Eligible Equity Shareholders of the Company in the ratio of [●] Equity Shares for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date
Issue Closing Date	[●], 2017
Issue Opening Date	[●], 2017
Issue Price	₹ [●] per Equity Share
Issue Proceeds	Gross proceeds of the Issue

Term	Description
Issue Size	Amount aggregating up to ₹ 1,500 crores
Lead Manager	Citigroup Global Markets India Private Limited
Letter of Offer	This letter of offer dated September [●], 2017 filed with the Stock Exchanges
Listing Agreement	The listing agreements entered into between the Company and the Stock Exchanges in terms of the SEBI LODR Regulations
Monitoring Agency	ICICI Bank Limited
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please see the section entitled "Objects of the Issue" on page [●]
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	Investor, including any company or body corporate, other than a Retail Individual Investor and a Qualified Institutional Buyer
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Record Date	[●], 2017
Registrar to the Issue / Registrar	Link Intime India Private Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
Retail Individual Investor	Individual Investors who have applied for Equity Shares for a value of not more than ₹ 2 lakhs (including HUFs applying through their Karta) through one or more applications
Rights Entitlement	Number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date
SAF(s)	Split application form(s) which is an application form used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncee(s)
SCSB(s)	Self certified syndicate bank registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Share Certificate	Certificate in respect of the Equity Shares allotted to a folio
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed *i.e.* BSE and NSE
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such
Working Days	All days other than a Sunday or a public holiday on which commercial banks in Mumbai are open for business

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
₹ or Rs. or Rupees or INR	Indian Rupee
AGM	Annual general meeting
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CCI	Competition Commission of India
CIN	Corporate identity number
Civil Code	Code of Civil Procedure, 1908
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made

Term/Abbreviation	Description/ Full Form
	thereunder
Competition Act	Competition Act, 2002
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director identification number
DP / Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository participant identity
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999
Financial Year / Fiscal Year / FY	Period of 12 months ending March 31 of that particular year
GDP	Gross domestic product
Government	Central Government and/ or the State Government, as applicable
HUF	Hindu undivided family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
ISIN	International securities identification number
IT Act	Income Tax Act, 1961
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
LIBOR	London Inter Bank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NCDs	Non-convertible debentures
NAV	Net asset value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
Net Worth	The aggregate of the paid-up Equity Share capital, share premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE Account	Non-resident external account
NRI	Non-resident Indian, as defined in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas corporate bodies
p.a.	Per annum
PAN	Permanent account number
PAT	Profit after tax
PBT	Profit before tax
Portfolio Investment Scheme	The portfolio investment scheme as specified in Schedule 2 and foreign portfolio investment scheme as specified in Schedule 2A of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
RBI	Reserve Bank of India
RoC	Registrar of Companies, Maharashtra, located at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002

Term/Abbreviation	Description/ Full Form
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
State Government	Government of a State of India
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S./USA/United States	United States of America, including the territories or possessions thereof

Industry Related Terms

Term/Abbreviation	Description/ Full Form
ARR	Average room rate
CRM	Customer relationship management
CSR	Corporate social responsibility
DoT	Department of Tourism
F&B	Food and beverage
HRACC	Hotel Restaurant Approval and Classification Committee
ITDC	India Tourism Development Corporation
MICE	Meetings, Incentives, Conventions and Events
Occupancy Percentage	Total number of sold rooms for the period divided by the total number of rooms available for the period
RevPAR	Revenue per available room
T&T	Travel and tourism
WTTC	World Travel and Tourism Council

NOTICE TO OVERSEAS INVESTORS

The distribution of this Letter of Offer and the issue of Rights Entitlements and the Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come, are required to inform themselves about and observe such restrictions. The Company is making this Issue on a rights basis to the Eligible Equity Shareholders of the Company and will dispatch this Letter of Offer/Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to the Company.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with SEBI and the Stock Exchanges. Accordingly, this Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed in any jurisdiction outside India and the Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Letter of Offer.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

EUROPEAN ECONOMIC AREA RESTRICTIONS

This Letter of Offer has been prepared on the basis that all offers of Rights Entitlements and Equity Shares on a rights basis in the Issue will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council EC (and any amendment thereto, including Directive 2010/73/EU, to the extent implemented in each relevant European Economic Area Member State) and any relevant implementing measure in each relevant European Economic Area Member State. Accordingly, any person making or intending to make an offer within the EEA of Rights Entitlements and Equity Shares which are the subject of the offering contemplated in this Letter of Offer should only do so in circumstances in which no obligation arises for the Company or the Lead Manager to produce a prospectus for such offer. The Company and the Lead Manager have not authorized, nor do they authorize, the making of any offer of the Rights Entitlements and Equity Shares through any financial intermediary.

UNITED KINGDOM RESTRICTIONS

This Letter of Offer and any investment or investment activity to which this document relates is directed only at, available only to, and will be engaged in only with (i) persons who are outside the United Kingdom (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (iii) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iv) or persons to whom it can otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it or any of its contents.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "**UNITED STATES**" OR "**U.S.**"), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither the Company, nor any person acting on behalf of the Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who the Company, or any person acting on behalf of the Company, has reason to believe is, in the United States of America when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer. The Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to the Company. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States of America when the buy order is made, and (ii) is authorized to acquire the Rights Entitlement and the Equity Shares in compliance with all applicable laws and regulations.

The Company, in consultation with the Lead Manager, reserves the right to treat as invalid any CAF which: (i) appears to the Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the CAF headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; (iii) where a registered Indian address is not provided; or (iv) where the Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and the Company shall not be bound to issue or allot any Equity Shares in respect of any such CAF.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM THE COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'US' or 'U.K.' or the 'United Kingdom' are to the United Kingdom of Great Britain and its territories and possessions; and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Financial Data

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Financial Statements. The Company's Fiscal commences on April 1 and ends on March 31 of the following calendar year. For details of the financial statements, please see the section entitled "Financial Statements" on page [●].

The Company prepares its financial statements in accordance with IND AS, Companies Act, and other applicable statutory and/or regulatory requirements. The Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees in crores and lakhs.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither the Company nor the Lead Manager make any representation as to the accuracy of that information. Accordingly, Investors should not place undue reliance on this information.

Currency of Presentation

All references to

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India and any reference to
- 'US$', 'USD', '$' and 'U.S. dollars' are to the legal currency of the United States of America.

Please note:
- One million is equal to 1,000,000 or 10 lakhs;
- One crore is equal to 10 million or 100 lakhs; and
- One lakh is equal to 100,000.

Conversion Rates for Foreign Currency:

The conversion rate for the following foreign currency is as follows:

Sr. No.	Name of the Currency	As of June 30, 2017 (in ₹)	As of March 31, 2017 (in ₹)
1.	1 United States Dollar	64.74	64.84
2.	1 British GBP	84.26	80.88

Source: http://in.reuters.com

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding the Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by the Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Company's expectations include, among others:

- Global and domestic economic and business environment;
- Seasonality of our business;
- Our ability to compete in both domestic and overseas markets;
- Our requirements of higher capital expenditure and funding on commercially viable terms;
- Effective management of our operational systems, procedures and internal controls;
- Changes in the hotel and travel industry both in domestic and overseas markets;
- Increase in operating costs due to escalation of labour costs, utility costs, increased taxes and insurance costs;
- Our ability to attract and retain key managerial personnel and qualified employees;
- Fluctuations in foreign exchange rates; and
- Adverse social, economic or political events in India.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled "Risk Factors" and "Our Business" on pages [●] and page [●], respectively. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of the Company. Whilst the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II: RISK FACTORS

The risks described below together with other information contained in this Letter of Offer should be carefully considered before making an investment decision. The risks described below are not the only ones which are relevant to the Company, the Taj Group or investments in securities of Indian issuers. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and the section entitled "Forward Looking Statements" on page [•].

Risks specific to our Business

1. ***Any deterioration in the quality or reputation of our brands could have an adverse impact on our reputation, business, financial condition and results of operations.***

   Our brands and our reputation are among our most important assets. Our ability to attract and retain guests depends, in part, on the public recognition of our brands and their associated reputation. In addition, the success of our hotel owners' businesses and their ability to make payments to us may indirectly depend on the strength and reputation of our brands. Such dependence makes our business susceptible to risks regarding brand obsolescence and to reputational damage. If our brands are found to be lacking in consistency and quality, we may be unable to attract guests to our hotels, and further, we may be unable to attract or retain our hotel owners.

   In addition, there are many factors which can negatively affect the reputation of any of our individual brands or our overall brand. Occurrence of accidents or injuries, natural disasters, crime, individual guest notoriety, or similar events can have a substantial negative impact on our reputation, create adverse publicity and cause a loss of consumer confidence in our business. Due to the broad expanse of our business and hotel locations, events occurring in one location could have a resulting negative impact on the reputation and operations of otherwise successful individual locations. In addition, the considerable expansion in the use of social media over recent years has compounded the potential scope of the negative publicity that could be generated by such incidents. We could also face legal claims, along with adverse publicity resulting from such legal claims. If the perceived quality of our brands declines, or if our reputation is damaged, our business, financial condition and results of operations could be adversely affected.

2. ***Increased competition in the hotel sector may adversely affect our operations and there can be no assurance that the new or existing competitors and hotel aggregators will not significantly expand or improve facilities in the markets in which we operate.***

   Hotels owned and operated and managed by us, compete for guests with other hotels in a highly competitive industry. The success in hotel industry is largely dependent upon the ability of the hotel operators to compete in areas such as room rates, quality of accommodation, brand recognition, service level, convenience of location and the quality and scope of other amenities, including food and beverage facilities. Hotels compete with existing hotel facilities in their geographic markets, as well as future hotel facilities that may be developed in proximity to the existing hotels. The hotels owned and operated and managed by us are generally located in intensely competitive regions. Demographic, geographic or other changes in one or more of our markets could impact the convenience or desirability of the sites of certain hotels, which would adversely affect the operations of those hotels. Further, we may face competition from other hotel chains and aggregators which may have larger portfolios than us.

   We also face competition in overseas markets from companies or hotels that may have more experience with operations in those countries or with international operations generally. Further, our competitors may have more sophisticated distribution and sales channels or through higher expenditures on offline and online advertising and marketing placements, may be able to attract new customers or our existing customers.

Additionally, the Indian subcontinent, South East Asia and Asia Pacific with high growth rates have become the focus area of major international chains and hotel aggregators. These entrants are expected to intensify the competitive environment. Furthermore, in the past few years, certain international hotel chains and hotel aggregators have established their presence in India, mainly through management and/or marketing arrangements.

With increased international presence and strategy of growing further internationally, we face competition from hotel facilities and hotel aggregators in such geographic markets, including major international hotel chains. The major international hotel chains and hotel aggregators have some competitive advantages over us due to their global spread of operations, greater brand recognition and greater marketing and distribution networks. There can be no assurance that new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or significantly expand or improve facilities in a market in which we operate.

3. ***Some of our hotels are maintained under license/lease arrangements with third parties including governmental bodies. License or lease arrangements are subject to various risks including non-renewal of the license/lease period or amendment to terms and conditions of the license/lease by our licensors or lessors which may adversely affect our business.***

Some of our hotels including certain of our key hotels are maintained under license or lease arrangements entered with third parties. Whilst we typically have long term license or lease arrangements, there can be no assurance that our license or leasehold arrangements will be renewed upon expiry of the license or lease period. Further, there can be no assurance that these license or lease arrangements will be renewed on the same terms and conditions or the revised conditions would not be unfavourable to us. We are currently in a dispute with certain licensors or lessors, which are governmental bodies, for non-renewal of a long term license or lease and payment of arrears with respect to rent. For details in relation to these disputes, please see the section entitled "Outstanding Litigation and Defaults" on page [•]. Non-renewal of license or lease or unfavourable amendment to terms and conditions of license or lease may adversely affect our business. For instance, The Taj Mahal Hotel, which is situated in New Delhi, which contributes significantly to our revenue, was licensed from New Delhi Municipal Corporation ("**NDMC**") pursuant to an agreement which has now expired. In respect of such agreement, litigations were filed before various courts of adjudication including the Supreme Court which has permitted NDMC to conduct e-auction in respect of the property. For details, please see the section entitled "Outstanding Litigation and Defaults" on page [•]. There is no assurance that we will, pursuant to the auction, be able to renew our agreement with NDMC. Further, there can be no assurance that these license or lease arrangements will be renewed on the same terms and conditions or the revised conditions would not be unfavourable to us. Further, in terms of the lease agreement for the land parcel, we were required to construct the hotel in the Andaman & Nicobar Islands by June, 2017, which we have not been able to meet. We have made representations to the lessor, for extension of time to complete construction. There is no assurance that an extension will be granted.

4. ***Contraction of the global economy or low levels of economic growth in the domestic and overseas markets where we operate could adversely affect our revenues and profitability as well as limit or slow our future growth.***

We operate in the hotel sector which is sensitive to changes in the economic conditions. Consumer demand for our services is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels. Decreased global or regional demand for hotel services can be especially pronounced during periods of economic contraction or low levels of economic growth, and the recovery period in our industry may lag overall economic improvement. Decline in demand for our products and services due to general economic conditions could negatively impact our business by decreasing the revenues and profitability of our owned and managed properties, limiting the amount of fee revenues we are able to generate from our managed properties, and reducing overall growth of our services. In addition, many of the expenses associated with our business are relatively fixed and there can be no assurance that we will be able to meaningfully decrease these costs during a period of overall economic weakness.

There can be no assurance that such macroeconomic and other factors which are beyond our control would not significantly affect demand for products and services in the future, including demand for rooms at properties that we manage, own, lease or develop, and such factors would not adversely affect our revenues and profitability as well as limit or slow our future growth.

5. ***As a part of our long term strategy, we propose to achieve future expansion largely though operating and management contracts which may expose us to a variety of risks such as unilateral termination and non-renewal.***

We intend to achieve future expansion largely though operating and management contracts. Our success in achieving desired results from the management contracts depends on our ability to establish and maintain long term and positive relationships with third party property owners and on our ability to renew existing agreements and entering into new management agreements. Whilst the management contracts we enter into with the third party owners are typically long term arrangements, it may allow the hotel owner to terminate the agreement under certain circumstances, including termination in cases of failure to meet certain financial or performance criteria. Our ability to meet these financial and performance criteria is subject to, among other things, risks common to the overall hotel industry, which may be outside our control. Further, at any given time, we may be in disputes with one or more of our hotel owners in relation to interpretation and compliance with the performance and financial standards. Any such dispute could be very expensive for us, even if the outcome is ultimately in our favour. We cannot predict the outcome of any arbitration or litigation, the effect of any negative judgment against us or the amount of any settlement that we may enter into with any third party. An adverse result in any of these proceedings could adversely affect our results of operations.

The property owners also create charge or collateral on the hotel property under management for the purposes of purchasing or refinancing the purchase of the hotel property. If these property owners are unable to repay or refinance maturing indebtedness on favourable terms or at all, their lenders could declare a default, accelerate the related debt and repossess the property. Any such re-possessions could result in the termination of our management agreements or eliminate revenues and cash flows from such property, which could negatively affect our business and results of operations.

Furthermore, the property owners of managed hotels could depend on financing to buy, develop and improve hotels and in some cases, fund operations during down cycles. Our hotel owners' inability to obtain adequate funding could materially adversely impact the maintenance and improvement plans with respect to existing hotels, as well as result in the delay or stoppage of the development of existing pipeline.

If any of these risks materialise, it could adversely affect our business, financial condition and results of operations.

6. ***Our operations may be adversely affected if we are unable to attract and retain qualified employees.***

We operate hotel properties that strive to provide our guests with high levels of service and personal attention. We, therefore, must maintain a large, well trained service staff to be successful. This requires us to attract, train and retain employees qualified to provide the standard of service we have become known for. Due to our high standards of service and extensive training, many of our competitors may hire members of our staff. Additionally, we face challenges in recruiting suitably qualified staff for our operations. Shortage of skilled labour could adversely affect our ability to provide these services and could lead to reduced occupancy or potentially damage our reputation. If we are not able to hire and retain qualified personnel, our ability to expand our business will be impaired.

Further, our key managerial personnel have, over the years, built relations with customers and other persons who are connected with us and have assisted us in achieving the desired growth. Our performance is majorly dependent upon the services of our key managerial personnel. If our key managerial personnel are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Additionally, whilst we believe we presently share good relations with employees, our relationship with employees could deteriorate due to disputes related to, among other things, wage or benefit levels. Whilst we have not recently had any disputes with our employee unions and we believe that our labour relations are good, we cannot assure you that there will not be any employee disputes in the future. A shortage of skilled labour or stoppage caused by disagreements with employees, strikes or lock-outs could adversely affect our ability to provide these services and could lead to reduced occupancy or potentially damage our

reputation. Further, we have entered into wage settlement agreements with our employees and if we are unable to renew these wage settlement agreements or negotiate favourable terms, we could experience a material adverse effect on our operations.

7. ***A large portion of our revenue is realised from our range of hotels operating in key geographies and any adverse development affecting these hotels or the regions in which they operate, may adversely affect our business.***

During the year ended March 31, 2017, we derived 73% of our consolidated revenue from our domestic operations. We heavily depend upon revenue derived from our operations in India and we intend to continue to increase our presence and market share in India in the future. However, we may not be able to achieve the estimated growth in India due to various factors such as intense competition, decline in tourist arrivals and economic slowdown which could adversely affect our growth prospects.

We are subject to risks inherent in concentrating our operations in certain geographic locations. These risks include, among other things:

- lack of improvement or worsening of global economic conditions;
- reduction in the number of foreign tourists visiting India;
- requirement of higher capital expenditure and funding; and
- intense competition from other hotels.

Further, some of our key hotels are located in Mumbai and New Delhi and these markets and hotels are likely to continue to account for a large portion of our business in the future. Accordingly, we are subject to certain risks associated with concentration of our key hotel properties in these cities such as increase in supply of hotels and room capacity and competition which could have a material adverse effect on our business, financial condition and results of operations.

8. ***Our business is subject to seasonal and cyclical volatility, which may contribute to fluctuations in our results of operations and financial condition.***

We operate in an industry which is seasonal in nature. The periods during which our hotel properties experience higher revenues vary from property to property, depending principally upon location and the customer base served. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the complete Financial Year. The seasonality and cyclicality of our industry may contribute to fluctuations in our results of operations and financial condition.

9. ***Our reservation system is an important component of our business operations and a disruption to its functioning could have an adverse effect on our performance and results.***

We have arrangements for a global reservation system that communicates reservations to our branded hotels when made by individuals directly, either online or by telephone to our call centers, or through intermediaries such as travel agents, internet travel websites and other distribution channels. The cost, speed and efficiency of the reservation system are important aspects of our business and are an important consideration for hotel owners in choosing to affiliate with our brands. Any failure to maintain or upgrade, and any other disruption to our reservation system may adversely affect our business.

10. ***We have, and propose to continue to have, certain exposure in relation to a property in Mumbai on which the erstwhile Hotel Sea Rock stood.***

The Company has entered into a scheme of arrangement for the amalgamation of Lands End Properties Private Limited ("**LEPPL**") with the Company which was approved by the High Court of Bombay on October 13, 2016. The Company, has controlling interest as of March 31, 2017, (through its wholly-owned subsidiary, Sky Deck Properties & Developers Private Limited ("**SDPDPL**") in a property in Mumbai on which Hotel Sea Rock stood (the "**Sea Rock Property**").

The Company has applied for certain approvals for the Sea Rock Property which are still pending without which we will not be able to begin construction of the property. In the event we do not receive these

approvals in a timely manner or at all, it may have an adverse effect on the business, financial results and operations of the Company.

Further, there is an outstanding litigation in relation to approvals to be obtained for the Sea Rock Property. For details in relation to this litigation, please see the section entitled "Outstanding Litigation and Defaults" on page [•]. Any adverse outcome in this ligation may affect our interest in the Sea Rock Property.

Additionally, the Company intends to use a certain portion of the Net Proceeds for the purposes of investment in SDPDPL which is proposed to be utilised towards pre-payment or repayment, in full or part, of the term loan availed by SDPDPL. The details of the loan identified to be repaid or pre-paid using the Net Proceeds have been disclosed in the section entitled "Objects of the Issue" on page [•].

11. We have incurred and may continue to incur capital expenditure in development of hotels and if development of these hotels is not completed within the estimated time or in accordance with the planned expenditure, it may adversely affect our business, financial condition and results of operations.

Development of our hotels are subject to potential risks and uncertainties, including changes in economic conditions, delays in completion, cost overruns, shortages in materials or labour, defects in design or construction, market or site deterioration after acquisition, delays in obtaining or inability to obtain necessary permits and licenses, changes in location advantages of our existing and proposed properties, possibility of unanticipated future regulatory restrictions such as stricter environmental regulations and the diversion of management resources. For instance, we were required to construct the hotel in the Andaman & Nicobar Islands by June, 2017, which we have not been able to meet. We have made representations to the lessor, for extension of time to complete construction.

Further, the development of our hotels is normally performed by independent third party contractors. We do not have direct control over the day to day activities of such contractors and rely on such contractors to perform these services in accordance with the relevant contracts. If we fail to enter into such contracts or if the contractors fail to perform their obligations in a manner consistent with their contracts or to the standards we require, our hotels may not be completed in accordance with the standard and the timeframe envisaged or may not be completed at all, which would cause time and cost overruns. If a contractor engaged in construction of our hotel becomes insolvent, it may prove to be impossible to recover compensation for such defective work or materials and we may incur losses as a result of funding the repair of the defective work or paying damages to persons who have suffered loss as a result of such defective work.

If any of these risks materialize, it may have a material adverse effect on our business, financial condition and results of operations.

12. The Company's long term strategic investments have witnessed a decline in their fair value in the past and we cannot assure you that there will be no diminution in the value of our investments in the future.

Our total non-current investment (net of provision for impairment in value of investments) as of June 30, 2017 and March 31, 2017 was ₹2,953.86 crores and ₹2875.09 crores respectively of which as of June 30, 2017 and March 31, 2017, the investment in the subsidiaries, associate entities and joint ventures (net of provision for impairment in value of investments) was ₹ 2,487.29 crores and ₹ 2,492.49 crores, respectively, constituting 84.20% and 86.69% of the total non-current investment (net of provision for impairment in value of investments). In the past, some of our investments have witnessed a decline in their respective fair values on account of the past global recessionary conditions that have continued unabated in recent years. Accordingly, the Company has recognised a diminution in the value of its investments in the past. We cannot assure you that the value of these investments will not further decline in the future and any additional diminution in value of these investments may adversely affect our financial condition. For instance, in respect of our investment in one of our overseas Subsidiaries, the recoverable value of the underlying assets approximates the carrying cost, hence cash losses incurred in The Pierre, New York are considered as the basis of provision for impairment, as this will be funded by the Company.

13. Our existing leverage may impair our ability to obtain additional financing in future and subject us to the risk of fluctuating interest rates and our cash flows may be insufficient to meet required payments. Further, we are not in compliance with certain covenants under certain of our loan agreements, and such non-compliance if not waived, may adversely affect our business and financial condition.

We have incurred high leverage in the past. Our Company operates in a sector which is capital intensive and accordingly, there can be no assurance that we will continue to maintain our current levels of leverage. Over a period of time, we have strategically endeavoured to reduce our level of borrowings and we believe that we will be able to repay or refinance existing debt and any other indebtedness when it matures. However, our existing level of indebtedness subjects us to important consequences, including but not limited to, the following:

- requirement to dedicate a portion of our cash flow toward repayment of our existing debt (including interest payment), which will reduce the availability of our cash flow to fund working capital, capital expenditures and other general corporate requirements; and

- fluctuations in market interest rates which may adversely affect the cost of our borrowings.

Further, certain of our indebtedness has been either (i) availed in foreign currency under the external commercial borrowing route; or (ii) effectively converted into foreign currency commitments. The payment of interest and repayment of principal amount of such loans may become costlier due to prevailing exchange rate fluctuations. Additionally, some of the borrowings have floating interest rate, linked to LIBOR, which subjects us to variability and uncertainty of future interest payment.

Furthermore, some of our fixed assets, both present and future, have been charged by way of first *pari-passu* charge, in favour of lenders in connection with certain of our financing agreements. Our inability to repay our loans may result in lenders exercising their rights under these agreements.

Certain of our borrowings require us to maintain certain financial covenants and in case of any breach of these covenants and in the absence of a waiver of such breach by the concerned lender, such lender may call for immediate repayment of the entire outstanding amount of the loan or may result in an event of default under other loan agreements, which may adversely affect our financial condition and results of operation. Currently, our Company and one of our Subsidiaries are not compliant with certain financial covenants (interest cover ratio for one of the loans of the Company and net worth for one of the loans of the Subsidiary under their respective financing agreements. This constitutes an event of default in terms of the respective loan documentation and consequently, has also resulted in cross-defaults under certain other current financing arrangement which may result in acceleration and other consequences in accordance with terms of the relevant loan documentation. We have duly reported the same to the lender of one of the facilities and as of date, we have not received any adverse response from the concerned lender. This may have an adverse effect on our business, financial condition and results of operations.

14. If we are unable to obtain the requisite approvals, licenses, registrations and permits to develop and operate our hotels and other related businesses or are unable to renew them in a timely manner, our operations may be adversely affected.

We require a number of regulatory approvals, licenses, registrations and permits for operating hotels and other businesses undertaken by us. These approvals pertain to, amongst others, environmental clearances, licenses from local authorities for manufacturing and sale of eatables and for operating eating and lodging houses, land acquisition and no-objection from the Chief Fire Officer for fire safety. Whilst we have obtained a number of required approvals, certain approvals may have expired in the ordinary course of our business and we would have applied for renewal of such approvals. Additionally, we have applied and may also need to apply for additional approvals in the ordinary course of our business. For further details, please see the section entitled "Government and Other Approvals" on page [•].

Further, the approvals and licenses we have received in relation to our hotel business are subject to numerous conditions, some of which are onerous and require us to incur substantial time and expenditure. Additionally, in relation to some of our new properties, we have applied for certain licenses and approvals which are still to be received. We cannot assure you that the approvals, licenses, registrations and permits issued would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may adversely affect our business, financial condition and results of operations.

15. Our ability to exercise management control over our joint ventures and associates is often dependent upon the consent of other participants who are not under our control. Disagreements or unfavourable terms in agreements governing those joint ventures and associates could adversely affect our operations.

We have entered into several joint venture arrangements and derive significant revenue from operation of these joint venture arrangements. Our level of participation in each joint venture arrangement differs. We also have certain associates which are not controlled by us. Our ability to exercise management control over these arrangements and investments made in the joint ventures and associates may depend upon receiving the consent or co-operation of our joint venture partners or controlling shareholders of the associates, respectively. While the precise terms of the arrangements vary, our operations may be affected if disagreements develop with the joint venture partners or controlling shareholders of the associates.

Further, we typically enter into shareholders agreements for these joint venture arrangements which provide the responsibilities and obligations of the partners. It is possible that our joint venture partners may not comply with their obligation under the respective arrangements which could subject us to a variety of risks including, but not limited to:

- partners may not be able to meet their capital contribution obligations;
- partners may subject the property of the joint venture arrangement to liabilities exceeding those contemplated;
- partners may take actions that reduce our return on investment; or
- partners may take actions that harm our reputation or restrict our ability to run our business.

Additionally, investment in third party entities exposes us to certain legal and business risks relating to these entities. As minority shareholders in these entities, we do not control their decision making or operations and there can be no assurance that the business decisions of such entities will always be in our interest. We also do not control dividend decisions of these entities as decisions regarding dividend payment require majority consent. These entities are legally distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations, or to make funds available for such payments. The ability of these entities to make such payments to the Company will be subject to, among other things, availability of funds, terms of each indebtedness and applicable local laws. This may result in significant overdues from such entities. If dividend payments do not materialise in the amounts that we expect, we may not be able to recover our investment in these, which could have an adverse effect on our business, financial condition and results of operations.

16. Operation of our hotels entail certain fixed costs that we may not be able to adjust in a timely manner in response to reduction in demand and revenues and rising expenses and which could materially adversely affect our business, financial condition and results of operations.

The fixed costs associated with owning hotels, including committed maintenance costs, property taxes, leasehold payments and maintaining minimum levels of services may be significant. We may not be able to reduce these fixed costs in a timely manner in response to changes in demand for services. Further, our properties could be subject to increase in operating and other expenses due to adverse changes in terms of our hotel management contracts, increasing age of our property and increases in property and other tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance and administrative expenses, which could adversely affect our business, financial condition and results of operations.

17. Failure to keep pace with developments in technology could adversely affect our operations or competitive position.

The hotel industry demands use of sophisticated technology and systems for property management, brand assurance and compliance, procurement, reservation systems, operation of our customer loyalty programs, distribution of hotel resources to current and future customers and guest amenities. These technologies may require refinements and upgrades. The development and maintenance of these technologies may require significant investment by us. We cannot assure you that as various systems and technologies become outdated or new technology is required, we will be able to replace or introduce them as quickly as required or in a cost-effective and timely manner. We also cannot assure you that we will achieve the benefits we may have been anticipating from any new technology or system.

18. We are vulnerable to failure of our information technology systems or cyber threats, which could adversely affect our business, financial condition and results of operations.

Our information technology systems are a critical part of our business and sophisticated technology and systems are used for property management, revenue management, brand assurance and compliance, procurement, reservation systems, operation of our customer loyalty programme, distribution and guest amenities. Whilst a centralized data recovery system is maintained at different locations, damage or interruption to our information systems may require a significant investment to update or replace with alternate systems, and we may suffer interruptions in our operations as a result. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations. Any material interruptions or failures in our systems, including those that may result from our failure to adequately develop, implement and maintain a robust disaster recovery plan and backup systems could severely affect our ability to conduct normal business operations and, as a result, may have a material adverse effect on our business operations and financial performance. Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, our mobile and internet based customer applications and interfaces may be open to being hacked or compromised by third parties. If we suffer from any of such cyber threats, it could materially and adversely affect our business, financial condition and results of operations.

We may also have to make substantial additional investments in new technologies or systems to remain competitive and protect our data. The technologies or systems that we choose may not be commercially successful or the technology or system strategy employed may not be sufficiently aligned with the needs of the business or responsive to changes in business strategy. As a result, we could lose customers, fail to attract new customers or incur substantial costs or face other losses, any of which could have a material and adverse effect on our business operations and financial performance.

19. We are subject to risks associated with the domestic and international property markets.

Our operations involve participation in the hotel and serviced apartment property market. As a participant in such market, we may be unfavourably affected by factors specific to property markets, such as changes in interest rates, availability of financing sources, the general cost of land and buildings, legislation in the construction industry and hotel location requirements. Further, the cost and availability of suitable property may be affected by certain macroeconomic factors such as a change in the domestic and regional economic situation in the countries where a hotel property is located, changes in the situation of the local markets where hotels are situated, such as surplus of hotel rooms, a reduction in local demand for rooms as well as the related services or increased competition in the sector.

20. Our contingent liabilities could adversely affect our financial condition.

We have created provisions for certain contingent liabilities in our financial statements. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations. For further details in relation to our contingent liabilities, please see the sections entitled "Financial Statements – Audited Standalone Financial Statements as at and for the year ended March 31, 2017 - Note [•]" and "Financial Statements – Audited Consolidated Financial Statements as at and for the year ended March 31, 2016 - Note [•]" on pages [•] and [•], respectively.

21. There are outstanding legal proceedings against the Company, certain of its Directors and Subsidiaries which may adversely affect our business, financial condition and results of operations.

There are outstanding legal proceedings against us that are incidental to our business and operations, including certain criminal proceedings against the Company, certain of its Directors and executives and its Subsidiaries. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. Additionally, some properties on which we are developing projects are subject to litigation. For details in relation to certain material litigation, please see the section entitled "Outstanding Litigation and Defaults"

on page [●].

A summary of the outstanding legal proceedings against the Company, its Directors and executives and its Subsidiaries as disclosed in this Letter of Offer along with the amount involved, to the extent quantifiable, have been set out below:

Litigation against the Company

S. No.	Nature of Case	Number of Outstanding Cases	Amount involved (in ₹ crores)
1.	Criminal	12	Nil
2.	Civil	1	Nil
3.	Notices	48	42.54

Litigation against the Subsidiaries

S. No.	Nature of Case	Number of Outstanding Cases	Amount involved (in ₹ crores)
PIEM Hotels Limited			
1.	Criminal	1	Nil
Benaras Hotels Limited			
2.	Criminal	3	Nil
Taj SATS Air Catering Limited			
3.	Criminal	1	Nil
Roots Corporation Limited			
4.	Criminal	1	Nil
Taj Trade and Transport Company Limited			
5.	Criminal	1	0.07

22. Difficulties and uncertainties surrounding the implementation of a GST regime in India may adversely affect our business.

The Government of India ("**GoI**") has recently enacted the Central Goods and Services Tax Act, 2017 which lays down a comprehensive national goods and services tax ("**GST**") regime which has combined taxes and levies by the central and state governments into a unified rate structure. This legislation was notified and made effective from July 1, 2017. Since the GST regime has been recently implemented, the impact, if any, that implementation of the GST regime will have on our operational compliance, tax liability, overall tax efficiency, financial results and other related matters is uncertain. The uncertainty in the impact of GST may have a material adverse effect on our business, financial condition and results of operations may be materially and adversely affected.

23. New brands or services that we launch in the future may not be as successful as we anticipate, which could have a material adverse effect on our business, financial condition and results of operations.

Our brands, Vivanta by Taj, Gateway and Ginger, have been introduced in the past. We have recently launched "*Tajness*" and a mono brand approach signifying a common philosophy which exists across all hotels which the Company plans to continuously establish through monitoring of guest needs, feedback received and benchmarking best-in-class practices to enable swift and effective response. We may launch additional branded hotel products and services in the future. We cannot assure you that any new hotel brands launched by us will be accepted by the hotel owners, franchisees or customers, or that we will be able to recover costs we incurred in developing such brands, or that our new brands, products or services will be successful. If new brands, products and services are not as successful as we anticipate, it could have a material adverse effect on our business, financial condition and results of operations.

24. The Company will not distribute this Letter of Offer and CAF to overseas Shareholders who have not provided an address in India for service of documents.

The Company will dispatch this Letter of Offer and CAF (the "**Offering Materials**") to the Shareholders who have provided an address in India for service of documents. The Offering Materials will not be

distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. However, the recently notified Section 20 of the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Offering Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. Whilst the Company has requested all the Shareholders to provide an address in India for the purposes of distribution of Offering Materials, the Company cannot assure that the regulator would not adopt a different view with respect to compliance with Section 20 of the Companies Act, 2013 and may subject the Company to fines or penalties.

25. Our operations require the services of third parties on which we depend. There is no assurance in the performance of their obligations in a timely manner or at all.

We require the services of third parties for our operations. These third parties include contractors, sub-contractors, architects, engineers, suppliers of labour and materials such as linen, furniture, carpeting, food, beverages and other consumables. We have outsourced, and may in the future continue to outsource, several services required in our operations such as cleaning, technology and security services to third parties. Further, our business involves providing services to our customers. Maintaining an inventory of items such as food items or other consumables demands significant logistical effort. If our service providers fail to perform their respective obligations satisfactorily, or if there are shortages, whether caused by factors outside our control or otherwise, we may be unable to deliver our services within the intended timeframe, at the intended cost, or at all. In such circumstances, any remedial measures that we may undertake may require us to incur additional cost or time, which could result in reduced profits, which may in turn materially and adversely affect our business, reputation, financial condition, results of operations and prospects

26. The Company had losses in the past and we cannot assure you that the Company would not have losses in the future.

As of the quarter ended June 30, 2017 and the year ended March 31, 2017, on a consolidated basis, the Company had loss after tax (attributable to owners of the Company) of ₹24.96 crores and ₹63.20 crores, respectively. In this regard, it may be noted that the aforesaid loss after tax for the quarter ended June 30, 2017 was largely due to losses incurred by one of our wholly owned Subsidiaries, United Overseas Holdings Inc. and the year ended March 31, 2017 was largely due to losses incurred on sale of Taj Boston. We cannot assure you that the Company would not experience losses in the future and this may adversely affect our ability to pay dividends

27. We and our business operations are subject to significant regulation in India.

We and our business operations are subject to numerous laws and regulations in all of the locations in which we operate, including those relating to the preparation and sale of food and beverages, such as health and liquor licensing laws and environmental laws. Our hotels are also subject to laws and regulations governing relationships with employees in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Monitoring legal developments and maintaining internal standards and controls to abide by local rules and regulations can be costly for us which could adversely affect our operations.

Further, our hotels are subject to extensive government and environmental laws and regulations which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our businesses. These laws and regulations include the Environmental Protection Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. We are required to conduct an environmental assessment for most of our hotel projects before receiving regulatory approval for these projects. These environmental assessments may reveal material environmental problems, which could result in us not obtaining the required approvals. Additionally, if environmental problems are discovered during or after the development of a project, we may incur substantial liabilities relating to cleanup and other remedial measures and the value of the relevant hotels could be materially and adversely affected.

Any failure to comply with these rules and regulations could adversely affect our reputation and fines or

penalties may have an adverse effect on our financial condition and results of operations.

28. Any failure to protect our trademarks and other intellectual property could reduce the value of our brands and harm our business.

We believe that trademarks and service marks are important assets to our business. In the course of our business, we have been using trademarks, which are material to our business operations. We have filed applications or obtained registrations of approximately 300 trademark and 150 service marks for our brands under several classes of the Trade Marks Act, 1999. Some of our brands for which we have obtained or have applied for trademarks include: 'Taj', 'Tajness' 'Taj Mahal Palace & Tower Mumbai' 'Taj Lands End Mumbai', 'Souk', 'Wasabi' and 'Vivanta by Taj' 'Epicure' 'Gateway Hotel" and the image registration of the 'The Taj Mahal Palace and Tower Wing Exterior" 'Main Dome of Taj Mahal Palace" and "Taj Mahal Palace (image)".

Whilst we take necessary steps to use, control and or protect our trademarks or other intellectual property in India and other jurisdictions, we cannot assure you that the pending trademark applications will be granted or that these will always be adequate to prevent third parties from copying or using the trademarks or other intellectual property without authorization. For various reasons, we may either not seek or not obtain or not maintain registration for all or some of our trademarks in all or some of our jurisdictions. Third parties may also challenge our rights to certain trademarks or oppose our trademark applications. Defending any such proceedings may be costly, and if unsuccessful, could result in the loss of important intellectual property rights.

Our intellectual property may also be vulnerable to unauthorized copying or use in some jurisdictions outside India, where local law, or lax enforcement of law, may not provide adequate protection. If our trademarks or other intellectual property are improperly used, the value and reputation of our brands could be harmed. There are times when we may need to resort to litigation to enforce our intellectual property rights. Litigation of this nature could be costly, force us to divert our resources, lead to counterclaims or other claims against us or otherwise harm our business or reputation. In addition, we license certain of our trademarks to third parties. Failure to maintain, control and protect our trademarks and other intellectual property could adversely affect our ability to attract guests or third party owners, and could adversely impact our results.

29. Our insurance coverage may not adequately protect us against risks including operating hazards and natural disasters.

Our hotel properties are covered by insurance policies. Such insurance policies typically cover physical loss or damage to our property and equipment arising from a number of specified risks. These risks may pertain to burglary, fire, riot, strike, other material damage to property and development sites, business interruption, terrorism and public liability. Whilst we believe that we maintain reasonable insurance cover for all foreseeable contingencies and which are consistent with industry practices, the occurrence of any event that is uninsurable or not adequately insured could have a material adverse effect on our business, financial condition and results of operations.

Further, whilst we believe that our insurance coverage is adequate, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. To the extent that we suffer any consequential loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

30. We may choose to divest certain of our investments which we may not be able to achieve on commercially profitable basis and which may materially affect our business, financial condition and results of operations.

In the past, we have divested certain of our investments which were not compatible with our strategy. We may continue to evaluate sale opportunities and in the event that we are able to agree on commercially acceptable terms, we may choose to divest certain of our investments in order to realise value for such businesses as well as achieve desired growth levels. It is possible that we may not be able to identify suitable divestment opportunities, or if we do identify suitable opportunities, we may not be able to complete those transactions on terms commercially acceptable to us or at all. In certain circumstances, sale of properties or other assets may also result in lower than expected returns. Upon sale of our properties or

assets, we may become subject to contractual indemnity obligations, incur material tax liabilities or, as a result of required debt repayment, face a shortage of liquidity. Additionally, any dispositions could demand significant attention from our management that would otherwise be available for business operations, which could harm our business.

31. We are required to comply with data privacy regulations.

The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information. Compliance with these regulations may require changes in the way data is collected, monitored, shared and used, which could increase operating costs or limit the advantages from processing such data. In addition, non-compliance with data privacy regulations may result in fines, damage to reputation or restrictions on the use or transfer of information.

In addition, breaches in security could expose us, our customers or the individuals affected, to a risk of loss or misuse of this information, resulting in litigation and potential liability for us, as well as the loss of existing or potential customers and damage to our reputation. The cost and operational consequences of implementing further data protection measures could be significant and this may have a material adverse effect on our business, financial condition and results of operations.

32. Our future success depends on our ability to achieve synergies across our businesses, replicate successful models across jurisdictions and effectively manage our operational systems, procedures and internal controls.

In the past, we have acquired significant interest in hotel assets in India and various overseas markets such as the United States, the United Kingdom, South Africa and Maldives. Pursuant to these acquisitions, we have sought to identify and achieve synergies and operational efficiencies across business verticals in the various jurisdictions in which we operate. In addition, we have sought to replicate successful business models from one jurisdiction in other jurisdictions across our international network. However, there can be no assurance that we will be able to achieve the synergies that we seek and generate the expected benefits. Further, we may not be able to effectively integrate our acquired businesses into our existing operations, or we may incur higher than anticipated costs, or incur unknown liabilities that could materially and adversely affect our business, financial condition and results of operations.

33. We have, in the past, entered into related party transactions and may continue to do so in the future.

The Company has entered and continue to enter into transactions with certain of its related parties. For further details, please see the sections entitled "Financial Statements – Audited Standalone Financial Statements as at and for the year ended March 31, 2017 - Note [•]" and "Financial Statements – Audited Consolidated Financial Statements as at and for the year ended March 31, 2016 - Note [•]" on pages [•] and [•], respectively. Whilst we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.

34. Renovation work, repair and maintenance or physical damage of our hotels may disrupt our operations and revenue.

We undertake renovation of our hotel properties from time to time in order to retain their attractiveness to customers and may also require unscheduled maintenance or repairs due to wear and tear or requirements of laws or regulations. The costs of maintaining the hotel properties and the risk of unforeseen maintenance or repair requirements may increase over time for various reasons. The business and operations of our hotel properties may be disrupted for an extended period of time as a result of renovation works and it may result in a partial or full loss of income from such properties during the time of such renovation works. The required works may impose unbudgeted costs on us, to the extent not covered by insurance, and may adversely affect our business, financial condition, results of operations and prospects.

External Risks

35. We are subject to certain hotel industry related risks applicable in domestic and overseas markets.

Since our primary business is ownership and management of hotels in and outside India, we are subject to certain risks typical to the hotels which are beyond our control. Some of these risks *inter alia* include:

- increases in operating costs due to escalation of labour costs, utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs owing to acts of nature;
- inflation which could increase our costs and decrease our operating margins;
- increases in transportation and fuel costs for sustained periods and impediments to means of transportation that could adversely affect domestic and international travel;
- political instability in India and overseas markets;
- changes in interest rates and in the availability, cost and terms of financing; and
- changes in governmental laws and regulations, fiscal policies and incentives and the costs of compliance.

The hotel industry has, in the past, been affected by some of the risks stated above. If in the future, one or more of these risks materialise, our business, financial condition and results of operations would be adversely affected.

36. Benefits and incentives enjoyed by the hotel industry in India may not continue and such change could have an adverse impact on our business.

There are certain incentives and concessions granted or provided by the Government of India that are currently being enjoyed by the hotel industry. There is no guarantee that such incentives or concessions will continue or will not be withdrawn by the Government of India in the future and such change could have an adverse impact on our business.

37. Enforcement of foreign judgments against the Company or its management may not be possible or may require additional legal proceedings.

The Company is a limited liability company incorporated under the laws of India. Majority of the Directors and certain executive officers of the Company are residents of India. A substantial portion of our assets and the assets of the Directors and the executive officers of the Company, who are Indian residents, are located in India. As a result, it may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained against the Company or such parties outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against the Company or its officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to execute such a judgment or to repatriate any amount recovered.

38. Fluctuation of the Rupee against other currencies may affect our financial results and may influence the destinations visited by travellers.

We own, manage and operate hotels in various countries and accordingly, receive payments in the respective local currencies, such as U.S. Dollars, Pounds Sterling or in Euros. Changes in the value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees, and a possible fluctuation of the aforementioned currencies with respect to the Rupee may have an unfavourable impact on such results. Appreciation of the Rupee could also affect realizations in other currencies as it may not always be possible for prices (quoted in foreign currencies) to be revised upward to compensate for Rupee appreciation. In the ordinary course of business, we may cover foreign exchange risks using standard market instruments. Furthermore, the revenues of resort hotels operated by us are subject to changes in exchange rates to the extent that one of the factors that influences the choice of destination by leisure travellers is the strength of their local currency with respect to the currency of their destination, making certain destinations more attractive when this relation is favourable to the traveller.

39. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact the Company's business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact the Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of the Equity Shares.

40. Hostilities, wars and other acts of violence or manmade disasters could adversely affect the financial markets and our business.

Wars, terrorism and other acts of violence or manmade disasters may adversely affect our business and the Indian markets in which the Equity Shares trade or on which the Equity Shares are proposed to be listed. For instance, previous terrorist attacks in India have resulted in an overall reduction in the number of visitors to India since several countries issued travel advisories against travelling to India and many companies curtailed travel. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares.

In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

41. The occurrence of natural disasters could adversely affect our results of operations and financial condition.

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease could adversely affect our results of operations or financial condition. The potential impact of a natural disaster such as the H5N1 "avian flu" virus or the H1N1 "swine flu" virus on our results of operations and financial condition is highly speculative, and would depend on numerous factors. We cannot assure prospective investors that such events will not occur in the future or that our results of operations and financial condition will not be adversely affected.

Risks Related to the Equity Shares

42. The Equity Shares may experience price and volume fluctuations or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian real estate sector and changing perceptions in the market about investments in the Indian real estate sector, adverse media reports on us or the Indian real estate sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequently.

43. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced events that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have, from time to time, restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar events occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

44. Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares issued to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Further, the market price of the Equity Shares may be affected by fluctuations in the market price of the Equity Shares.

45. Any future issuance of the Equity Shares may dilute your future shareholding and sales of the Equity Shares by the Promoter or other major shareholders of the Company may adversely affect the trading price of the Equity Shares.

Any future equity issuances by the Company may lead to dilution of your future shareholding in the Company. Any future equity issuances by the Company or sales of the Equity Shares by the Promoter or other major shareholders of the Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares of the Company.

Future issuances or the disposal of Equity Shares by any of the major shareholders of the Company or the perception that such issues or sales may occur may significantly affect the trading price of the Equity Shares. Except as otherwise stated in this Letter of Offer, there is no restriction on the Company's ability to issue Equity Shares or the relevant shareholders' ability to dispose of their Equity Shares, and there can be no assurance that the Company will not issue Equity Shares or that any such shareholder will not dispose of, encumber, or pledge its Equity Shares.

46. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Capital gains arising from the sale of the Equity Shares are generally taxable in India. Any gain realised on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction. The securities transaction tax will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realised on the sale of the Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of the

Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India.

47. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you purchase in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period. Further, there is no guarantee that the Equity Shares will be listed on the NSE and the BSE in a timely manner, or at all.

PROMINENT NOTES

1. Issue of up to [•] Equity Shares each of face value of ₹ 1 each at a premium of ₹ [•] each aggregating up to ₹ 1,500.00 crores on a rights basis to the Eligible Equity Shareholders in the ratio of [•] Equity Shares for every [•] fully paid-up Equity Share(s) held by the Existing Equity Shareholders on the Record Date.

2. As on June 30, 2017, our Net Worth on a standalone basis was ₹ 2,701.81 crores, and on a consolidated basis was ₹ 3,331.43 crores, as described in the section entitled "Financial Statements" on pages [•] and [•].

3. For details of our transactions with related parties during the quarter ended June 30, 2017 and the year ended March 31, 2017, the nature of transactions and the cumulative value of transactions, please see the sections entitled "Financial Statements – Audited Standalone Financial Statements as at and for the quarter ended June 30, 2017 - Note [•]" and "Financial Statements – Audited Consolidated Financial Statements as at and for the year ended March 31, 2017 - Note [•]" on pages [•] and [•], respectively.

4. There has been no financing arrangement whereby the Promoter Group, the directors of the Promoter, the Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of submitting of this Letter of Offer with SEBI.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorised by way of a resolution passed by our Board on August 21, 2017, pursuant to section 62 of the Companies Act, 2013.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section entitled "Terms of the Issue" on page [●].

	Equity Shares
Equity Shares being offered by the Company	Up to [●] Equity Shares
Rights Entitlement	[●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
Record Date	[●], 2017
Face Value	₹1 each
Issue Price	₹[●] per Equity Share
Dividend	Such dividend as may be recommended by our Board and declared by our Shareholders
Issue Size	Up to ₹1,500 crores
Equity Shares outstanding prior to the Issue	Please see the section entitled "Capital Structure" on page [●]
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Please see the section entitled "Capital Structure" on page [●]
Security Codes for the Equity Shares	[●] (Fully paid-up Equity Shares) BSE: 500850 NSE: INDHOTEL
Terms of the Issue	For further information, please see the section entitled "Terms of the Issue" on page [●]
Use of Issue Proceeds	For further information, please see the section entitled "Objects of the Issue" on page [●]

Terms of Payment

Due Date	Equity Shares
On the Issue application (i.e. along with the CAF)	₹[●], which constitutes 100% of the Issue Price payable

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Financial Statements. Our summary financial information presented below, is in Rupees/ Rupees Crore and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the section entitled "Financial Information" on page [●].

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THE INDIAN HOTELS COMPANY LIMITED

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2017

₹ crores

Particulars	As at Mar 31, 2017	As at Mar 31, 2016
Assets		
Non-current assets		
Property, plant and equipment	**2,148.57**	2,100.91
Capital work-in-progress	**107.88**	55.23
Intangible assets	**38.12**	41.36
Intangible assets under development	**0.03**	0.35
Financial assets		
Investments	**2,875.09**	1,818.84
Loans	**37.78**	1,057.29
Other financial assets	**58.60**	56.05
Advance income tax (net)	**65.35**	47.95
Other non-current assets	**255.94**	250.16
	5,587.36	5,428.14
Current assets		
Inventories	**47.56**	45.08
Financial assets		
Investments	**53.10**	135.87
Trade receivables	**213.74**	161.83
Cash and cash equivalents	**14.07**	21.12
Other Balances with Banks	**7.63**	8.09
Loans	**1.47**	1.47
Other financial assets	**119.82**	123.26
Other current assets	**48.84**	42.36
	506.23	539.08
Total Assets	**6,093.59**	5,967.22
Equity and Liabilities		
Equity		
Equity share capital	**98.93**	98.93
Other equity	**2,516.97**	2,276.65
	2,615.90	2,375.58
Non-current liabilities		
Financial liabilities		
Borrowings	**1,494.54**	1,569.37
Other financial liabilities	**253.46**	298.36
Provisions	**48.78**	48.65
Deferred tax liabilities (net)	**288.32**	228.80
	2,085.10	2,145.18
Current Liabilities		
Financial liabilities		
Borrowings	**7.31**	7.45
Trade payables	**177.14**	172.85
Other financial liabilities	**883.13**	921.42
Provisions	**85.72**	78.14
Other current liabilities	**239.29**	266.60
	1,392.59	1,446.46
Total Equity and Liabilities	**6,093.59**	5,967.22

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THE INDIAN HOTELS COMPANY LIMITED

STANDALONE STATEMENT OF FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

₹ crores

Particulars	**Mar 31, 2017**	Mar 31, 2016
Revenue		
Revenue from Operations	**2391.25**	2267.85
Other Income	**53.86**	106.27
Total Income	**2445.11**	2374.12
Expenses		
Food and Beverages Consumed	**219.99**	209.82
Employee Benefit expenses and Payment to Contractors	**633.22**	615.01
Finance Costs	**197.86**	242.78
Depreciation and Amortisation expense	**151.29**	126.02
Other Operating and General Expenses	**1017.41**	1020.71
Total Expenses	**2219.77**	2214.34
Profit before exceptional items and tax	**225.34**	159.78
Exceptional items	**33.51**	(6.89)
Profit Before Tax	**258.85**	152.89
Tax Expense		
Current Tax	**109.24**	46.72
Deferred Tax	**7.67**	22.02
Total	**116.91**	68.74
Profit/ (Loss) after tax	**141.94**	84.15
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	**135.37**	68.90
Income tax relating to Items that will not be reclassified to profit or loss	**(2.93)**	2.50
Items that will be reclassified to profit or loss	**-**	-
Income tax relating to Items that will be reclassified to profit or loss	**-**	-
Other Comprehensive income for the period	**132.44**	71.40
Total Comprehensive Income	**274.38**	155.55
Paid-up Equity Share Capital (Face value per share - ₹ 1 each)	**98.93**	98.93
Other equity	**2516.97**	2276.65
Earnings Per Share (Face value - ₹ 1 each) Basic and Diluted (* not annualised)	**1.43**	0.85

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THE INDIAN HOTELS COMPANY LIMITED

STANDALONE SUMMARY CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores
Cash Flow From Operating Activities		
Net Cash Generated From Operating Activities (A)	**457.15**	469.35
Cash Flow From Investing Activities		
Net Cash Generated/(Used) In Investing Activities (B)	**(97.08)**	311.30
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	**(367.12)**	(1042.97)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(7.05)**	(262.32)

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THE INDIAN HOTELS COMPANY LIMITED

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2017

₹ crores

Particulars	As at Mar 31, 2017	As at Mar 31, 2016
Assets		
Non-current assets		
Property, plant and equipment	**4,618.48**	5,529.19
Capital work-in-progress	**222.25**	289.23
Goodwill	**555.56**	573.65
Intangible assets	**641.35**	658.78
Intangible assets under development	**0.42**	0.74
Financial assets		
Investments accounted for using the equity method	**607.81**	585.95
Investments	**545.10**	758.68
Loans	**15.09**	15.16
Other financial assets	**71.63**	72.67
Deferred tax assets (net)	**35.21**	18.00
Advance income tax (net)	**82.57**	65.39
Other non-current assets	**312.47**	303.46
	7,707.94	8,870.90
Current assets		
Inventories	**80.44**	80.24
Financial assets		
Investments	**90.80**	170.61
Trade receivables	**272.06**	241.98
Cash and cash equivalents	**141.31**	139.83
Other Balances with Banks	**105.75**	42.72
Loans	**49.02**	82.58
Other financial assets	**108.65**	111.36
Other current assets	**78.31**	75.16
	926.34	944.48
Total Assets	**8,634.28**	9,815.38
Equity and Liabilities		
Equity		
Equity share capital	**98.93**	98.93
Other equity	**2,418.76**	2,481.32
	2,517.69	2,580.25
Non-controlling interests	**737.82**	742.93
	3,255.51	3,323.18
Non-current liabilities		
Financial liabilities		
Borrowings	**2,789.86**	3,419.01
Other financial liabilities	**356.83**	329.29
Provisions	**75.56**	71.81
Deferred tax liabilities (net)	**317.25**	256.22
	3,539.50	4,076.33
Current Liabilities		
Financial liabilities		
Borrowings	**18.16**	93.59
Trade payables	**293.06**	287.28
Other financial liabilities	**1,065.46**	1,536.59
Provisions	**135.21**	129.40
Current income tax liabilities (net)	**0.25**	0.10
Other current liabilities	**327.13**	368.91
	1,839.27	2,415.87
Total Equity and Liabilities	**8,634.28**	9,815.38

HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

₹ crores

Particulars	Mar 31, 2017	Mar 31, 2016
Revenue		
Revenue from Operations	**4010.26**	4023.02
Other Income	**54.94**	99.76
Total Income	**4065.20**	4122.78
Expenses		
Food and Beverages Consumed	**363.95**	366.93
Employee Benefit expenses and Payment to Contractors	**1364.65**	1423.26
Finance Costs	**323.83**	375.59
Depreciation and Amortisation expense	**299.37**	284.82
Other Operating and General Expenses	**1672.04**	1680.67
Total Expenses	**4023.84**	4131.27
Profit before exceptional items and tax	**41.36**	(8.49)
Exceptional items	**(10.78)**	(82.68)
Profit Before Tax	**30.58**	(91.17)
Tax Expense		
Current Tax	**125.76**	77.65
Deferred Tax	**(12.02)**	12.98
Total	**113.74**	90.63
Profit/ (Loss) after tax before share of associates and joint ventures	**(83.16)**	(181.80)
Add : Share of Profit/(loss) of associates and joint ventures	**37.56**	(21.41)
Profit/ (Loss) for the period	**(45.60)**	(203.21)
Profit/(loss) for the period attributable to:		
Owners of the company	**(63.20)**	(231.08)
Non-controlling interest	**17.60**	27.87
	(45.60)	(203.21)
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	**150.74**	(72.19)
Income tax relating to Items that will not be reclassified to profit or loss	**(0.44)**	2.23
Items that will be reclassified to profit or loss	**(126.59)**	115.87
Income tax relating to Items that will be reclassified to profit or loss	**-**	-
Other Comprehensive income for the period	**23.71**	45.91
Total Comprehensive Income	**(21.89)**	(157.30)
Total comprehensive Income for the period attributable to:		
Owners of the company	**(28.50)**	(185.54)
Non-controlling interest	**6.61**	28.24
	(21.89)	(157.30)
Paid-up Equity Share Capital (Face value per share - ₹ 1 each)	**98.93**	98.93
Other equity (including Non-controlling interest)	**3156.58**	3224.25
Earnings Per Share (Face value - ₹ 1 each) Basic and Diluted (* not annualised)	**(0.64)**	(2.34)

HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

CONSOLIDATED SUMMARY CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores
Cash Flow From Operating Activities		
Net Cash Generated From Operating Activities (A)	**534.51**	618.75
Cash Flow From Investing Activities		
Net Cash Generated/(Used) In Investing Activities (B)	**854.98**	338.10
Cash Flow From Financing Activities		
Net Cash Generated/ (Used) In Financing Activities (C)	**(1381.36)**	(1196.46)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**8.13**	(239.61)

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HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2017

₹ crores

Particulars	As at Jun 30, 2017	As at Mar 31, 2017
Assets		
Non-current assets		
Property, plant and equipment	**2,170.94**	2,148.57
Capital work-in-progress	**125.48**	107.88
Intangible assets	**36.09**	38.12
Intangible assets under development	**0.82**	0.03
Financial assets		
Investments	**2,953.86**	2,875.09
Loans	**5.35**	37.78
Other financial assets	**59.92**	58.60
Advance income tax (net)	**84.51**	65.35
Other non-current assets	**249.94**	255.94
	5,686.91	5,587.36
Current assets		
Inventories	**60.24**	47.56
Financial assets		
Investments	**-**	53.10
Trade receivables	**205.86**	213.74
Cash and cash equivalents	**10.46**	14.07
Other Balances with Banks	**7.64**	7.63
Loans	**1.47**	1.47
Other financial assets	**133.65**	119.82
Other current assets	**61.12**	48.84
	480.44	506.23
Total Assets	**6,167.35**	6,093.59
Equity and Liabilities		
Equity		
Equity share capital	**98.93**	98.93
Other equity	**2,602.88**	2,516.97
	2,701.81	2,615.90
Non-current liabilities		
Financial liabilities		
Borrowings	**1,703.56**	1,494.54
Other financial liabilities	**237.04**	253.46
Provisions	**55.01**	48.78
Deferred tax liabilities (net)	**291.36**	288.32
	2,286.97	2,085.10
Current Liabilities		
Financial liabilities		
Borrowings	**62.82**	7.31
Trade payables	**177.60**	177.14
Other financial liabilities	**601.76**	883.13
Provisions	**87.79**	85.72
Other current liabilities	**248.60**	239.29
	1,178.57	1,392.59
Total Equity and Liabilities	**6,167.35**	6,093.59

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THE INDIAN HOTELS COMPANY LIMITED

STANDALONE STATEMENT OF FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2017

₹ crores

Particulars	Jun 30, 2017	Jun 30, 2016
Revenue		
Revenue from Operations	**523.85**	474.47
Other Income	**6.73**	16.77
Total Income	**530.58**	491.24
Expenses		
Food and Beverages Consumed	**50.09**	45.99
Employee Benefit expenses and Payment to Contractors	**161.47**	148.80
Finance Costs	**43.06**	47.26
Depreciation and Amortisation expense	**36.52**	34.13
Other Operating and General Expenses	**236.62**	226.62
Total Expenses	**527.76**	502.80
Profit/ (Loss) before exceptional items and tax	**2.82**	(11.56)
Exceptional items	**10.79**	(2.15)
Profit/ (Loss) Before Tax	**13.61**	(13.71)
Tax Expense		
Current Tax	**1.48**	4.57
Deferred Tax	**5.27**	(9.28)
Total	**6.75**	(4.71)
Profit/ (Loss) for the period	**6.86**	(9.00)
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Change in fair value of equity instruments	**83.98**	0.03
Remeasurement of defined benefit obligation	**(7.16)**	4.77
Income tax expense/ (credit)	**(2.23)**	1.70
Items that will be reclassified subsequently to profit and loss	**-**	-
Other Comprehensive income for the period	**79.05**	3.10
Total Comprehensive Income	**85.91**	(5.90)
Paid-up Equity Share Capital (Face value per share - ₹ 1 each)	**98.93**	98.93
Earnings Per Share (Face value - ₹ 1 each) Basic and Diluted (* not annualised)	*** 0.07**	*(0.09)

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HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2017

₹ crores

Particulars	As at Jun 30, 2017	As at Mar 31, 2017
Assets		
Non-current assets		
Property, plant and equipment	**4,692.02**	4,618.48
Capital work-in-progress	**215.43**	222.25
Goodwill	**556.76**	555.56
Intangible assets	**635.47**	641.35
Intangible assets under development	**1.21**	0.42
Investments in associates and joint ventures	**608.54**	607.81
Financial assets		
Investments	**640.26**	545.10
Loans	**15.04**	15.09
Other financial assets	**73.41**	71.63
Deferred tax assets (net)	**36.44**	35.21
Advance income tax (net)	**102.90**	82.57
Other non-current assets	**307.97**	312.47
	7,885.45	7,707.94
Current assets		
Inventories	**87.44**	80.44
Financial assets		
Investments	**45.37**	90.80
Trade receivables	**277.62**	272.06
Cash and cash equivalents	**116.64**	141.31
Other Balances with Banks	**109.89**	105.75
Loans	**9.19**	49.02
Other financial assets	**117.07**	108.65
Other current assets	**101.87**	78.31
	865.09	926.34
Total Assets	**8,750.54**	8,634.28
Equity and Liabilities		
Equity		
Equity share capital	**98.93**	98.93
Other equity	**2,488.14**	2,418.76
Equity attributable to the owners of the company	**2,587.07**	2,517.69
Non-controlling interests	**744.36**	737.82
Total equity	**3,331.43**	3,255.51
Non-current liabilities		
Financial liabilities		
Borrowings	**3,007.71**	2,789.86
Other financial liabilities	**358.66**	356.83
Provisions	**82.40**	75.56
Deferred tax liabilities (net)	**316.92**	317.25
Other non-current liabilities	**-**	-
	3,765.69	3,539.50
Current Liabilities		
Financial liabilities		
Borrowings	**95.68**	18.16
Trade payables	**297.52**	293.06
Other financial liabilities	**789.57**	1,065.46
Provisions	**137.24**	135.21
Current income tax liabilities (net)	**0.28**	0.25
Other current liabilities	**333.13**	327.13
	1,653.42	1,839.27
Total Equity and Liabilities	**8,750.54**	8,634.28

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HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2017

₹ crores

Particulars	Jun 30, 2017	Jun 30, 2016
Revenue		
Revenue from Operations	**907.30**	946.63
Other Income	**8.80**	13.35
Total Income	**916.10**	959.98
Expenses		
Food and Beverages Consumed	**83.87**	85.74
Employee Benefit expenses and Payment to Contractors	**339.59**	363.04
Finance Costs	**69.51**	89.57
Depreciation and Amortisation expense	**71.38**	73.71
Other Operating and General Expenses	**393.25**	403.62
Total Expenses	**957.60**	1015.68
Loss before exceptional items, tax and share of profit/(loss) of associates and joint ventures	**(41.50)**	(55.70)
Exceptional items	**15.66**	(112.71)
Loss Before Tax	**(25.84)**	(168.41)
Tax Expense		
Current Tax	**2.14**	7.00
Deferred Tax	**1.73**	(8.84)
Total	**3.87**	(1.84)
Loss after tax before share of profit/(loss) of associates and joint ventures	**(29.71)**	(166.57)
Add : Share of profit/(loss) of associates and joint ventures	**1.27**	(1.46)
Loss for the period	**(28.44)**	(168.03)
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Change in fair value of equity instruments	**95.16**	16.28
Remeasurement of defined benefit obligation	**(7.03)**	4.99
Share of other comprehensive income of associates and joint ventures	**(0.03)**	(0.01)
Income tax expense/(credit)	**(2.18)**	1.69
Items that will not be reclassified subsequently to profit or loss	**90.28**	19.57
Items that will be reclassified subsequently to profit and loss		
Currency translation difference (net)	**15.79**	(6.22)
Share of other comprehensive income of associates and joint ventures	**(1.70)**	1.53
Income tax expense/(credit)	**-**	-
Items that will be reclassified subsequently to profit or loss	**14.09**	(4.69)
Other Comprehensive income for the period	**104.37**	14.88
Total Comprehensive Income for the period	**75.93**	(153.15)
Profit/(Loss) for the period attributable to:		
Owners of the company	**(24.96)**	(169.45)
Non-controlling interest	**(3.48)**	1.42
	(28.44)	(168.03)
Total comprehensive Income for the period attributable to:		
Owners of the company	**69.39**	(154.00)
Non-controlling interest	**6.54**	0.85
	75.93	(153.15)
Paid-up Equity Share Capital (Face value per share - ₹ 1 each)	**98.93**	98.93
Earnings Per Share (Face value - ₹ 1 each)		
Basic and Diluted (* not annualised)	***(0.25)**	*(1.71)

GENERAL INFORMATION

The Company was incorporated on April 1, 1902 as a public limited company under the Indian Companies Act, 1882.

Registered Office of the Company

Indian Hotels Company Limited
Mandlik House
Mandlik Road
Mumbai 400 001
Tel: +91 22 6639 5515
Fax: +91 22 2202 7442
Website: www.tajhotels.com
Corporate Identity Number: L74999MH1902PLC000183
E-mail: investorrelations@tajhotels.com

Corporate Office of the Company
9th Floor, Express Towers
Barrister Rajani Patel Marg
Nariman Point
Mumbai 400 021

Address of the RoC

The Company is registered with the RoC, which is situated at the following address:

Registrar of Companies
Everest, 5th Floor
100, Marine Drive
Mumbai 400 002

Company Secretary and Compliance Officer

Beejal Desai is the company secretary and compliance officer of the Company. His details are as follows:

Beejal Desai
Vice President – Legal and Company Secretary
Indian Hotels Company Limited
Mandlik House
Mandlik Road
Mumbai 400 001
Tel: +91 22 6639 5515
Fax: +91 22 2202 7442
E-mail: investorrelations@tajhotels.com

Lead Manager to the Issue

Citigroup Global Markets India Private Limited
1202, 12th Floor, First International Financial Center
G-Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 098
Tel: +91 22 6175 9999
Fax: +91 22 6175 9961
E-mail: indian.hotels.rights@citi.com
Investor grievance e-mail: investors.cgmib@citi.com
Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact person: Nishit Dedhia
SEBI registration number: INM000010718

Legal Advisor to the Company as to Indian law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Tel: +91 22 2496 4455
Fax: +91 22 2496 3666

Legal Advisor to the Lead Manager as to Indian law

AZB & Partners
AZB House
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Tel: +91 22 6639 6880
Fax: +91 22 6639 6888

Statutory Auditors of the Company

B S R & Co. LLP, Chartered Accountants
Lodha Excelus
5th Floor Apollo Mills Compound
N.M. Joshi Marg
Mahalaxmi
Mumbai 400 011
Tel: +91 22 4345 5300
Fax: +91 22 4345 5399
Firm Registration Number: 101248W/W-100022

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park
L B S Marg
Vikhroli (West)
Mumbai 400 083
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: indhotels.rights2017@linkintime.co.in
Investor Grievance E-Mail: indhotels.rights2017@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

Investors may contact the Registrar or the Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSB, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors. For details on the ASBA process, please see the section entitled "Terms of the Issue" on page [•].

Experts

The Company has received consent from its Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants

through its letter dated [●], 2017 to include its name as required under Section 26(1)(v) of the Companies Act, 2013 in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the limited review report in respect of the three month period ended June 30, 2017, of the Statutory Auditors dated [●], 2017, consent from its erstwhile statutory auditors, Deloitte Haskins & Sells LLP, Chartered Accountants through its letter dated [●], 2017 to include its name as required under Section 26(1)(v) of the Companies Act, 2013 in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the audit report in respect of the financial statements for the year ended March 31, 2017 dated [●], 2017 and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term "expert" shall not be construed to mean an "Expert" as defined under the U.S. Securities Act, 1933.

Bankers to the Issue and Escrow Collection Banks

ICICI Bank Limited
ICICI Bank Limited – Capital Markets Group
1st Floor, 122, Mistry Bhavan
Dinshaw Wachha Road
Churchgate
Mumbai
Tel: +91 22 6681 8964/932/931/907
Fax: +91 22 2261 1138
Contact person: Upendra Tripathi
E-mail: upendra.tripathi@icicibank.com
Website: www.icicibank.com

Kotak Mahindra Bank Limited
Kotak Infiniti
6th Floor, Building No. 21
Infinity Park, Off Western Express Highway
General A.K. Vaidya Marg
Malad (East)
Mumbai 400 097
Tel: +91 22 6605 6588
Fax: +91 22 6713 2416
Contact person: Prashant Sawant
E-mail: cmsipo@kotak.com
Website: www.kotak.com

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

Issue Opening Date	:	[●], 2017
Last date for receiving requests for SAFs	:	[●], 2017
Issue Closing Date	:	[●], 2017
Date of Allotment (on or about)	:	[●], 2017
Date of credit (on or about)	:	[●], 2017
Date of listing (on or about)	:	[●], 2017

Statement of responsibilities

Citi is the sole Lead Manager to the Issue. The following table sets forth the responsibilities of the Lead Manager for various activities:

Sr. No.	Activity
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.
2.	Drafting, design and distribution of this Letter of Offer, Abridged Letter of Offer, CAF, etc. and memorandum containing salient features of this Letter of Offer. The Lead Manager shall ensure compliance with the SEBI ICDR Regulations, SEBI LODR Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.
3.	Selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, advertisement agencies, and Monitoring Agency
4.	Assist drafting and approval of all publicity material including statutory advertisement, corporate advertisement, brochure, corporate films, etc.
5.	Formulating marketing strategy which will cover, inter alia, distribution of publicity and Issue

	materials including application form, brochure and this Letter of Offer
6.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and the SCSBs to get quick estimates of collection and advising the Company about the closure of the Issue, based on correct figures, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs, etc., and underwriting arrangement, if any

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

The Company has appointed ICICI Bank Limited as the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 16 of the SEBI ICDR Regulations.

ICICI Bank Limited
ICICI Bank Limited – Capital Markets Group
1st Floor, 122, Mistry Bhavan
Dinshaw Wachha Road
Churchgate
Mumbai
Tel: +91 22 6681 8964/932/931/907
Fax: +91 22 2261 1138
Contact person: Upendra Tripathi
E-mail: upendra.tripathi@icicibank.com
Website: www.icicibank.com

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue and the sum payable on application is not received within a period of 30 days from the date of this Letter of Offer, the Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount within 15 days after the Issue Closing Date, the Directors who are "officers in default" shall jointly and severally refund that money along with interest at the rate of 15% per annum.

Underwriting

This Issue is not underwritten.

Principal Terms of Loans and Assets charged as security

For details in relation to the principal terms of loans and assets charged as security in relation to the Company, please see the section entitled "Financial Statements" on page [●].

CAPITAL STRUCTURE

The equity share capital of the Company as at the date of this Letter of Offer is as set forth below:

(In ₹ crores, except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	2,00,00,00,000 Equity Shares of ₹ 1 each*	200.00	NA
B	**ISSUED CAPITAL BEFORE THE ISSUE**		
	98,93,07,472 Equity Shares of ₹ 1 each	98.93	NA
C	**SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE*** **		
	98,92,74,015 Equity Shares of ₹ 1 each	98.93	
C	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**		
	Up to [●] Equity Shares	Up to 1,500	Up to [●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of ₹ 1 each	[●]	[●]
SECURITIES PREMIUM ACCOUNT		*(in ₹ crores)*	
Before the Issue		1,230.65 (on a standalone basis as of June 30, 2017)	
After the Issue		[●] (approximately)* *	

**The Board of Directors, pursuant to its resolution dated March 27, 2014 and the shareholders of the Company, pursuant to their resolution dated May 23, 2014 by way of postal ballot have approved re-classification of the authorised share capital of the Company from 1,000,000,000 Equity Shares of ₹ 1 each and 10,000,000 Cumulative Redeemable Preference Shares of ₹ 100 each into 2,000,000,000 Equity Shares of ₹ 1 each aggregating to ₹ 2,000,000,000.*

***Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue expenses.*

****Please note that 33,457 Equity Shares have been issued, however, they have not been subscribed and have been kept in abeyance by the Company pending resolution of legal disputes.*

The present Issue has been authorized by the Board of Directors, pursuant to its resolution dated August 21, 2017.

Notes to the Capital Structure

1. **Shareholding Pattern of the Company as per the last filing with the Stock Exchanges**

(i) The shareholding pattern of the Company as on June 30, 2017, is as follows:

Category Code	Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	Total no. of Equity Shares held	Shareholding % calculated as per SCRR, 1957, as a % of (A+B+C2)	Number of Equity Shares held in dematerialized form (Not Applicable)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	Promoter and Promoter Group	12	38,24,00,080	38,24,00,080	38.65	38,24,00,080
(B)	Public	1,29,708	60,68,73,935	60,68,73,935	61.35	59,15,76,056
(C1)	Shares underlying DRs				0.00	
(C2)	Shares held by Employee Trust				0.00	
(C)	Non Promoter-Non Public				0.00	
	GRAND TOTAL (A+B+C) :	**1,29,720**	**98,92,74,015**	**98,92,74,015**	**100.00**	**97,39,76,136**

(ii) Statement showing holding securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group" as at June 30, 2017:

Sr. No	Name of the Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	Total no. of Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of Equity Shares in dematerialized form
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
1	TATA Sons Limited	1	27,70,63,351	27,70,63,351	28.01	27,70,63,351
2	Sir Dorabji Tata Trust	1	5,02,21,040	5,02,21,040	5.08	5,02,21,040
3	Lady Tata Memorial Trust	1	1,77,28,200	1,77,28,200	1.79	1,77,28,200
4	Sir Ratan Tata Trust	1	1,10,23,220	1,10,23,220	1.11	1,10,23,220
5	Tata Chemicals Limited	1	89,07,790	89,07,790	0.90	89,07,790
6	Tata Investment Corporation Limited	1	1,33,92,950	1,33,92,950	1.35	1,33,92,950
7	Ewart Investments Limited	1	17,73,088	17,73,088	0.18	17,73,088
8	Taj Madurai Limited	1	9,37,828	9,37,828	0.09	9,37,828
9	Oriental Hotels Limited	1	6,26,999	6,26,999	0.06	6,26,999
10	Tata Industries Limited	1	5,54,399	5,54,399	0.06	5,54,399
11	Taida Trading and Industries Limited	1	1,56,515	1,56,515	0.02	1,56,515
12	Tata Capital Ltd	1	14,700	14,700	0.00	14,700
	TOTAL :	**12**	**38,24,00,080**	**38,24,00,080**	**38.65**	**38,24,00,080**

(iii) Statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of Equity Shares as on June 30, 2017:

Category Code	Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957, as a % of (A+B+C2)	No. of Voting Rights	Total as % of Total Voting right	Number of Equity Shares held in dematerialized form (Not Applicable)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(B)	**Public Shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds /UTI	63	12,69,79,427	12,69,79,427	12.84	12,69,79,427	12.84	12,68,21,764
	Reliance Capital Trustee Co. Ltd. A/C Reliance Equity Opportunities Fund and A/C Reliance Tax Saver (ELSS) Fund	1	5,04,54,758	5,04,54,758	5.10	5,04,54,758	5.10	5,04,54,758
	HDFC Trustee Company Limited- A/C HDFC Mid- Cap opportunities Fund	1	2,00,28,500	2,00,28,500	2.02	2,00,28,500	2.02	2,00,28,500
(b)	Financial Institutions /Banks	29	8,99,06,357	8,99,06,357	9.09	8,99,06,357	9.09	8,98,90,857
	Life Insurance Corporation of India	1	8,61,10,585	8,61,10,585	8.70	8,61,10,585	8.70	8,61,10,585
(c)	Insurance Companies	4	3,29,51,142	3,29,51,142	3.33	3,29,51,142	3.33	3,29,51,142
	General Insurance Corporation of India	1	1,59,32,805	1,59,32,805	1.61	1,59,32,805	1.61	1,59,32,805
	The New India Assurance Company Limited	1	1,39,01,555	1,39,01,555	1.41	1,39,01,555	1.41	1,39,01,555
(d)	Any Other (specify)	144	15,42,59,011	15,42,59,011	15.59	15,42,59,011	15.59	15,42,39,291
	Franklin Templeton Investment Funds	1	3,42,00,814	3,42,00,814	3.46	3,42,00,814	3.46	3,42,00,814
	Government Pension Fund Global	1	3,10,31,548	3,10,31,548	3.14	3,10,31,548	3.14	3,10,31,548
	Sub-Total B(1) :	**240**	**40,40,95,937**	**40,40,95,937**	**40.85**	**40,40,95,937**	**40.85**	**40,39,03,054**
(2)	**Central Government/State Government(s)/President of India**							
(a)	Central Government/State	1	1,750	1,750	0.00	1,750	0.00	1,750

Category Code	Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957, as a % of (A+B+C2)	No. of Voting Rights	Total as % of Total Voting right	Number of Equity Shares held in dematerialized form (Not Applicable)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
	Government(s)/President of India							
	Sub-Total B(2)	1	1,750	1,750	0.00	1,750	0.00	1,750
(3)	**Non-Institutions**	0	0	0				
(a)	Individuals holding share capital upto ₹2 lakh	1,22,628	11,79,64,746	11,79,64,746	11.92	11,79,64,746	11.92	10,32,98,393
	Individuals holding share capital in excess of ₹2 lakh	23	1,16,08,691	1,16,08,691	1.17	1,16,08,691	1.17	1,13,15,491
(c)	Any Other (specify)	6816	7,32,02,811	7,32,02,811	7.40	7,32,02,811	7.40	7,30,57,422
	Trusts	24	27,54,336	27,54,336	0.28	27,54,336	0.28	27,54,336
	Directors & their Relatives	4	66,181	66,181	0.01	66,181	0.01	66,181
	Foreign Individuals	3	13,770	13,770	0.00	13,770	0.00	13,770
	NRI	2,128	44,69,874	44,69,874	0.45	44,69,874	0.45	44,17,335
	Clearing members	118	1,81,193	1,81,193	0.02	1,81,193	0.02	1,81,193
	HUF	2,840	25,25,307	25,25,307	0.26	25,25,307	0.26	25,25,307
	Bodies Corporate	1,699	6,31,92,150	6,31,92,150	6.39	6,31,92,150	6.39	6,30,99,300
	ICICI Prudential Life Insurance Company Limited	1	2,35,80,631	2,35,80,631	2.38	2,35,80,631	2.38	2,35,80,631
	Sub-Total B(3) :	**1,29,467**	**20,27,76,248**	**20,27,76,248**	**20.50**	**20,27,76,248**	**20.50**	**18,76,71,252**
	Total Public Shareholding (B)=B(1)+B(2)+B(3) :	**1,29,708**	**60,68,73,935**	**60,68,73,935**	**61.35**	**60,68,73,935**	**61.35**	**59,15,76,056**

2. No Equity Shares have been acquired by the Promoter or members of the Promoter Group in the year immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges and submission to SEBI.

3. As on date of this Letter of Offer, none of the Equity Shares held by any of the Shareholders of the Company are locked in.

4. **Subscription to the Issue by the Promoter and the Promoter Group**

Our Promoter, Tata Sons Limited, intends to subscribe, on its own account, to the full extent of their rights entitlement in the Issue in accordance with Regulation 10(4)(a) of the Takeover Regulations. In addition, our Promoter intends to subscribe, on its own account, to (i) the full extent of any rights entitlement that may be renounced in its favour by any of the members of the Promoter Group including by Sir Dorabji Tata Trust, Lady Tata Memorial Trust and Sir Ratan Tata Trust (the "**Trusts**"); and (ii) any unsubscribed portion in the Issue to ensure subscription to the extent of 100% of the total Issue, in accordance with Regulation 10(4)(b) of the Takeover Regulations.

The Trusts, which are members of the Promoter Group, have undertaken to renounce their rights entitlement to the Promoter since subscription to rights entitlement in the Issue would not be covered under the category of eligible investments under the provisions of the Bombay Public Trusts Act, 1950, as amended.

The members of the Promoter Group (other than the Trusts), subject to approval of their respective Board of Directors or a committee thereof, may subscribe, on their own account, to the full extent of their rights entitlement in the Issue or renounce, any or all, of their rights entitlement in favour of our Promoter.

The Company is in compliance, and shall remain in compliance, with the minimum public shareholding requirements as prescribed under the SEBI LODR Regulations after the Issue.

5. Neither the Promoter nor the members of the Promoter Group hold any Equity Shares as of the date of this Letter of Offer and no Equity Shares have been locked-in, pledged or encumbered.

6. The Issue being a rights issue, as per Regulation 34(c) of the SEBI Regulations, the requirements of promoters' contribution and lock-in are not applicable.

7. The Company does not have any employee stock option scheme or employee stock purchase scheme.

8. The Company has not undertaken any public issue in the three years immediately preceding the date of this Letter of Offer.

9. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Letter of Offer.

10. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Letter of Offer with the Stock Exchanges within a period of six months from the Issue Opening Date.

11. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the Takeover Regulations is ₹ [●].

12. If the Company does not receive the minimum subscription of 90% in this Issue or the subscription level falls below 90%, after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, the Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after the Company becomes liable to pay the subscription amount (i.e., 15 days after the Issue Closing Date), the Company will pay interest for the delayed period, as prescribed under Section 39 of the Companies Act, 2013.

13. At any given time, there shall be only one denomination of the Equity Shares of the Company.

Except as disclosed in this Letter of Offer, All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "Terms of the Issue" on page [●].

OBJECTS OF THE ISSUE

The Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Repayment or pre-payment of certain borrowings availed by the Company;

2. Investment in our Subsidiary, Sky Deck Properties & Developers Private Limited ("**Sky Deck**"), for repayment or pre-payment of certain borrowings availed by our Subsidiary; and

3. Expenses to be incurred towards general corporate purposes.

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable the Company to undertake its existing activities and the activities for which the funds are being raised by the Company through this Issue.

The details of the Net Proceeds are summarized in the table below:

(In ₹crore)

Particulars	Amount
Gross Proceeds	1,500.00
Less: Estimated Issue related expenses	[●](1)
Net Proceeds	[●]

(1) *To be determined upon finalisation of the Issue Price and updated prior to filing this Letter of Offer with the Stock Exchanges and submission with SEBI.*

Means of Finance, Utilisation of Proceeds and Schedule of Implementation or Deployment of Net Proceeds

The funding requirements mentioned above are based on the internal management estimates of the Company and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and the Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the funding requirements of the Company and deployment schedules are subject to revision in the future at the discretion of the management. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, the Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws.

The Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, the Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

The following table provides the schedule of utilisation of the Net Proceeds:

(in ₹crores)

Sr. No.	Particulars	Amount to be utilised in Fiscal 2018	Amount to be utilised in Fiscal 2019
1.	Repayment or pre-payment of certain borrowings availed by the Company	789.00	-
2.	Investment in our Subsidiary, Sky Deck, for repayment or pre-payment of certain borrowings availed by our Subsidiary	484.00	-
3.	Expenses towards general corporate purposes	[●]*	[●]

**To be finalised prior to filing of this Letter of Offer*

In the event that the Net Proceeds are not completely utilized for the purposes stated above by Fiscal 2019, the same would be utilized in subsequent Fiscals for achieving the objects of the Issue.

Details of the activities to be financed from the Net Proceeds

1. Repayment or pre-payment of certain borrowings availed by the Company

The Company has entered into various financing arrangements with banks, financial institutions, and other entities. The borrowing arrangements entered into by the Company comprise external commercial borrowings, term loans and commercial papers. As of August 31, 2017, the Company had a total borrowings from banks and financial institutions on a standalone basis amounting to ₹ 2,525 crores. The Company proposes to utilize an amount of ₹ 789.00 crores from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by the Company. The Company may repay or refinance some of its existing borrowings in the ordinary course of business. Accordingly, the Company may utilise the Net Proceeds for repayment or pre-payment of any such refinanced loans or additional loan facilities obtained by it. However, the aggregate amount to be utilized from the Net Proceeds towards repayment or pre-payment of borrowings (including re-financed or additional loans availed) would not exceed ₹ 789 crores. The details of borrowings, proposed to be repaid or pre-paid, are as described below:

(a) Commercial Papers

The Company has executed a commercial paper dated July 13, 2017 in favour of ICICI Prudential Flexible Income Plan, at a price of ₹389.05 crores and maturity value of ₹400 crores. The maturity date for the commercial paper is December, 2017.

(b) Term loans availed by the Company

The following table provides the details of the borrowings availed by the Company, which are currently proposed to be fully or partly repaid or pre-paid from the Net Proceeds:

(in ₹crore)

Sr. No.	Name of the Lender	Nature of the borrowing*	Amount borrowed	Principal amount outstanding as at August 31, 2017	Principal amount proposed to be repaid/ prepaid	Repayment Date/ Schedule	Purpose	Prepayment clause (if any)
1.	Standard Chartered Bank and DBS Bank Ltd.	Senior term loan facility	607.43#	202.48#	194	November 22, 2017	Investing in joint ventures or wholly owned subsidiaries of the Company	Company to give a notice of at least 15 Business Days to Standard Chartered Bank to prepay, upon the end of the Availability Period.
2.	Kotak Mahindra Bank Limited	Term loan	250	50	50	August 9, 2018	Refinancing existing debt and other miscellaneous capital expenditure requirements and rectifying cash flow mismatches	Pre-payment notice at least 7 days prior to the completion of the tenor of the facility shall be permitted, without any penalty.
3.	HDFC Bank Limited	Short term loan	200	145	145	5 unequal instalments	To meet working capital and business/ regular capital expenditure requirements	Prepayment of the facility permitted without penalty at the end of 15 days from the drawdown notice. The notice of prepayment shall be given one Working Day prior to the prepayment date, in any case.

** As certified by [●] (Firm Registration Number: [●]) vide their certificate dated [●]. Further, [●], the Chartered Accountants have confirmed that the said borrowings have been utilized for the purposes for which they were availed. For further details, please see the section entitled "Objects of the Issue - Repayment or pre-payment, of certain borrowings availed by the Company" on page [●].*
#$1 = ₹63.94 as of August 31, 2017, source: http://in.reuters.com

Some of our loan agreements provide for levy of pre-payment penalties or premiums at the rates determined by lenders. Further, under our loan agreements, the Company is not required to obtain consents from the lenders. During this Fiscal, the Company will take pre-payment penalties or premiums, that will be payable by the Company, applicable interest rates and other factors as set out above into consideration and decide the portion of loans to be repaid or pre-paid from the Net Proceeds. In the event Net Proceeds are insufficient for the said payment of prepayment penalty or premiums, such payment shall be made from the internal accruals of the Company. For details, please see the section entitled "Risk Factors" on page [●]

2. Investment in our Subsidiary, Sky Deck, for repayment or pre-payment of certain borrowings availed by our Subsidiary

We intend to utilise a part of the Net Proceeds amounting to ₹ 484 crores to make an investment in our Subsidiary, Sky Deck. The Company will invest such amount in Sky Deck through equity investments, inter-corporate deposits or advances. As a result of the proposed investment and the subsequent repayment or pre-payment of certain term loans availed by Sky Deck, there will be a reduction in the outstanding indebtedness of the Company, on a consolidated basis.

The following table sets forth provides details of the borrowings availed by Sky Deck which are currently proposed to be repaid or pre-paid from the investment proposed to be made by the Company in Sky Deck by utilising the Net Proceeds:

(in ₹crore)

Sr. No.	Name of the Lender	Amount borrowed	Principal amount outstanding as at August 31, 2017	Amount proposed to be repaid/ prepaid	Repayment Date/ Schedule	Purpose	Prepayment clause (if any)
1.	Housing Development Finance Corporation Limited	750	400	484 (including interest accrued up to January 27, 2018)	January 27, 2019	To repay the existing loan with interest accrued, payment of transaction and other related expenses and general corporate purposes.	Prepayment may be made by Sky Deck on completion of 24 and 30 months from the first date of disbursement by giving prior written notice of at least 15 days' notice. Sky Deck shall not prepay the amount by obtaining refinancing for the same from any other financial institution.

The term loan agreement provide for levy of prepayment penalties or premiums at the rates determined by lenders. Further, under our loan agreements, neither the Company nor Sky Deck is not required to obtain consents from the lenders. During this Fiscal, the Company will take pre-payment penalties or premiums, that will be payable by the Company, applicable interest rates and other factors as set out above into consideration and decide the portion of loans to be repaid from the Net Proceeds. In the event Net Proceeds are insufficient for the said payment of pre-payment penalty or premiums, such payment shall be made from the internal accruals of the Company. For details, please see the section entitled "Risk Factors" on page [●].

3. Expenses to be incurred towards general corporate purposes

The Company proposes to deploy the balance portion of Net Proceeds aggregating ₹ [●] crore for the expenses towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with applicable laws.

The Company, in accordance with the policies formulated by our Board, will have flexibility in applying ₹[●] crore towards general corporate purposes, including, amongst other things, (a) brand building and other marketing expenses; (b) acquiring assets, such as furniture and fixtures, and vehicles; (c) meeting any expenses incurred in the ordinary course of business by the Company and its Subsidiary, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) repair, maintenance, renovation and upgradation of our existing hotels; and (e) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Estimated Issue Related Expenses

The estimated Issue related expenditure is as follows:

(unless otherwise specified, in ₹crore)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure	Percentage of Issue Size
1.	Fee of the Lead Manager	[●]	[●]	[●]
2.	Fee to the legal advisor, other professional service providers and statutory fee	[●]	[●]	[●]
3.	Fee of Registrar to the Issue	[●]	[●]	[●]
4.	Advertising and marketing expenses	[●]	[●]	[●]
5.	Printing and stationery, distribution, postage etc.	[●]	[●]	[●]
6.	Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
Total estimated Issue related expenses		[●]	[●]	[●]

Bridge Financing Facilities

The Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

The Company shall deposit the Net Proceeds, pending utilisation by depositing the same with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

Monitoring Utilization of Funds from the Issue

The Company has appointed ICICI Bank Limited as the Monitoring Agency in relation to the Issue. Our Board will monitor the utilization of the Net Proceeds. The Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 18(3) of the SEBI LODR Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to our Board.

Further, according to Regulation 32(1)(a) of the SEBI LODR Regulations, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers

simultaneously with the interim or annual financial results after review by the Audit Committee and its explanation in the Director's report in the Annual Report.

Other confirmations

Except as stated above, no part of the proceeds from the Issue will be paid by the Company as consideration to its Promoter, Directors, Group Companies or key managerial personnel, except in the normal course of its business.

SECTION IV: ABOUT THE COMPANY

OUR BUSINESS

Overview

The Company was incorporated in 1902 and is promoted by Tata Sons Limited, which held 28.01% of the Company's shareholding as of June 30, 2017. We are primarily engaged in the business of owning, operating and managing hotels and resorts and are one of the leading hospitality chains in India.

Our first hotel, the Taj Mahal Palace, Mumbai, commenced operations in 1903. In the last few decades, we have undertaken geographical expansion and registered our presence in key travel destinations both in India and abroad. We have also convetred former royal palaces in India into flagship hotels. Some of our marquee hotels which are operated out of former royal palaces are Rambagh Palace, Jaipur, Ummaid Bhawan Palace, Jodhpur, Taj Falaknuma Palace, Hyderabad and Taj Lake Palace, Udaipur. In addition to the palace hotels, some of our other hotels are located in iconic or heritage buildings, such as the Taj Mahal Palace, Mumbai and The Pierre, New York. We started operations in the international markets in the 1980s with the acquisition of a hotel in Yemen and subsequently, in the United Kingdom. We continued to expand our geographic and market coverage in India and also started undertaking specialized operations, such as operation of wildlife lodges. We currently operate five wildlife lodges located at Bandhavgarh, Kanha, Panna and Pench in the state of Madhya Pradesh and Meghauli Serai, Chitwan National Park, Nepal. In 2000, we entered into a partnership with the GVK Reddy Group to set up Taj GVK Hotels and Resorts Limited and thereby forayed into the southern business city of Hyderabad. We have further increased our geographic presence both in India and internationally, during the last few years, and have also launched the "*Ginger*" brand for budget travellers.

As of August 31, 2017, we operated or managed 137 hotels and resorts with approximately 16,500 rooms, and had presence across various geographical segments, including beach resorts, hill stations, wildlife sanctuaries, major cities and tourist destinations. Our hotels and resorts are located in large Indian towns and cities. We have 16 international hotels, such as Taj Dubai, Dubai, Taj Pamodzi, Zambia, Taj Tashi, Thimphu, Bhutan, Vivanta by Taj - Rebak Island, Langkawi, The Gateway Hotel – Airport Garden, Colombo, Sri Lanka, Taj Samudra, Colombo, Vivanta by Taj-Bentota, Sri Lanka, Taj Boston, Boston, The Pierre, New York, Taj Campton Place, San Francisco, Taj 51 Buckingham Gate Suites, London, St. James' Court, London, Taj Cape Town, South Africa, Meghauli Serai – Chitwan National Park, Taj Exotica, Maldives, and Vivanta by Taj-Coral Reef, Maldives. In addition to operation and management of hotels, we operate wildlife lodges in India and Nepal, spas under the "*Jiva*" brand and airline catering, through our subsidiary Taj SATS Air Catering Limited.

We undertake our business through direct ownership of hotels, lease arrangements, licensing arrangements and operating and management contracts. These diverse modes of business operation complement each other and enable us to efficiently capitalise on our brand for achieving sustained growth. We have taken up operating and management contracts in the last few years in order to move to an asset-light model and propose to undertake future expansion largely through development of our existing land bank, utilisation of the unutilised floor space index in our operating hotels and through management contracts.

We have been awarded several hospitality industry awards in India and internationally.

The total income of the Company, on a consolidated basis, was ₹ 916.10 crores for the quarter ended June 30, 2017. The Company had a total loss after tax, on a consolidated basis, of ₹ 24.96 crores (attributable to the owners of the Company) in the quarter ended June 30, 2017. The Company had a total loss after tax, on a consolidated basis, of ₹ 63.20 crores (attributable to the owners of the Company) in Fiscal 2017 and a loss after tax on a consolidated basis, of ₹ 231.08 crores (attributable to the owners of the Company) in Fiscal 2016.The total income of the Company, on a consolidated basis, was ₹ 4,065.20 crores in Fiscal 2017 and ₹ 4,122.78 crores in Fiscal 2016.

Our Competitive Strengths

Strong and Well Established Brand in the Hospitality Industry, Backed by Service Excellence

We are one of the oldest hotel chains in India and the "*Taj*" is widely recognised as one of the most respected brands in the hotel industry. Our hotels are renowned for their well-appointed properties, warm customer service and customer experience. Our competently trained, motivated and performance-oriented staff delivers high quality and personalised service to our customers. We have strong food and beverage capabilities, which are reflected through award-winning restaurants located in our hotels, such as Wasabi by Morimoto in Taj Mahal Palace, Mumbai and Varq in Taj Mahal Hotel, New Delhi. Our hotels undertake innovative customer engagement activities on a regular basis and in the past, these have included (i) unique local experiences, such as nature trails and excursions, (ii) alternative dining experiences, (iii) themed parties for the guests, and (iv) integrated holiday programmes. We also operate spas in our hotels under the "*Jiva*" brand, which have carved a distinct brand image. Our spas are eco-sensitive and are based on India's ancient wellness heritage and have developed customer appreciation and loyalty. We also believe that we derive significant reputational benefit as a result of being a Tata company.

Diverse and Expansive Location of our Hotel Properties, of which are some are situated in Iconic Buildings

We believe that we have one of the largest number of hotels in India which provides us with a distinct advantage over our competition in this respect, as achieving this scale of presence would require significant capital expenditure. Our hotels are also located in key international travel destinations, such as Dubai, Maldives, London, New York and Boston. This provides us with the ability to tap international customers and cross-sell our hotels, including those located in India. Additionally, some of our hotels are housed in iconic or heritage buildings, such as Taj Mahal Palace, Mumbai and The Pierre, New York, and original royal palaces, which include Rambagh Palace, Jaipur, Ummaid Bhawan Palace, Jodhpur, Falaknuma Palace, Hyderabad and Taj Lake Palace, Udaipur. We believe that such locations greatly enhance the attractiveness of our properties to customers. Moreover, due to the location of our hotels in diverse geographic locations, which encompass beach resorts, hill stations, wildlife sanctuaries, major cities and tourist destinations, we have the ability to cater to the requirements of a broad customer segment. Some of the key destinations which provide us with this ability include:

Type of Destination	Location of Some of our Hotels
Beach Resorts	Goa, Bekal, Bentota and Maldives
Hill Stations	Coonoor, Ooty, Coorg, Srinagar and Thimpu
Wildlife Sanctuaries	Bandhavgarh, Kanha, Panna, Pench, Meghauli Serai, Chitwan National Park Gir Forest, Corbett, and Sawai Madhopur
Major Cities	*Indian*: Bengaluru, Chennai, Mumbai, New Delhi, Hyderabad and Kolkata *International*: Boston, Cape Town, Colombo, Dubai, London, New York and San Francisco
Tourist Destinations	Jaipur, Jodhpur, Ajmer, Amritsar, Kumarakom, Varanasi, Langkawi (Malaysia) and Udaipur

Ability to Service Customers across a Broad Range of Pricing Spectrum

We have the unique ability to service a diverse customer base as each of our hotels cater to distinct price points and customer requirements. Our presence across the pricing spectrum provides us with the ability to cater to our customers' diverse requirements based on their respective purpose of visit and propensity to spend. Through our hotels, (i) we may be able to cater to the requirements of high-paying customers, looking for very high quality and often personalised customer experience (ii) we focus on cosmopolitan travellers seeking a reinvigorating hotel experience (iii) we are able to cater to the upscale customer segment. These hotels are attuned to provide a wide range of services to our customers, who are travelling for a mix of both work and leisure purposes. "*Ginger"* hotels, which are operated by a subsidiary of the Company, Roots Corporation Limited, are targeted towards budget travellers. For example, catering to the above requirements in each of Bengaluru, Mumbai, Delhi, Chennai and Goa. This allows us to offer our customers a wide bouquet of pricing options in each city, which is a unique capability and we believe it is unmatched by our competitors.

Strong Food and Beverage Capabilities

As of August 31, 2017, we operated approximately 300 restaurants in our hotels, offering a variety of cuisine, including ethnic Indian, Chinese, Pan Asian, Thai, Japanese, Mediterranean and Italian. These include award winning restaurants, such as (i) Varq situated in Taj Mahal Hotel, New Delhi, (ii) Karavalli, situated in The Gateway Hotel, Bengaluru, and (iii) Wasabi by Morimoto situated in the Taj Mahal Palace, Mumbai. Some of the restaurants operated by us include Quillon, Bombay Brasserie, The Blue Ginger, The Orient Express, Masala Art,

Masala Bay, Masala Kraft, Masala Klub, House of Ming, Golden Dragon, Thai Pavilion Konkan Café, and Shamiana. Our restaurants not only cater to guests resident in our hotels, but also attract non-resident patrons. Apart from the restaurants, some of our hotels also provide in-room dining services for our guests and operate speciality restaurants and bars, such as the Harbour Bar located in the Taj Mahal Palace, Mumbai. We believe that our restaurants have developed a strong brand image and customer loyalty due to high quality of food served by them and their ambience. Our food and beverage capabilities are backed by experienced, well-qualified and renowned chefs employed by us.

Well Developed Sales and Marketing Function

We have a well-trained sales and marketing team whose functions are divided into sales, marketing, revenue management, digital marketing and social media, public relations and customer relationship management. Due to well defined functions, our sales and marketing team provides impetus to our occupancy percentages. Our sales and marketing network also has an international presence, which provides it with the unique ability to cross-sell our domestic hotels to international travellers and vice-versa. We also have a comprehensive reservation network, which augment our marketing efforts. We have a worldwide reservation team, which is available 24x7 and is accessible through toll free numbers in various countries. Additionally, customers can also make reservations through reservation desks operated at each of our hotels, through global distribution systems for participating hotels, our website (www.tajhotels.com) and online travel portals. All of these modes of reservation are connected to a central reservation system which enables us to manage our global inventory of rooms in real-time. The strength of our sales and marketing infrastructure is also reflected by our customer loyalty programmes - Taj Inner Circle and Taj Epicure.

Experienced Management Team and Customer Centric Employees

Our operations are managed by a team of experienced and professional managers with significant experience in the hospitality industry. We believe that our management team has been able to identify opportunities which will, in conjunction with the management's operational expertise, continue to yield positive results for us. We also believe that our human resource development programmes, which include e-learning initiatives and leadership and talent development programmes have fostered an enviable workforce. We have also employed various integrated mechanisms to receive and evaluate customer feedback and utilize that to nurture customer centric employees.

Our Business Strategies

To Maximise Benefits Accruing from the "Taj" brand and Focus on our Brand Architecture

The Company has embarked on a branded house strategy under which all hotels in the portfolio globally will be grouped under a single branded house identity: "*Taj Hotels Palaces Resorts Safaris*". The aligning of brand architecture is driven by the legacy of the Taj brand over across decades and reinforces the resonance of brand Taj with its guests. We will also continue to focus on capitalising on the brand equity of the "*Taj*" brand by including it in promotional and marketing materials. "*Tajness*" defines a common philosophy across all our hotels to ensure our customers are able to have the same experience across our hotels creating a linear structure of brands across our hotels. We believe, that through our mono brand approach, representing the strong legacy and equity of the "*Taj*" brand across our hotels, will ensure that our brand is refined on a continuous basis and creates a distinction in the experience of our customers. We propose to build our brand architecture by monitoring customer needs, feedback received and applying the best-in-class practices. We intend to enhance our brand image by undertaking specifically tailored activities, such as music festivals and other ticketed events. In addition to that, we endeavour to provide consistency of service and facilities across each particular strategic business segment.

Strengthening our Market Position in India and Undertaking Select Expansion

We endeavour to maintain our market position in India through growing our market share in key business cities and leisure destinations. For our growth in India, we intend to develop the unutilized floor space index at some of our existing hotels, extract value from our land bank and enter into management contracts. We also propose to consistently invest in renovation and refurbishment of our hotels to ensure continued delivery of high quality of service and customer experience. We believe that product upgradation will result in prioritising key markets and higher margins. Another key component of our strategy to strengthen leadership position is engaging with our customers for improving our services and ironing out any perceived deficiencies in service. We endeavour to achieve this objective by gathering customer feedback and using that for development of management plans, and

undertaking process and product improvement including continuous innovation in customer engagement activities. We also continue to strive for business excellence and to achieve that we have adopted the Tata Business Excellence Model, which ensures our continued focus on climate change, innovation, corporate governance and safety. We believe that these are essential foundations for growth. We also intend to undertake selective expansion in strategic locations including in the Middle East, South East Asia and the Andaman & Nicobar Islands in the future.

Achieving Further Expansion and Growth through Asset-Light Operations

We intend to achieve future expansion largely though operating and management contracts instead of through, lease arrangements or licensing arrangements and ownership of hotel properties. This would enable the Company to efficiently utilise capital for achieving future growth. By adopting this expansion strategy, we believe we can effectively increase our profits and expand our business without infusing substantial investment or undertaking significant capital expenditure. Even for the hotels operated through operating and management contracts, we ensure that the high standards required for operating are met. To achieve this for hotels under operating and management contracts, we provide technical consultancy services during the construction period. Additionally, we believe that apart from providing a better return on investment as compared to greenfield development of hotels, operating hotels for third parties also increases our operating experience in, and knowledge of, markets throughout India. This enhances our ability to identify and evaluate additional hotels for future development and negotiate transactions for the same more effectively.

Continuously Strive to Improve Operational Efficiencies

We seek to improve our operational efficiencies by implementing holistic management plans for our hotels. These include rationalizing sourcing costs, effective workforce management and efficient energy management. We try to achieve this by centralized planning of our sourcing requirements and uniformity in consumables utilized by the hotels, both of which enable us to negotiate competitive rates with our vendors. We also undertake local procurement of operating supplies and raw materials, which enables efficient logistics management and accordingly, reduced costs. We develop, wherever possible, long-term relationships with our third party suppliers. This enables us to receive delivery of products in a timely manner. We continuously implement various energy management initiatives, such as independent audit of energy consumption and substitution of energy from non-renewable resources with that from renewable resources.

Focus on Marketing Initiatives and Customer Service for Improving Occupancy, ARR and RevPAR and Revenue Optimisation

We intend to improve occupancy, ARR and RevPAR by maintaining our high standards of service and quality and by enhancing the visibility of our brands through the following marketing initiatives:

- **Revenue Management:** Installation of revenue management softwares, upgradation of our central reservation systems.

- **Loyalty Programs:** Taj Inner Circle and Taj Epicure loyalty programs have been refreshed and relaunched in 2015 and 2016, respectively with a focus on customer acquisition and engagement across all our offerings, i.e., rooms, food and beverage and spas. The Company launched and promoted a loyalty partnership program with Shangri–La Hotels to offer members of both, the Shangri-La Golden Circle and Taj Inner Circle loyalty programs, reciprocal benefits.

- **Analytics and Business Intelligence:** We are implementing technology to enable maintenance of customer data such as guest recognition and experience at hotels. This will enable us to ascertain customer requirements more accurately and tailor our services to our customers.

- **E-Commerce and Digital Initiatives:** Focus on our own online distribution channels including though our website and mobile application by continuously improving our website and a mobile application and launching new web products and boost direct bookings through search spends. Through our social media command centre, we propose to increase our engagement with existing as well as potential customers on social media, improve response time to drive incremental revenues.

Our customer service initiatives are aimed towards meeting global hospitality benchmarks. We believe that this will enable us to enhance our brand image and encourage greater customer loyalty and consequently lead to revenue optimisation.

Our Business Operations

Operating Structure

We undertake our business through: (i) direct ownership of hotel properties, (ii) lease arrangements, (iii) licensing arrangements, and (iv) operating and management contracts.

- **Direct ownership of Hotel Properties:** Our hotels which are operated by us under the ownership model are located on freehold land owned by us. The land is either owned directly by the Company or by the Company's subsidiaries or jointly controlled entities. For such hotels the title to the buildings, and equipment and furniture or fixtures vests in us.

- **Lease arrangements:** Some of our hotels are located on land which has been leased to us by governmental authorities or private parties. The term of such leases typically varies from 30 years to 99 years, which is typically renewable upon expiry for another term of equivalent period, subject to mutual agreement on the terms and conditions between us and the lessor. For instance, our lease arrangement for The Pierre, New York, has been extended for 10 years until 2035. We own the building, and furniture or fixtures and are required to pay a specified lease rental for the duration of the lease deed.

- **Licensing arrangements**: We have also entered into licensing agreements to occupy and use buildings on a long-term basis for our operating our hotels. Such agreements have been entered into with various parties, including governmental or quasi-governmental authorities and are subject to payment of annual license fee, which may be subject to escalation after periodic intervals. Typically, we provide services in relation to planning, designing, construction and equipment of the hotel under these agreements and ownership of such hotels vests in the licensors at all times. While we retain control over the management and operations of such hotels and are entitled to carry on the operation of the hotel in the manner that we deem fit, we may require consent of the owners for significant alterations to the physical structures of the hotels. All costs and expenses related to the operation of the hotel are borne by us and the property is required to be returned to the licensor in good condition upon expiry of the license period, which ranges from 30 to 90 years. However, we are entitled to take away all movable items if the licensor does not purchase them at a fair market value. Some of the license agreements provide for the first right of refusal in our favour if the licensor proposes to sell the hotel property.

- **Operating and management contracts**: Some of the hotels are operated and managed by us through operating and management contracts. In such cases, apart from operating and managing the hotels, we also provide advice regarding project and design related services at the construction stage through a separate technical services agreement. Operating and management contracts provide us with the absolute and sole discretion in the supervision of the operation of the hotel. Under these arrangements, we are entitled to basic management fee which is a fixed percentage of the gross income of the hotel and an incentive fee linked to the gross operating profit of the hotel. We may also receive marketing fee and project management fee under some of the operating and management contracts. The term of the operating and management agreements typically ranges from 15 to 20 years, but the parties are entitled to early termination, subject to a minimum lock-in period. Upon expiry of the initial term, these agreements are also typically renewable for the period of the initial term, subject to mutual agreement of terms and conditions between us and the owner.

Other Businesses

Food and Beverage Business

Our food and beverage and banqueting business made significant contributions to our revenue for Fiscal 2017. These revenues are also dependent on non-hotel resident clientele. We believe that the food and beverage and banqueting business helps us to enhance our brand visibility and we plan to continue focussing on providing innovative and authentic cuisine and launching further food and beverage outlets.

Jiva Spa

The philosophy of Jiva Spa is rooted inherently in India's ancient approach to wellness. The ethos of our carefully recreated treatments is drawn from the rich and ancient wellness heritage of India: the fabled lifestyle and culture of Indian royalty and the healing therapies that embrace Indian spirituality.

Air Catering Business

We undertake air catering business through our subsidiary, Taj SATS Air Catering Limited. Our flight kitchens are located at Amritsar, Bengaluru, Delhi, Goa, Kolkata and Mumbai. We have won awards for Inflight Kitchen of the Year, Delhi in 2017 and 2016 by GMR and Frost and Sullivan Airline Caterer of the Year Award, 2016.

Pricing

Our pricing policy is based on anticipated demand and other factors such as market conditions, inflation, competition and the global economy. In addition to rack rates, we also offer discounted public rates, corporate negotiated rates and travel trade rates to individuals, domestic and international corporations, and tour operators and travel agents, respectively. Our contracted rates are negotiated on an annual basis and could be seasonal for leisure business. We also have discounted public rates, which include variable packages and rates and seasonal discounts.

We also utilise revenue management software to assist us in determining pricing at different hotels at different times.

We also extend credit to corporations, tour operators, travel agents, conference organisers and individuals based on their profiles and records of payment.

Sales and Marketing

Our sales and marketing functions are classified into three broad categories viz. (i) sales, (ii) marketing, and (iii) customer relationship management ("**CRM**"). Through our sales and marketing initiatives, we seek to achieve promotion of our brands, integration of newly acquired hotels and increase in RevPAR by increasing average room rate and occupancy levels. We also endeavour to enhance customer engagement through relationship groups and effective utilisation of CRM tools.

Sales

Our national accounts team caters to top customer accounts and has a dedicated relationship team serving as a single point of contact with our key customers.

Our hotels are located in metropolitan cities and tier two cities in India are supported by our commercial sales department. Internationally, we have established sales offices in various geographies including New York, Los Angeles, San Francisco, London, Dubai and Singapore and appointed public relation agencies in various countries such as the United States of America, the United Kingdom, France, Germany and Italy, to develop business for all our hotels.

Marketing

Our corporate marketing department is primarily responsible for advertising and promotion of our hotels in India and overseas, publication of promotional magazines and strategic publicity. The marketing department is responsible for creating and releasing advertisements in print and electronic media, for advertising visuals of various products and services at the hotels and for the production of hotel brochures, directories and other communication materials. Our corporate marketing department provides support to launch of new hotels through media planning, marketing campaigns and promotions across national in-flight magazines, press, hoardings and radio.

We also engage in various marketing initiatives. For example, we have undertaken strategic initiatives towards the luxury wedding segment in India through our 'Timeless Weddings at Taj' initiative. We continue to focus on marketing of our resort destinations for domestic travellers through our Taj Holidays platform.

Our loyalty programmes consist of Taj Inner Circle and Epicure, with Taj Inner Circle being a popular frequent guest programme. The programme entitles members to various redemption benefits for points accumulated by their stay and meals at our hotels in India and abroad. We also manage strategic marketing alliances with various partners. These alliances provide opportunities to communicate special offers and exclusive gift cards to members.

Awards

Our hotels have been awarded several significant hospitality industry awards in India and internationally, including:

Entity/ Hotel	Award
The Company	Gallup Global Great Workplace Award for the year 2017
Taj Hotels Palaces Resorts Safaris	Business Traveller Awards - Rated Best Business Hotel Chain in India
The Taj Mahal Palace, Mumbai	(i) TripAdvisor Travellers' Choice Awards – ranked 18th in the list of 'Top Hotels in India'; (ii) Conde Nast Traveler Readers' Choice Awards US – ranked 7th in the list of Top Hotels in India; (iii) Condé Nast Traveler US Gold List 2016 and 2017 - Featured on the Condé Nast Traveler US Gold List 2016 and 2017; and (iv) Business Traveller Asia-Pacific Awards - Named Best Business Hotel in Mumbai
Umaid Bhawan Palace, Jodhpur	(i) TripAdvisor Travellers' Choice Awards 2017 - Ranked 21st in the list of 'Top 25 Hotels in the World'; 8th in the list of Top 25 Hotels in Asia'; 2nd in the list of 'Top Hotels in India; (ii) Conde Nast Traveler Readers' Choice Awards US - named Best Hotel in India and ranked 4th in the Top 50 hotels in the world list; and (iii) Condé Nast Traveler US Gold List - Featured on the Condé Nast Traveler US Gold List
Taj Lake Palace, Udaipur	(i) Conde Nast Traveler Readers' Choice Awards US – ranked 3rd in the list of 'Top Hotels in India; (ii) Condé Nast Traveler US Gold List - Featured on the Condé Nast Traveler US Gold List 2016; (iii) TripAdvisor Travellers' Choice Awards – ranked 15th in the list of 'Top 25 Hotels in Asia'; and (iv) TripAdvisor Travellers' Choice Awards – ranked 3rd in the list of 'Top Hotels in India'
Rambagh Palace, Jaipur	(i) TripAdvisor Travellers' Choice Awards - Ranked 16th in the list of 'Top Hotels in India'; and (ii) Conde Nast Traveler Readers' Choice Awards US - Ranked 8th in the list of Top Hotels in India
Taj Exotica Resort & Spa, Goa	TripAdvisor Travellers' Choice Awards 2017 – ranked 20th in the list of 'Top Hotels in India'
Taj Falaknuma Palace, Hyderabad	Conde Nast Traveler Readers' Choice Awards US - Ranked 11th in the list of Top Hotels in India
Taj 51 Buckingham Gate Suites and Residences, London	Forbes Travel Guide Star Ratings - Awarded a four-star rating on the 2016 Forbes Travel Guide Star Ratings
Jai Mahal Palace, Jaipur	TripAdvisor Travellers' Choice Awards – ranked 19th in the list of 'Top Hotels in India'
Vivanta by Taj – Madikeri, Coorg	TripAdvisor Travellers' Choice Awards – ranked 24th in the list of 'Top Hotels in India'
Taj Boston	Forbes Travel Guide Star Ratings - Awarded a four-star rating on the 2016 Forbes Travel Guide Star Ratings
The Pierre, A Taj Hotel, New York	Forbes Travel Guide Star Ratings - Awarded a five-star rating on the 2016 Forbes Travel Guide Star Ratings

Competition

Our hotels operate in a highly competitive environment. Competition is primarily based on room rates, quality of accommodations, service level, location and quality of amenities. In addition to the presence of national brands, a number of international brands have also increased their presence in the Indian market in recent years.

Whilst some of these hotels may have certain competitive advantages over us due to greater brand awareness, global spread of operations and distribution networks, we believe our hotels have a better ability to leverage their location and quality of services. We also believe that our familiarity with the complex governmental

approval process associated with development of new hotels in India gives us a competitive advantage over new entrants in the Indian market.

Intellectual Property

We believe that trademarks and service marks are important assets to our business. We have filed applications or obtained registrations of approximately 300 trademark and 150 service marks for our brands, including 'Taj', 'Tajness' 'Taj Mahal Palace & Tower Mumbai' 'Taj Lands End Mumbai', 'Souk', 'Wasabi' and 'Vivanta by Taj' 'Epicure' 'Gateway Hotel" and the image registration of the 'The Taj Mahal Palace and Tower Wing Exterior" 'Main Dome of Taj Mahal Palace" and "Taj Mahal Palace (image)" under several classes including hotel related services of the Trade Marks Act, 1999.

Employees

Certain categories of our employees are represented by trade unions. However, we maintain cordial relationship with our employees as of August 31, 2017, none of our hotels had faced strikes or other industrial disputes. We provide our employees with various benefits, which include medical reimbursements and loans commensurate with an employee's designation. The Company has been awarded the Gallup Great Workplace Award for the in 2017 for creating a highly engaged workplace culture.

Training

We promote e-learning and distance learning for our managers through our partnerships with leading learning content providers. We have also launched multi-tiered Leadership Development programmes for certain category of our employees.

Corporate Social Responsibility

Corporate social responsibility is an important component of our philosophy. We believe that the benefits that we derive from operating in geographically and culturally diverse locations should also benefit the local communities. To achieve this, we partner with both the local communities and national level governmental initiatives for development of underprivileged communities through, amongst others, skill training for trades involved in hotel operations.

We also partner with small scale entrepreneurs, women's self-help groups non-governmental organizations to source select goods and services, such as fresh food materials, housekeeping related consumables, candles, gift items for guests, dry snacks, and pickles.

Information Technology

We have entered into arrangements for outsourcing our information technology needs in order keep pace with technological advances and adopt the industry best practices and standards in terms of technology for our operations and management. This arrangement will broadly cover services such as infrastructure support, application support and technology advisory. We aim to address our evolving business needs for the purpose of growth of our business facilitating consistent and integrated approach across various geographies in which we operate.

OUR MANAGEMENT

Board of Directors

The Articles of Association provides that the minimum number of Directors shall be four and the maximum number of Directors shall be 18. As of the date of this Letter of Offer, the Company has eight Directors, of which six are Non-Executive Directors and five are Independent Directors.

Not less than two-thirds of the total number of Directors shall be elected Directors who are liable to retire by rotation. At the Company's AGM, one-third of the Directors who, for the time being, are liable to retire by rotation, shall retire from office. A retiring director is eligible for re-election. The quorum for meetings of the Board of Directors is one-third of the total number of Directors, or two Directors, whichever is higher, provided that, where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors present at the meeting, being not less than two, shall be the quorum.

In terms of the Articles of Association, the Directors of the Company are not required to hold any Equity Shares to qualify to be a Director.

The following table provides details regarding the Board of Directors of the Company as of the date of filing this Letter of Offer:

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships
N. Chandrasekaran ***Designation***: Chairman* ***Term***: Liable to retire by rotation ***DIN***: 00121863 ***Occupation***: Company Director ***Address***: 201/202 Sagar Darshan, 8 Worli Seaface, Mumbai 400 030	54	• Jaguar Land Rover Automotive PLC • Tata Consultancy Services Limited • Tata Global Beverages Limited • Tata Motors Limited • Tata Sons Limited • Tata Steel Limited • TCS Foundation • The Tata Power Company Limited
Rakesh Kumar Sarna** ***Designation***: Managing Director and Chief Executive Officer ***Term***: Five years from September 1, 2014 to August 31, 2019 ***DIN***: 01875340 ***Occupation***: Service ***Address***: Taj Wellington Mews, 33, N. Parekh, Colaba, Mumbai 400 001	60	• Benares Hotels Limited • ELEL Hotels and Investments Limited • IHM Aurangabad • IHOCO BV • OHL International (H.K.) Limited • Oriental Hotels Limited • Piem Hotels Limited • Roots Corporation Limited • St. James Court Hotel Limited • Taj GVK Hotels and Resorts Limited • Taj International Hotels (HK) limited • Taj SATS Air Catering Limited • TAL Hotels and Resorts Limited • TAL Lanka Hotels Plc • TAL Maldives Hotels & Resorts Pte. Limited
Deepak Parekh ***Designation***: Independent and Non-Executive	72	• BAE Systems India (Services) Private Limited • Bangalore International Airport Limited

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships
Director ***Term**:* Five years from August 27, 2014 to August 26, 2019 ***DIN**:* 00009078 ***Occupation**:* Professional ***Address***: Flat No. 4607, Imperial Tower North, B B Nakashe Marg, Tardeo, Mumbai 400 034		• Breach Candy Hospital Trust • DP World Limited, Dubai • Economic Zones World FZE • Fairfax India Holdings Corporation, Canada • GlaxoSmithKline Pharmaceuticals Limited • HDFC Asset Management Company Limited • HDFC Ergo General Insurance Company Limited • HDFC Standard Life Insurance Company Limited • Housing Development Finance Corporation Limited • HT Parekh Foundation • Indian Institute for Human Settlements • Network 18 Media & Investments Limited • Siemens Limited • Vedanta Resources PLC, London
Nadir B. Godrej ***Designation***: Independent and Non-Executive Director ***Term**:* Five years from August 27, 2014 to August 26, 2019 ***DIN**:* 00066195 ***Occupation**:* Industrialist ***Address***: 40-D, 2nd Floor, B.G. Kher Marg, Malabar Hill, Mumbai 400 006	66	• ACI Godrej Agrovet Private Limited • Astec LifeSciences Limited • Creamline Dairy Products Limited • Godrej And Boyce Manufacturing Company Limited • Godrej Agrovet Limited • Godrej Consumer Products Limited • Godrej Industries Limited • Godrej International Limited • Godrej Properties Limited • Godrej Tyson Foods Limited • Isprava Vesta Private Limited • Mahindra & Mahindra Limited
Ireena Vittal ***Designation***: Independent and Non-Executive Director ***Term**:* Five years from August 27, 2014 to August 26, 2019 ***DIN**:* 05195656 ***Occupation**:* Strategic Advisor ***Address***: 4, Alhambra, Carmichael Road, Mumbai 400 026	48	• Cipla Limited • Compass Plc. • Foundation to Educate Girls Globally • Godrej Consumer Products Limited • Montblanc India Retail Private Limited • Roots Corporation Limited • Tata Global Beverages Limited • Tata Industries Limited • Titan Company Limited • Vidhi Centre for Legal Policy • Wipro Limited • Zomato Media Private Limited
Mehernosh S. Kapadia ***Designation***: Executive Director - Corporate Affairs ***Term**:* August 10, 2016 to May 22, 2018 ***DIN**:* 00050530 ***Occupation**:* Service	64	• Bjets Pte. Limited • Business Jets India Private Limited • Business Jets Pte Limited • Ewart Investments Limited • Taj Air Limited • Taj Air Metrojet Aviation Limited • Taj SATS Air Catering Limited • The Associated Building Company Limited

Name, Designation, Term, DIN, Occupation, and Address	Age (in years)	Other Directorships
Address: 29 Woodhouse Apartment, 1st Floor, Woodhouse Road, Colaba, Mumbai 400 001		• Tata Realty and Infrastructure Limited
Gautam Banerjee ***Designation***: Independent and Non-Executive Director ***Term***: Five years from September 10, 2014 up to September 9, 2019 ***DIN***: 03031655 ***Occupation***: Professional ***Address***: 10 Cornwall Gardens, Singapore 269 639	62	• Blackstone Advisors India Private Limited • Blackstone Singapore Pte Limited • EDBI Pte Limited • GIC Private Limited • Piramal Enterprises Limited • Singapore Airlines Limited • Singapore Centre for Social Enterprise Limited • Singapore International Arbitration Centre • Singapore Legal Service Commission
Vibha Paul Rishi ***Designation***: Independent and Non-Executive Director ***Term***: Five years from September 10, 2014 up to September 9, 2019 ***DIN***: 05180796 ***Occupation***: Non-Executive Director of several public and private companies ***Address***: 812 Aralias, 12th Floor, Block – 8, Golf Link, DLF City – V, Gurgaon, Haryana 122 002	57	• Asian Paints Limited • Escorts Limited • Future Consumer Limited • Go Airlines (India) Limited • Philips Lighting India Limited • Taj SATS Air Catering Limited • Tata Chemicals Limited • Tata Teleservices Limited • Pratham Educational Foundation

** N. Chandrasekaran's appointment as Chairman of the Board of the Company shall be co-terminus with his appointment as the Chairman of Tata Sons Limited, unless decided otherwise by our Board of Directors.*
*** Rakesh Kumar Sarna has submitted his resignation as Managing Director and Chief Executive Officer of the Company for personal reasons, which will be effective from close of business hours on September 30, 2017.The Board, at its meeting held on August 29, 2017, approved the appointment of Puneet Chhatwal as the Managing Director and Chief Executive Officer of the Company for five years, from the date of his joining, being, on or before January 1, 2018.*

Relationship between the Directors

None of the Directors of the Company are related to each other.

Brief Biographies

N. Chandrasekaran is the Chairman of Tata Sons Limited. He was appointed as a Director on its board on October 25, 2016. He was the Chief Executive Officer and Managing Director of Tata Consultancy Services ("**TCS**"), a leading global IT solutions and consulting firm, from 2009 till February 2017. He joined TCS in 1987 and under his leadership, TCS has become the largest private sector employer in India with the highest retention rate in a globally competitive industry. TCS remains the most valuable company in India and ended 2015-16 with a market capitalisation of over US $70 billion. Under his leadership, TCS was rated as the world's most powerful brand in IT services in 2015 and recognised as a Global Top Employer by the Top Employers Institute across 24 countries. He was appointed as a Director on the board of India's central bank, the Reserve Bank of India in 2016. He has served as the Chairperson of IT Industry Governors at the WEF, Davos, in 2015-16. He has been playing an active role in the Indo-US and India-UK CEO Forums. He is also a part of India's business taskforces for Australia, Brazil, Canada, China, Japan and Malaysia. He served as the Chairman of Nasscom, the apex trade body for IT services firms, in India in 2012-13 and continues to be a member of its governing executive council.

He has received several awards and recognition in the business community. Recently, he was honoured with the "Business Leader Award" at the ET Awards for Corporate Excellence, 2016. He holds a bachelor's degree

in applied science and a master's degree in computer application from Trichy.

Rakesh Kumar Sarna joined the Company as the Managing Director and Chief Executive Officer on September 1, 2014. He has over three decades of experience across various leadership roles with Hyatt Hotels Corporation. He was the Group President - Americas with a portfolio of 146 full service hotels, 233 select service hotels and 15 vacation ownership facilities across North America, the Caribbean and Latin America with around 40,000 employees. In this role, he was responsible for the development and management of all owned, managed and franchised hotels across all Hyatt brands. Previously, he has served as the Chief Operating Officer - International from June 2007 until his appointment as Group President - Americas in October 2012. During this time, he was responsible for the development and management of all owned, managed and franchised hotels across all Hyatt brands and for overseeing the divisional offices in Hong Kong for Asia Pacific, in Zurich for Europe, Africa and Middle East, in Dubai for South West Asia and in Mexico City for Latin America. During this time, he was also responsible for co-authoring the brand attributes of Andaz (Hyatt's boutique brand) and leading the launch of this new brand. He has had an international upbringing. He moved to Canada as a young adult and completed his Diploma in Hospitality Administration from Ottawa.

Deepak Parekh is an Independent Director of the Company. He was appointed as a Director of the Company on May 9, 2000. He is an Associate of the Institute of Chartered Accountants, England and Wales. He is on the board of several leading corporations across diverse sectors. He is the non-executive chairman of Housing Development Finance Corporation Limited, Siemens Limited, GlaxoSmithkline Pharmaceuticals Limited and BAE Systems India (Services) Private Limited. He has won several awards, which includes Padma Bhushan conferred by the Government of India in 2006, 'Bundesverdienstkreuz', which is Germany's Cross of the Order of Merit, being one of the highest distinctions by the Federal Republic of Germany, in 2014, "Knight in the Order of the Legion of Honour", one of the highest distinctions by the French Republic, in 2010 and he was also the first international recipient of the Outstanding Achievement Award by the Institute of Chartered Accountants of England and Wales, in 2010.

Nadir B. Godrej is an Independent Director of the Company. He was appointed as a Director of the Company with effect from November 7, 2008. He holds a bachelor's degree in science from the department of chemical engineering from the Massachusetts Institute of Technology, and a master's degree in business administration from Harvard University. He has experience in leading businesses, and has played an important role in developing the animal feed, agricultural input and chemicals businesses owned by the Godrej group. His active interest in research related to these areas has resulted in several patents in the field of agricultural chemicals and surfactants for the Company. He is the recipient of the CHEMTECH CEW Leadership & Excellence Award 2013 and the 'Hall of Fame – Chemicals Award' – CHEMTECH CEW Leadership & Excellence Award 2017. He is also the recipient of various awards from the CHEMTECH Foundation in honour of his contribution to the Indian chemical industry. He is also Member of the CII National Council, and has previously been the Chairman of the CII National Committee on Chemicals and 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".

Ireena Vittal is an Independent Director of the Company. She was appointed as a Director of the Company on August 7, 2013. She holds a master's degree in Business Administration from the Indian Institute of Management, Calcutta. She has over 26 years of experience in the corporate world across multiple industries. She is presently on the board of various companies including, Cipla Limited, Wipro Limited, Zomato Media Private Limited, Godrej Consumer Products Limited, Tata Global Beverages Limited, Tata Industries Limited, Titan Company Limited, Roots Corporation Limited. She has previously worked with McKinsey & Co. as a partner. She is also on the board of Vidhi Centre for Legal Policy and Foundation to Educate Girls Globally.

Mehernosh S. Kapadia is the Executive Director - Corporate Affairs of the Company. He was appointed as a Director of the Company with effect from August 10, 2011. He was re-appointed with effect from August 10, 2016 upto May 22, 2018 (being the date of attaining 65 years, which is the retirement age for Executive Directors as per the Tata Governance Guidelines). He has completed a diploma in Travel Management from Mumbai University. He has over 33 years of experience in handling various issues with the Central and State Governments and Municipal authorities and has served in various managerial positions in the Taj Group hotels. He is currently the chairman of Taj Air Limited, the vice-chairman of Taj SATS Air Catering Limited and a director on the board of several companies of the Tata Group.

Gautam Banerjee is an Independent Director of the Company. He was appointed as a Director of the Company with effect from September 10, 2014. He holds a bachelor's degree of science (honours) in accounting and financial analysis, from the University of Warwick. He is a fellow of the Institute of Chartered Accountants in England and Wales, the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors. Previously, he has been a member of the Economic Development Board and the National Heritage Board. Previously, he has served as an Executive Chairman of PricewaterhouseCoopers ("**PwC**"), Singapore and is currently a director of GIC Private Limited and Singapore Airlines. He was awarded the Honorary Doctor of Laws (LLD) by the University of Warwick in 2014.

Vibha Paul Rishi is an Independent Director of the Company. She was appointed as a Director of the Company with effect from September 10, 2014. She holds a bachelor's degree in arts (honours) from the Lady Shriram College, New Delhi and holds a master's degree in business administration with a specialisation in marketing from the Faculty of Management Studies, New Delhi. She is a marketing professional with extensive experience in the Indian and international markets. She has over 32 years of experience in various consumer companies across sectors and countries. Previously, she spent 17 years at Pepsico in marketing and innovation roles in India, US and UK. She is currently on the board of various companies such as Tata Chemicals Limited, Future Consumer Enterprises Limited, Asian Paints Limited and Tata Teleservices Limited.

Service agreements with the Directors

No service contracts have been entered into by the Directors with the Company providing for benefits upon termination of employment. Additionally, the Company has a scheme for special retirement benefits for its Managing and Executive Directors.

As of the date of this Letter of Offer, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which the Company has appointed a director or a member of the senior management.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Particulars	Page Number
1.	Audited Standalone Financial Statements as at and for the year ended March 31, 2017	[●]
2.	Audited Consolidated Financial Statements as at and for the year ended March 31, 2017	[●]
3.	Limited Review Standalone Financial Results for the three-month period ended June 30, 2017	[●]
4.	Limited Review Consolidated Financial Results for the three-month period ended June 30, 2017	[●]

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

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and as at the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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

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

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

MUMBAI, May 26, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

MUMBAI, May 26, 2017

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except in respect of one plot of leasehold land carried at ₹ 1.91 crore which is in physical possession of the Company and the settlement of the lease deed in favour of the Company is being processed.

The Company also holds immovable properties ("buildings") that have been built on land taken on lease which are disclosed as a part of the property, plant and equipment of the Company in the financial statements. The lease agreements in these cases are in the name of the Company except in one instance where the lease agreement has expired but the Company has been permitted to carry out its operations until the process of auction and handover of the premises to the winning bidder is completed.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

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

(a) The Company has been generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (₹ In crore)	Amount Unpaid (₹ In crore)
Central Sales Tax Act, 1956 and Sales Tax / Value Added Tax Act of various states	VAT and Sales Tax	Assessing Officer	Financial Year 2003-2004 to 2004-2005	0.08	0.06
		Assistant Commissioner, Commercial Taxes Department- Udaipur, Rajasthan	Financial Year 2011-2012 to 2015-2016	0.44	0.40
		Deputy Commissioner of commercial taxes	Financial Year 1997-2005, 2011-2012 to 2012-2013	6.15	4.85
		Joint Commissioner (Commercial Taxes)	Financial Year 2012-2013 to 2013-2014	0.23	0.19
		Tribunal, Appellate and Revision Board	Financial Year 1992-1993, 2005-2006 to 2012-2013	0.65	0.63
		Joint Commissioner of Sales Tax (Appeal)	Financial Year 2005-2006, 2007-2008, 2010-2011, 2013-2014 to 2016-2017	10.31	9.54
		High Court	Financial Year 1997-1998, 2003-2004, 2007-2008 to 2008-2009, 2013-2014	0.83	0.42
Finance Act , 1994 and Service Tax Laws	Service Tax	Assistant Commissioner of Service Tax	Financial Year 2007-2008	0.12	0.11
		Central Excise and Service Taxes Appellate Tribunal	Financial Year 2004-2005 to 2013-2014	1.19	1.09
		Commissioner of Service Tax (Additional / Assistant / Joint)	Financial Year 2002-2003 to 2012-2013, 2015-2016	7.19	2.05
		Commissioner of Service Tax Appeals	Financial Year 2005-2006 to 2012-2013, 2014-2015	0.26	0.11
		The Deputy Commissioner of Service Tax Audit, Service Tax Commissionarate	Financial Year 2013-2014 to 2014-2015	0.11	0.11
		Service Tax Appellate Tribunal	Financial Year 2004-2005 to 2015-2016	0.39	0.39
		Supreme Court	Financial Year 2005-2006 to 2012-2013	1.05	1.05
		The Additional Commissioner, Central Excise	Financial Year 2002-2003 to 2012-2013	0.37	0.37
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Financial Year 2002-2004, 2005-2006 to 2007-2008 and 2012-2013	126.76	126.76
		Income Tax Appellate Tribunal	Financial Year 2009-2010 and 2011-2012	51.72	34.96

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

MUMBAI, May 26, 2017

Balance Sheet as at March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Assets				
Non-current assets				
Property, plant and equipment	3	**2,148.57**	2,100.91	1,972.29
Capital work-in-progress		**107.88**	55.23	141.99
Intangible assets	4	**38.12**	41.36	23.20
Intangible assets under development		**0.03**	0.35	1.40
Financial assets				
Investments	5 (a)	**2,875.09**	1,818.84	1,579.30
Loans	6 (a)	**37.78**	1,057.29	1,127.09
Other financial assets	7 (a)	**58.60**	56.05	71.09
Advance income tax (net)		**65.35**	47.95	33.18
Other non-current assets	8 (a)	**255.94**	250.16	150.69
		5,587.36	5,428.14	5,100.23
Current assets				
Inventories	9	**47.56**	45.08	43.16
Financial assets				
Investments	5 (b)	**53.10**	135.87	431.82
Trade receivables	10	**213.74**	161.83	139.56
Cash and cash equivalents	11	**14.07**	21.12	283.44
Other Balances with Banks	12	**7.63**	8.09	74.01
Loans	6 (b)	**1.47**	1.47	4.96
Other financial assets	7 (b)	**119.82**	123.26	152.62
Other current assets	8 (b)	**48.84**	42.36	39.90
		506.23	539.08	1,169.47
Total		**6,093.59**	5,967.22	6,269.70
Equity and Liabilities				
Equity				
Equity share capital	13	**98.93**	98.93	80.75
Other equity	14	**2,516.97**	2,276.65	2,068.02
		2,615.90	2,375.58	2,148.77
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	15 (a)	**1,494.54**	1,569.37	1,929.60
Other financial liabilities	16 (a)	**253.46**	298.36	298.29
Provisions	17 (a)	**48.78**	48.65	27.31
Deferred tax liabilities (net)	18	**288.32**	228.80	213.32
		2,085.10	2,145.18	2,468.52
Current Liabilities				
Financial liabilities				
Borrowings	15 (b)	**7.31**	7.45	0.99
Trade payables	19	**177.14**	172.85	138.73
Other financial liabilities	16 (b)	**883.13**	921.42	1,302.03
Provisions	17 (b)	**85.72**	78.14	62.47
Other current liabilities	20	**239.29**	266.60	148.19
		1,392.59	1,446.46	1,652.41
Total		**6,093.59**	5,967.22	6,269.70
The accompanying notes form an integral part of the standalone financial statements	1 - 46			

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman
Rakesh Sarna — Managing Director & CEO
Rajeev Newar — Vice President - Finance
Beejal Desai — Vice President - Legal & Company Secretary

Statement of Profit and Loss for the year ended March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Income			
Revenue from operations	21	**2,391.25**	2,267.85
Other income	22	**53.86**	106.27
Total		**2,445.11**	2,374.12
Expenses			
Food and beverages consumed	23	**219.99**	209.82
Employee benefit expenses and payment to contractors	24	**633.22**	615.01
Finance costs	25	**197.86**	242.78
Depreciation and amortisation expenses		**151.29**	126.02
Other operating and general expenses	26	**1,017.41**	1,020.71
Total		**2,219.77**	2,214.34
Profit before exceptional items and tax		**225.34**	159.78
Exceptional items	27	**33.51**	(6.89)
Profit before tax		**258.85**	152.89
Tax expense			
Current tax		**109.24**	46.72
Deferred tax		**7.67**	22.02
Total		**116.91**	68.74
Profit after tax		**141.94**	84.15
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**7.58**	(6.86)
Change in fair value of equity instruments designated irrevocably as Fair Value Through Other Comprehensive Income		**127.79**	75.76
Less/(Add):- income tax expense/ (credit)		**2.93**	(2.50)
Other comprehensive income for the year, net of tax		**132.44**	71.40
Total comprehensive Income for the year		**274.38**	155.55
Earnings per share:			
Basic and Diluted - (₹)		**1.43**	0.85
Face value per equity share - (₹)		**1.00**	1.00
The accompanying notes form an integral part of the standalone financial statements	1 - 46		

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman
Rakesh Sarna — Managing Director & CEO
Rajeev Newar — Vice President - Finance
Beejal Desai — Vice President - Legal & Company Secretary

Statement of Cash Flows for the year ended March 31, 2017

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Cash Flow From Operating Activities		
Profit Before Tax	**258.85**	152.89
Adjustments to reconcile net profit to net cash provided by operating activities:		
Gain on sale of current investments	**(4.73)**	-
Expenditure on project written off	**-**	9.83
Provision for impairment of investment in a subsidiary	**64.33**	0.35
Exchange Gain on Long Term Borrowing/Assets (net)	**(1.90)**	(27.70)
Fair valuation (Gains)/Loss on derivative contracts	**(65.45)**	24.41
Depreciation and amortisation expenses	**151.29**	126.02
Net (gain)/loss on disposal of Property, Plant and Equipment	**(2.09)**	1.41
Assets written off	**9.85**	-
Allowance for Doubtful Debts and Advances	**0.95**	5.29
Dividend Income	**(24.13)**	(55.25)
Interest Income	**(9.26)**	(34.78)
Interest expense	**197.86**	242.78
Provision for Contingent Claims	**5.54**	18.48
Provision for Employee Benefits	**1.89**	18.53
	324.15	329.37
Cash Operating Profit before working capital changes	**583.00**	482.26
Adjustments for (increase)/ decrease in operating assets:		
Inventories	**(2.48)**	(1.92)
Trade Receivables	**(53.48)**	(26.65)
Other financial assets	**(0.37)**	35.70
Other Assets	**(29.06)**	(35.55)
	(85.39)	(28.42)
Adjustments for increase/ (decrease) in operating liabilities:		
Trade Payables	**4.29**	34.12
Other financial liabilities	**34.97**	(6.44)
Other liabilities	**(2.00)**	53.36
	37.26	81.04
Cash Generated from Operating Activities	**534.87**	534.88
Income taxes paid	**(77.72)**	(65.53)
Net Cash Generated From Operating Activities (A)	**457.15**	469.35
Cash Flow From Investing Activities		
Payment for purchase of property, plant and equipment	**(255.24)**	(191.87)
Proceeds from disposal of property, plant and equipment	**3.83**	1.03
Purchase of current Investments	**(2,051.05)**	(2,072.24)
Sale of current Investments	**2,138.55**	2,368.19
Purchase of non-current Investments	**-**	(266.40)
Sale of Investment in Joint Venture	**-**	72.29
Sale of Investment in an Associate	**-**	39.44
Carried over	**(163.91)**	(49.56)

Statement of Cash Flows for the year ended March 31, 2017 (Contd.)

	March 31, 2017	March 31, 2016
	₹ crores	₹ crores
Brought over	**163.91**	49.56
Sale of Investment in Other Companies	**-**	56.71
Interest Received	**9.54**	38.65
Dividend Received	**24.13**	55.25
Long-term Deposits placed with a Subsidiary (Refer Note 5, Footnote (iv))	**(135.19)**	(844.80)
Long-term Deposits repaid by Subsidiary	**167.93**	974.41
Short-term Deposits placed with a Subsidiary	**-**	(4.00)
Short-term Deposits repaid by a Subsidiary	**-**	4.00
Short-term Deposits repaid by a related party	**10.00**	-
Short-term Deposits placed with a related party	**(10.00)**	-
Long-term Deposits repaid by a Joint Venture	**-**	9.81
Bank Balances not considered as Cash and Cash Equivalents	**0.42**	70.83
Net Cash Generated/(Used) In Investing Activities (B)	**(97.08)**	311.30
Cash Flow From Financing Activities		
Dividend & Tax on Dividends (including unclaimed dividend)	**(33.97)**	(0.08)
Cost of conversion compulsorily convertible debentures into equity share	**-**	(1.00)
Interest & other borrowing costs paid	**(117.74)**	(113.79)
Settlement of Cross currency Interest rate swap (net)	**(26.96)**	(3.63)
Repayment of long-term borrowings	**(708.08)**	(1,049.01)
Proceeds from short-term borrowings	**160.00**	-
Short-term loans repaid	**(160.00)**	-
Proceeds from long-term borrowings	**520.00**	125.00
Unclaimed Dividend/ Deposits/ Interest transferred to Investors Education and Protection Fund	**(0.37)**	(0.46)
Net Cash Generated/ (Used) In Financing Activities (C)	**(367.12)**	(1,042.97)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**(7.05)**	(262.32)
Cash and Cash Equivalents - Opening	**21.12**	283.44
Cash and Cash Equivalents - Closing	**14.07**	21.12

Footnote: The Purchase of long-term investments in the previous year includes the acquisition of the balance stake in Lands End Properties Private Limited (''LEPPL'') of 80.10% from Taida Trading & Industries Ltd, Oriental Hotels Ltd. and Tata Capital Ltd. for ₹ 15.10 crores. LEPPL has got amalgamated into the Company w.e.f. April 1, 2015 (being the beginning of the preceding period) - Refer Note 29 for details.

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 46).

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman
Rakesh Sarna — Managing Director & CEO
Rajeev Newar — Vice President - Finance
Beejal Desai — Vice President - Legal & Company Secretary

Statements of Changes in Equity for the year ended March 31, 2017

₹ crores

Particulars	a) Equity Share Capital	b) Other Equity								
	Equity Share Capital Sub-scribed	Equity Compo-nent of other financial instru-ments	Reserves and Surplus					Items of other compre-hensive income	Other Equity	Total Equity
			Capital Reserve	Securities Premium Account	General Reserve	Other re-serves	Retained Earnings	Equity Instru-ments through Other Compre-hensive Income		
Balance as at April 1, 2015	**80.75**	**999.91**	**43.91**	**2,270.28**	**494.05**	**307.09**	**(536.23)**	**79.70**	**3,658.71**	**3,739.46**
Accumulated losses of IHMS LLC and LEPPL on amalgamation (Refer Note 29	-	-	-	-	-	-	(1,590.69)	-	(1,590.69)	(1,590.69)
Restated balance at the beginning of the reporting period (April 1, 2015)	**80.75**	**999.91**	**43.91**	**2,270.28**	**494.05**	**307.09**	**(2,126.92)**	**79.70**	**2,068.02**	**2,148.77**
Profit for the year ended March 31, 2016	-	-	-	-	-	-	84.15	-	84.15	84.15
Other Comprehensive Income for the year ended March 31, 2016, net of taxes	-	-	-	-	-	-	(4.36)	75.76	71.40	71.40
Total Comprehensive Income for the year ended March 31, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**79.79**	**75.76**	**155.55**	**155.55**
Realised gain on sale of Tata Projects transferred from Other Comprehensive Income to Retained Earnings (net of tax of ₹ 12.99 crores)	-	-	-	-	-	-	43.53	(43.53)	-	-
CCDs converted to Equity shares during the year (Refer Note 13, Footnote (ii))	18.18	(999.91)	-	981.73	-	-	-	-	(18.18)	-
Profit on transfer of Shares to Subsidiary (Refer Note 14, Footnote (i))		-	-	-	-	79.38	-	-	79.38	79.38
Deficit on cancellation of carrying amount of investment in LEPPL against equity share capital of LEPPL on amalgamation (Refer Note 29)		-	(7.12)	-	-	-	-	-	(7.12)	(7.12)
Issue expenses written off against Securities Premium		-	-	(1.00)	-	-	-	-	(1.00)	(1.00)
Adjustments of accumulated losses on Schemes of Arrangements becoming effective (Refer Note 29, & Note 14, Footnote (ii))		-	7.12	(2,020.36)	-	-	2,013.24	-	(0.00)	-
Balance as at March 31, 2016	**98.93**	**-**	**43.91**	**1,230.65**	**494.05**	**386.47**	**9.64**	**111.93**	**2,276.65**	**2,375.58**
Profit for the year ended March 31, 2017	-	-	-	-	-	-	141.94	-	141.94	141.94
Other Comprehensive Income for the year ended March 31, 2017, net of taxes	-	-	-	-	-	-	4.65	127.79	132.44	132.44
Total Comprehensive Income for the year ended March 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**146.59**	**127.79**	**274.38**	**274.38**
Dividends (Refer Note 46)		-	-	-	(29.68)	-	-	-	(29.68)	(29.68)
Tax on Dividend		-	-	-	(4.38)	-	-	-	(4.38)	(4.38)
Balance as at March 31, 2017	**98.93**	**-**	**43.91**	**1,230.65**	**459.99**	**386.47**	**156.23**	**239.72**	**2,516.97**	**2,615.90**

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 46).

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman
Rakesh Sarna — Managing Director & CEO
Rajeev Newar — Vice President - Finance
Beejal Desai — Vice President - Legal & Company Secretary

Notes to Financial Statements for the year ended March 31, 2017

Note 1 : Corporate Information

The Indian Hotels Company Limited ("IHCL" or the "Company"), is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

The Company is domiciled and incorporated in India in 1902 and has its registered office at Mandlik House, Mandlik Road, Mumbai – 400 001, India. It is promoted by Tata Sons Limited, which holds a significant stake in the Company.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 26, 2017.

Note 2 : Basis of Preparation, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements

The financial statements have been prepared on the following basis:

(a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

(b) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Notes to Financial Statements for the year ended March 31, 2017

- **Impairment testing:** Property, plant and equipment and Intangible assets that are subject to amortisation/ depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.
- **Loyalty programme:** The Company estimates the fair value of points awarded under the Loyalty Programme by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.
- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

Significant Accounting Policies

(d) Revenue recognition :

Income from operations

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management fees for the management of the hotels.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Notes to Financial Statements for the year ended March 31, 2017

The Company operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues allocated to award points is deferred and on redemption of the award points, the revenue is recognised. Membership fees received from the loyalty program is recognised as revenue on time-proportion basis.

Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(e) Employee Benefits

i. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Employee.

ii. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or assets as of the reporting date. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

iii. Post-Retirement Pension Scheme and Medical Benefits

a) The net present value of the Company's obligation towards post retirement pension scheme for retired whole time directors and post employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

b) The Company also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

iv. Superannuation

The Company has a defined contribution plan for eligible employees, wherein it annually contributes a sum equivalent to a defined percentage of the eligible employee's annual basic salary to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which the corresponding services are received from the employee.

Notes to Financial Statements for the year ended March 31, 2017

v. Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

vi. Short Term Obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(o)). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalised and depreciated over their estimated useful life.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

Class of Assets	Estimated Useful Life
Buildings	60 to 80 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Other Miscellaneous Hotel Assets	4 years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives.

Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

Notes to Financial Statements for the year ended March 31, 2017

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

(g) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible Assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising intangible assets are as under:

Class of Assets	Estimated Useful Life
Website Development Cost	5 years
Software and Licences	6 years
Service and Operating Rights	10 years

An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(h) Impairment of assets:

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

Notes to Financial Statements for the year ended March 31, 2017

(i) Foreign Currency Translation:

The functional currency of the Company is Indian rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

(j) Assets taken on lease:

Operating Lease

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

(k) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(l) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(m) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Notes to Financial Statements for the year ended March 31, 2017

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (“MAT”) credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(n) Provisions:

Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Company created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation, Non-current provisions are discounted if the impact is material.

Notes to Financial Statements for the year ended March 31, 2017

(o) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(p) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(q) Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(r) Exceptional items:

The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, exchange gain/ loss on long term borrowings/ assets and changes in fair value of derivative contracts.

(s) Financial Instruments

(I) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Notes to Financial Statements for the year ended March 31, 2017

Classification

- **Cash and Cash Equivalents** – Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

- **Debt Instruments -** The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

  (i) Financial assets at amortised cost

  Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

  (ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)

  Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

  (iii) Financial assets at fair value through profit or loss (FVTPL)

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- **Equity Instruments -** The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

  At the date of transition to Ind AS, the Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

  When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

Notes to Financial Statements for the year ended March 31, 2017

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(II) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. During the years reported, no hedge relationship was designated.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to Financial Statements for the year ended March 31, 2017

(III) Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

(t) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the Statement of Profit and Loss.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

(u) Business combinations

Business combinations of entities under common control are accounted using the "pooling of interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination.

(v) Recent accounting pronouncements

Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company shall be including the above disclosure in the financial statements from the date that this amendment is applicable i.e., for periods starting from April 1, 2017 and onwards.

Notes to Financial Statements for the year ended March 31, 2017

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

	Freehold Land	Buildings (Refer Footnote (i))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Cost							
At April 1, 2015 (Refer Footnote (ii))	134.18	1,141.45	524.57	143.78	22.03	6.28	1,972.29
Additions	0.07	113.57	102.70	21.36	11.05	0.29	249.04
Disposals	-	0.88	1.34	0.05	0.05	-	2.32
At March 31, 2016	**134.25**	**1,254.14**	**625.93**	**165.09**	**33.03**	**6.57**	**2,219.01**
Additions	-	91.60	73.10	27.45	5.74	0.53	198.42
Disposals	-	8.90	7.48	1.23	0.50	0.59	18.70
At March 31, 2017	**134.25**	**1,336.84**	**691.55**	**191.31**	**38.27**	**6.51**	**2,398.73**
Depreciation							
At April 1, 2015 (Refer Footnote (ii))							
Charge for the year	-	35.27	55.26	19.52	7.32	1.15	118.52
Disposals	-	0.25	0.13	0.02	0.02	-	0.42
At March 31, 2016	**-**	**35.02**	**55.13**	**19.50**	**7.30**	**1.15**	**118.10**
Charge for the year	-	48.80	61.30	20.85	7.56	0.80	139.31
Disposals	-	2.99	2.93	0.51	0.71	0.11	7.25
At March 31, 2017	**-**	**80.83**	**113.50**	**39.84**	**14.15**	**1.84**	**250.16**
Net Block							
At April 1, 2015	**134.18**	**1,141.45**	**524.57**	**143.78**	**22.03**	**6.28**	**1,972.29**
At March 31, 2016	**134.25**	**1,219.12**	**570.80**	**145.59**	**25.73**	**5.42**	**2,100.91**
At March 31, 2017	**134.25**	**1,256.01**	**578.05**	**151.47**	**24.12**	**4.67**	**2,148.57**

Footnotes :

(i) Cost includes improvements to buildings constructed on leasehold land - ₹ 933.82 crores (March 31, 2016 - ₹ 875.54 crores, April 1, 2015 - ₹ 775.28 crores).

(ii) On transition to Ind AS, the carrying values of all the property, plant and equipment under the previous GAAP have been considered to be the deemed cost under Ind AS. Also refer Note 28.

(iii) Addition includes ₹ Nil (March 31, 2016 - ₹ 1.91 crores) on account of interest cost on borrowings capitalised on certain qualifying assets (Refer Note 25).

(iv) For details of Pledged assets refer Note 15, footnote (ii).

Notes to Financial Statements for the year ended March 31, 2017

Note 4 : Intangible Assets (Acquired)

	Website Development Cost ₹ crores	Software (Refer Footnote (i)) ₹ crores	Service and Operating Rights ₹ crores	Total ₹ crores
Cost				
At April 1, 2015	1.54	18.98	2.68	23.20
(Refer Footnote (ii))				
Additions	13.41	12.36	0.41	26.18
Disposals	0.91	0.11	-	1.02
At March 31, 2016	**14.04**	**31.23**	**3.09**	**48.36**
Additions	4.23	4.63	-	8.86
Disposals	-	0.25	-	0.25
At March 31, 2017	**18.27**	**35.61**	**3.09**	**56.97**
Amortisation				
At April 1, 2015				
(Refer Footnote (ii))				
Charge for the year	0.85	6.06	0.59	7.50
Disposals	0.47	0.03	-	0.50
At March 31, 2016	**0.38**	**6.03**	**0.59**	**7.00**
Charge for the year	3.64	6.37	1.97	11.98
Disposals	-	0.13	-	0.13
At March 31, 2017	**4.02**	**12.27**	**2.56**	**18.85**
Net Block				
At April 1, 2015	**1.54**	**18.98**	**2.68**	**23.20**
At March 31, 2016	**13.66**	**25.20**	**2.50**	**41.36**
At March 31, 2017	**14.25**	**23.34**	**0.53**	**38.12**

Footnotes :

i) Software includes Customer Reservation System and other licensed software.

ii) On transition to Ind AS, carrying value of all the intangible assets under the previous GAAP is considered as the deemed cost under Ind AS. Also refer Note 28.

Notes to Financial Statements for the year ended March 31, 2017

Note 5 : Investments

	Face Value		March 31, 2017		March 31, 2016		April 1, 2015	
			Holdings As at	**₹ crores**	Holdings As at	₹ crores	Holdings As at	₹ crores
(a) Non Current Investments								
Fully Paid Unquoted Equity Investments								
Investments in Subsidiary Companies (at cost)								
International Hotel Management Services LLC.(amalgamated during the year, Refer Note 29)			**-**	**-**	-	-	-	-
KTC Hotels Ltd.	₹	10	**6,04,000**	**0.70**	6,04,000	0.70	6,04,000	0.70
Roots Corporation Ltd.	₹	10	**5,10,00,000**	**51.00**	5,10,00,000	51.00	5,10,00,000	51.00
Taj International Hotels (H.K.) Ltd.	US $	1	**23,00,00,000**	**1,111.98**	23,00,00,000	1,111.82	23,00,00,000	1,111.05
IHOCO BV (111,32,324 Shares alloted during the year) (Refer footnote (iv))	US $	1	**20,962,324**	**1,912.60**	9,830,000	919.97	7,730,000	667.56
TIFCO Holdings Ltd.	₹	10	**8,15,00,000**	**81.50**	8,15,00,000	81.50	8,15,00,000	81.50
United Hotels Ltd.	₹	10	**25,18,320**	**1.11**	25,18,320	1.11	25,18,320	1.11
Piem Hotels Ltd.	₹	10	**9,86,760**	**61.12**	9,86,760	61.12	9,86,760	61.12
Inditravel Ltd.	₹	10	**2,40,004**	**0.24**	2,40,004	0.24	2,40,004	0.24
Taj Enterprises Ltd.	₹	100	**7,000**	**0.07**	7,000	0.07	7,000	0.07
Taj Trade & Transport Co. Ltd.	₹	10	**12,54,000**	**2.67**	12,54,000	2.67	12,54,000	2.67
Lands End Properties Private Ltd. (amalgamated during the year, Refer Note 29)			**-**	**-**	-	-	-	-
Skydeck Properties and Developers Private Ltd. (Refer footnote (v))	₹	10	**98,288**	**275.94**	98,288	275.94	98,288	275.94
				3,498.93		2,506.14		2,252.96
Investments in Joint Ventures (at cost)								
IHMS Hotels (SA) (Proprietary) Ltd. (₹ 3,052)	ZAR	1	**-**	**-**	-	-	500	-
Share application money with IHMS Hotels (SA) (Proprietary) Ltd.				**-**		-		57.09
Taj Karnataka Hotels & Resorts Ltd.	₹	10	**5,00,000**	**0.50**	5,00,000	0.50	5,00,000	0.50
Taj Kerala Hotels & Resorts Ltd.	₹	10	**1,41,51,663**	**15.67**	1,41,51,663	15.67	1,41,51,663	15.67
Taj SATS Air Catering Ltd.	₹	10	**88,74,000**	**61.82**	88,74,000	61.82	88,74,000	61.82
Taj Madras Flight Kitchen Private Ltd.	₹	10	**79,44,112**	**8.56**	79,44,112	8.56	79,44,112	8.56
Carried over				**3,585.48**		2,592.69		2,396.60

Notes to Financial Statements for the year ended March 31, 2017

	Face Value		March 31, 2017		March 31, 2016		April 1, 2015	
			Holdings As at	**₹ crores**	Holdings As at	₹ crores	Holdings As at	₹ crores
Brought over				**3,585.48**		2,592.69		2,396.60
Taj Safaris Ltd.	₹	10	**59,16,667**	**7.92**	59,16,667	7.92	59,16,667	7.92
TAL Hotels & Resorts Ltd. (Refer Note 14, Footnote (i))	US$	1	**-**	**-**	-	-	1,329,778	13.63
Kaveri Retreats and Resorts Ltd.	₹	10	**20,00,000**	**6.80**	20,00,000	6.80	20,00,000	6.80
				101.27		101.27		171.99
Investments in Associate Companies (at cost)								
BJETS Pte Ltd.	US$	1	**2,00,00,000**	**102.59**	2,00,00,000	102.59	2,00,00,000	102.59
Taida Trading & Industries Ltd.	₹	100	**26,912**	**0.27**	26,912	0.27	26,912	0.27
Taj Madurai Ltd.	₹	10	**9,12,000**	**0.95**	9,12,000	0.95	9,12,000	0.95
				103.81		103.81		103.81
Fully Paid Quoted Equity Investments :								
Investments in Subsidiary Company (at cost)								
Benares Hotels Ltd.	₹	10	**2,93,000**	**0.69**	2,93,000	0.69	2,93,000	0.69
				0.69		0.69		0.69
Investments in Joint Ventures (at cost)								
Taj GVK Hotels & Resorts Ltd.	₹	2	**1,60,00,000**	**40.34**	1,60,00,000	40.34	1,60,00,000	40.34
				40.34		40.34		40.34
Investments in Associate Companies (at cost)								
TAL Lanka Hotels PLC	Sri Lankan Rupees	10	**-**	**-**	-	-	34,375,640	18.72
Oriental Hotels Ltd.	₹	1	**3,37,64,550**	**28.73**	3,37,64,550	28.73	3,37,64,550	28.73
				28.73		28.73		47.45
Gross Investment in Subsidiaries, Joint Ventures and Associates				**3,773.77**		2,780.98		2,617.24
Less : Provision for Impairment in value of Investments (Refer Footnote (vii))				**1,281.28**		1,216.95		1,273.69
Net Investment in Subsidiaries, Joint Ventures and Associates				**2,492.49**		1,564.03		1,343.55
Carried over				**2,492.49**		1,564.03		1,343.55

Notes to Financial Statements for the year ended March 31, 2017

	Face Value		March 31, 2017		March 31, 2016		April 1, 2015	
			Holdings As at	**₹ crores**	Holdings As at	₹ crores	Holdings As at	₹ crores
Brought over				**2,492.49**		**1,564.03**		**1,343.55**
Investments in Other Companies (Refer Footnote (viii))								
Carried at fair value through Other Comprehensive Income:								
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000/-)	₹	50	**20**	**-**	20	-	20	-
Tata Services Ltd.	₹	1,000	**421**	**0.03**	421	0.03	421	0.03
Tata Sons Ltd. (Refer Footnote (x))	₹	1,000	**4,500**	**25.00**	4,500	25.00	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote (vi) and (x))	₹	10	**7,11,00,000**	**71.10**	7,11,00,000	71.10	7,11,00,000	71.10
Kumarakruppa Frontier Hotels Private Ltd.	₹	10	**96,432**	**6.03**	96,432	5.51	96,432	5.51
Taj Air Ltd.	₹	10	**1,47,060**	**-**	1,47,060	-	1,47,060	-
Tata Projects Ltd. (Refer Footnote (ix))	₹	100	**-**	**-**	-	-	90,000	56.69
				102.16		101.64		158.33
Fully Paid Quoted Equity Investments :								
Investments in Other Companies (Refer Footnote (viii))								
Carried at fair value through Other Comprehensive Income:								
Tourism Finance Corporation of India Ltd.	₹	10	**50,000**	**0.41**	50,000	0.21	50,000	0.34
HDFC Bank Ltd.	₹	2	**2,500**	**0.36**	2,500	0.27	2,500	0.26
India Tourism Development Corporation Ltd.	₹	10	**67,50,275**	**279.67**	67,50,275	152.69	67,50,275	76.82
				280.44		153.17		77.42
Total Investment in Equity instruments				**2,875.09**		1,818.84		1,579.30
Investment in Preference Shares (carried at amortised costs)								
Central India Spinning Weaving & Manufacturing Co. Ltd.	₹	500	**50**	**-**	50	-	50	-
(10% unquoted Cumulative Preference Shares) (₹ 27,888/-)				**-**		-		
Investment in Others (carried at amortised costs)								
National Savings Certificate (₹ 45,000)				**-**		-		-
Total Non-current Investments - Net				**2,875.09**		1,818.84		1,579.30

Notes to Financial Statements for the year ended March 31, 2017

			March 31, 2017		March 31, 2016		April 1, 2015	
		Face Value	**Holdings As at**	**₹ crores**	Holdings As at	₹ crores	Holdings As at	₹ crores
Footnotes:								
i)	Aggregate amount of Quoted Investments			**350.20**		222.93		165.90
	Market value of Quoted Investments			**683.77**		367.53		333.39
ii)	Aggregate amount of Unquoted Investments			**3,806.17**		2,812.86		2,687.09
iii)	Aggregate amount of impairment in value of investments			**1,281.28**		1,216.95		1,273.69

iv) During the year the Company has converted its Shareholders' Deposit given to a wholly owned subsidiary, IHOCO BV into equivalent equity in that company at fair value as on the date of conversion. Arising out of amalgamation of IHMS LLC with the Company (Refer Note 29), 77,30,000 shares of IHOCO BV have vested in the Company on April 1, 2015 at their carrying value of US$ 141.22 million equivalent to ₹ 667.56 crores. Although the above shares were actually issued on October 16, 2015, the same have been accounted as on April 1, 2015 to harmonise the accounting of the amalgamation required under the approved Scheme with the provisions of Appendix C of Ind AS 103 (Refer Note 29).

v) As a result of the amalgamation of Lands End Properties Private Ltd. with the Company, 98,288 shares of Skydeck Properties and Developers Private Ltd. have vested in the Company on April 1, 2015 at their carrying value of ₹ 275.94 crores. These shares were held by LEPPL as on April 1, 2015 and were vested in the Company with effect from that date as a result of the application of Appendix C of Ind AS 103 used in accounting for the said amalgamation (refer Note 29).

vi) Transfer of shares is restricted due to option granted for 10 years upto July, 2021 to Tata Realty and Infrastructure Ltd. for repurchase of the shares at par value. Tata Realty and Infrastructure Ltd. has deposited a sum of ₹ 71.10 crores (March 31, 2016 ₹ 71.10 crores, April 1, 2015 ₹ 71.10 crores) as Option Deposit (Refer Note 16(b)), which shall be adjusted upon exercise of the option or refunded.

vii) The continuing losses at its properties in the United States of America, has led the Company to reassess the recoverable amount of its investment in IHOCO BV, a wholly owned subsidiary. During the year, the Company recognised an impairment loss of ₹ 64.33 crores (previous year ₹ Nil) in the Statement of Profit and Loss which has been classified under "Exceptional items" (Refer Note 27).

viii) For these investments, the Company has elected the fair value through Other Comprehensive Income irrevocable option since these investments are not held for trading.

ix) During the previous year, the Company has divested 90,000 shares in Tata Projects Ltd. (fair valued through Other Comprehensive Income) to unlock the value in existing assets. The fair value of the investment at the date of derecognition was ₹ 56.69 crores and the cumulative gain on disposal was ₹ 56.53 crores.

x) For this investment, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

xi) The fair value hierarchy and classification are disclosed in Note 33.

Notes to Financial Statements for the year ended March 31, 2017

Note 5 : Investments

	March 31, 2017		March 31, 2016		April 1, 2015	
	Units As at	**₹ crores**	Units As at	₹ crores	Units As at	₹ crores
(b) Current Investments						
Carried at fair value through profit and loss:						
Investments in Mutual Fund Units (Unquoted)						
Tata Money Market Fund - Growth	**207,184**	**53.10**	-	-	-	-
Tata Money Market Fund - Daily Dividend	**-**	**-**	1,356,679	135.87	125,837	12.60
Franklin India TMA - Daily Dividend	**-**	**-**	-	-	957,763	95.95
Franklin India TMA - Super Institutional Plan - Daily Dividend	**-**	**-**	-	-	384,693	38.50
IDFC Cash Fund - Daily Dividend	**-**	**-**	-	-	351,699	35.19
JM High Liquidity - Daily Dividend	**-**	**-**	-	-	21,388,157	22.31
JM High Liquidity - Daily Dividend	**-**	**-**	-	-	25,023,711	26.10
Kotak Floater - ST - Daily Dividend	**-**	**-**	-	-	84,180	8.51
LIC Nomura MF Liquid Fund - Daily Dividend	**-**	**-**	-	-	571,094	62.71
HDFC Cash Mgmt Fund - Savings Plan - Daily Dividend	**-**	**-**	-	-	17,871,081	19.01
ICICI Prudential Liquid - Daily Dividend	**-**	**-**	-	-	4,349,927	43.52
ICICI Prudential Money Market Fund - Daily Dividend	**-**	**-**	-	-	3,800,558	38.06
Religare Invesco Liquid Fund - Daily Dividend	**-**	**-**	-	-	293,358	29.36
		53.10		135.87		431.82
Footnote:						
(i) Aggregate amount of Unquoted Investments:		53.10		135.87		431.82

Notes to Financial Statements for the year ended March 31, 2017

Note 6 : Loans

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non Current Loans			
(Unsecured, considered good unless stated otherwise)			
Loans to related parties at fair value through profit and loss			
Subsidiary companies (Refer Note 40)	**32.43**	1,051.94	1,112.39
Loans to related parties at amortised cost			
Considered good			
Joint Ventures (Refer Note 40)	**5.35**	5.35	14.70
Considered Doubtful			
Associate (Refer Note 40)	**3.17**	3.17	3.17
	8.52	8.52	17.87
Less: Allowance for doubtful Loans	**3.17**	3.17	3.17
	5.35	5.35	14.70
	37.78	1,057.29	1,127.09
(b) Current Loans			
(Unsecured, considered good unless stated otherwise)			
Related Parties (Refer Note 40)	**1.37**	1.37	4.87
Others	**0.10**	0.10	0.09
	1.47	1.47	4.96

Footnote:

Loans to subsidiary companies comprise of shareholders' deposits placed by the Company. During the year, the Company has converted its shareholders' deposit into equivalent equity in the subsidiary at fair value as on the date of conversion (Refer Note 5, Footnote (iv)).

Note 7 : Other Financial Assets

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non Current Financial Assets			
Long-term security deposits placed for Hotel Properties at amortised costs			
Related Parties (Refer Note 40)	**0.08**	0.07	0.07
External Parties	**32.88**	29.48	29.13
	32.96	29.55	29.20
Less: Allowance for doubtful deposits	**2.00**	-	-
	30.96	29.55	29.20
Deposits with Public Bodies and Others at amortised costs			
Related parties (Refer Note 40)	**0.57**	1.80	1.71
Public Bodies and Others	**23.78**	21.27	36.20
	24.35	23.07	37.91
Less: Allowance for doubtful deposits	**0.10**	0.02	-
	24.25	23.05	37.91
Deposits with Banks (Refer Note 12)	**1.04**	1.00	1.13
Others	**2.35**	2.45	2.85
	58.60	56.05	71.09

Notes to Financial Statements for the year ended March 31, 2017

Note 7 : Other Financial Assets

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(b) Current Financial Assets			
Deposit with public bodies and others			
Related Parties (Refer Note 40)	**1.23**	-	-
Others	**7.91**	14.48	8.16
	9.14	14.48	8.16
Other advances			
Considered good	**8.31**	5.22	4.97
Considered doubtful	**2.23**	4.93	4.04
	10.54	10.15	9.01
Less: Allowance for doubtful advances	**2.23**	4.93	4.04
	8.31	5.22	4.97
Interest receivable			
Related Parties (Refer Note 40)	**0.94**	0.94	2.80
Others	**0.37**	0.65	2.95
	1.31	1.59	5.75
Other receivables			
Related Parties (Refer Note 40)	**86.52**	91.45	129.68
Others	**14.54**	10.52	4.06
	101.06	101.97	133.74
	119.82	123.26	152.62

Note 8 : Other Assets

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Other Non Current Assets			
Capital Advances	**20.36**	11.76	12.18
Prepaid Expenses	**71.09**	63.34	65.53
Deposits adjustable against future rent payments	**7.88**	8.86	9.75
Incentive receivable	**103.08**	118.09	38.69
Deposits with Government Authoritites	**53.53**	48.11	24.54
	255.94	250.16	150.69
(b) Other Current Assets			
Prepaid Expenses	**22.97**	24.52	23.53
Indirect tax recoverable	**12.63**	6.98	5.89
Advance to Suppliers	**11.39**	8.06	8.93
Advance to Employees	**1.60**	1.89	1.30
Deposits adjustable against future rent payments	**0.25**	0.91	0.25
	48.84	42.36	39.90

Notes to Financial Statements for the year ended March 31, 2017

Note 9 : Inventories (At lower of cost and net realisable value)

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Food and Beverages	**24.12**	22.32	19.97
Stores and Operating Supplies	**23.44**	22.76	23.19
	47.56	45.08	43.16

Footnote:

i) The cost of inventories recognised as an expense amounted to ₹ 306.26 crores (Previous year ₹ 289.21 crores).

ii) The cost of inventories recognised as an expense includes ₹ 0.29 crore (Previous year ₹ 0.41 crore) in respect of write down of inventories to net realisable value.

Note 10 : Trade and other receivables

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Unsecured			
Considered good	**213.74**	161.83	139.56
Considered doubtful	**11.70**	11.05	7.55
	225.44	172.88	147.11
Less : Allowance for doubtful debts	**11.70**	11.05	7.55
	213.74	161.83	139.56

Footnote:

i) Allowance for doubtful debts

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Opening Balance	**11.05**	7.55	
Add: Allowance during the year	**1.97**	4.76	
	13.02	12.31	
Less: Bad Debts written off against past allowances	**0.77**	0.88	
Less: Reversal of allowances no longer required	**0.55**	0.38	
Closing Balance	**11.70**	11.05	7.55

(ii) Trade Receivables include debts due from Directors - ₹ Nil (March 31, 2016 - ₹ 2,79,161, April 1, 2015 - ₹ 2,26,884) in the ordinary course of business.

(iii) For related party balances refer Note 40.

Note 11 : Cash and Cash Equivalents

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Cash on hand	**1.65**	1.75	1.79
Cheques, Drafts on hands	**3.25**	6.16	2.40
Balances with bank in current account	**9.17**	11.11	12.67
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**-**	2.10	266.58
	14.07	21.12	283.44

Notes to Financial Statements for the year ended March 31, 2017

Note 12 : Other Balances with Banks

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Call and Short-term deposit accounts	**5.11**	5.21	70.33
Deposits pledged with others	**0.62**	0.64	0.62
Margin money deposits	**0.79**	0.70	0.99
Earmarked balances	**2.15**	2.54	3.20
	8.67	9.09	75.14
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current Financial Asset (Refer Note 7 (a))	**1.04**	1.00	1.13
	7.63	8.09	74.01

Note 13 : Equity Share Capital

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Authorised Share Capital			
200,00,00,000 Equity Shares of ₹ 1 each (March 31, 2016: 200,00,00,000 Equity Shares of ₹ 1 each) (April 1, 2015: 200,00,00,000 Equity Shares of ₹ 1 each)	**200.00**	200.00	200.00
	200.00	200.00	200.00
Issued Share Capital			
98,93,07,472 Equity Shares of ₹ 1 each (March 31, 2016: 98,93,07,472 Equity Shares of ₹ 1 each) (April 1, 2015: 80,74,89,291 Equity Shares of ₹ 1 each)	**98.93**	98.93	80.75
	98.93	98.93	80.75
Subscribed and Paid Up			
98,92,74,015 Equity Shares of ₹ 1 each, Fully Paid (March 31, 2016: 98,92,74,015 Equity Shares of ₹ 1 each) (April 1, 2015: 80,74,72,787 Equity Shares of ₹ 1 each)	**98.93**	98.93	80.75
(Refer Footnote (vi))	**98.93**	98.93	80.75

Footnotes:

(i) The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) On September 1, 2014 ,the Company had allotted 18,18,01,228 Compulsorily Convertible Debentures ("CCDs") of ₹ 55 each aggregating to ₹ 999.91 crores on a "rights" basis (Each CCD was convertible into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share after 18 months from the date of allotment of the CCD). The CCDs were converted into 18,18,01,228 Equity shares of ₹ 1 each on March 1, 2016 as per the terms of allotment and ₹ 981.73 crores has been transferred to Securities Premium account.

Notes to Financial Statements for the year ended March 31, 2017

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2017		March 31, 2016	
	No. of shares	**₹ crores**	No. of shares	₹ crores
As at the beginning of the year	**98,92,74,015**	**98.93**	80,74,72,787	80.75
Add : CCDs converted to Equity shares	**-**	**-**	18,18,01,228	18.18
As at the end of the year	**98,92,74,015**	**98.93**	98,92,74,015	98.93

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

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**% of Holding**	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid						
Tata Sons Limited	**27,70,63,351**	**28.01**	27,70,63,351	28.01	20,20,52,004	25.02
Life Insurance Corporation of India	**8,90,22,722**	**9.00**	8,10,06,874	8.19	6,57,52,493	8.14
Sir Dorabji Tata Trust	**5,02,21,040**	**5.08**	5,02,21,040	5.08	5,02,21,040	6.22
Reliance Capital Trustee Company Limited	**7,02,36,948**	**7.10**		*		*

*less than 5%

(v) 33,457 (March 31, 2016 - 33,457 and April 1, 2015 - 16,504) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (March 31, 2016 - Nil and April 1, 2015 - Nil)

(vii) Equity Shares in the entity held by associates.

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**% of Holding**	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid						
Oriental Hotels Limited	**6,26,999**	**0.06**	6,26,999	0.06	5,11,836	0.06
Taida Trading and Industries Limited	**1,56,515**	**0.02**	1,56,515	0.02	1,27,768	0.02
Taj Madurai Limited	**9,37,828**	**0.09**	9,37,828	0.09	7,65,574	0.09

Notes to Financial Statements for the year ended March 31, 2017

Note 14 : Other Equity

		March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
a)	**Equity Component of Compulsorily Convertible Debentures ("CCDs") (Refer Note 13, footnote (iii))**		
	Opening Balance	**-**	999.91
	Less: CCDs converted to Equity shares	**-**	(999.91)
	Closing Balance	**-**	-
b)	**Reserves & Surplus**		
	Capital Reserve		
	Opening Balance	**43.91**	43.91
	Less: Loss on Cancellation of investment in LEPPL on amalgamation	**-**	(7.12)
	Add: Adjustment against Security Premium on account of LEPPL Scheme (Refer footnote (ii))	**-**	7.12
	Closing Balance	**43.91**	43.91
	Reserve on Transfer of Equity to entities within common control		
	Opening Balance	**79.38**	-
	Add : Profit on Transfer of shares to subsidiary (Refer footnote (i))	**-**	79.38
	Closing Balance	**79.38**	79.38
	Capital Redemption Reserve		
	Opening and Closing Balance	**1.12**	1.12
	Securities Premium Account		
	Opening Balance	**1,230.65**	2,270.28
	Add : Premium on conversion of CCDs into shares	**-**	981.73
	Less : Adjustments of accumulated losses on Schemes of Arrangements becoming effective (Refer Note 29 & Footnote (ii))	**-**	(2,020.36)
	Less : Issue expenses written off (net of tax - ₹ Nil, March 31, 2016 - ₹ 1.00 crore)	**-**	(1.00)
	Closing Balance	**1,230.65**	1,230.65
	Debenture Redemption Reserve		
	Opening and Closing Balance	**305.97**	305.97
	General Reserve		
	Opening Balance	**494.05**	494.05
	Less : Final Dividend	**(29.68)**	-
	Less : Tax on Dividend	**(4.38)**	-
	Closing Balance	**459.99**	494.05
	Carried over	**2,121.02**	2,155.08

Notes to Financial Statements for the year ended March 31, 2017

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Brought over	**2,121.02**	2,155.08
Retained Earnings		
Opening Balance	**9.64**	(2,126.92)
Add: Current year profits	**141.94**	84.15
Less: Adjustment against Security Premium on account of schemes of arrangement (Refer footnote (ii))	**-**	2,013.24
Add: Realised gain on sale of shares of Tata Projects transferred from Other Comprehensive Income (net of tax of ₹ 12.99 crores)	**-**	43.53
Add: Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings)	**4.65**	(4.36)
Closing Balance	**156.23**	9.64
Total	**2,277.25**	2,164.72
(c) Other Comprehensive Income		
Equity Instruments fair valued through Other Comprehensive Income		
Opening Balance	**111.93**	79.70
Add: Change in fair value of equity instruments designated irrevocably as fair value through Other Comprehensive Income	**127.79**	75.76
Less: Realised gain on sale of shares of Tata Projects transferred from Other Comprehensive Income (net of tax of ₹ 12.99 crores)	**-**	(43.53)
Closing Balance	**239.72**	111.93
	2,516.97	2,276.65

Footnotes:

(i) As a part of the Company's initiative to restructure and hold its investments in overseas assets through IHOCO BV ("IHOCO"), a wholly owned subsidiary of the Company, the Company had transferred 34,375,640 shares in TAL Lanka Hotels PLC ("TAL Lanka") and 1,329,778 shares in TAL Hotels & Resorts Ltd. ("TAL Hotels") to IHOCO in the previous year. The total consideration payable by IHOCO of ₹ 111.73 crores was based on market value of shares of TAL Lanka and the fair value of TAL Hotels as determined by an independent valuer. As the funds for the acquisition of the above shares were sourced from the Company, the gain on transfer of ₹ 79.38 crores was recorded within Reserve on Transfer of Equity to entities under common control.

(ii) During the year under review, the Honourable High Court of Bombay had approved the two separate Schemes of Arrangement of the Company which inter alia included the amalgamation of its wholly owned subsidiaries namely International Hotel Management Services LLC (through 'IHMS Scheme') and Lands End Properties Private Limited (through 'LEPPL Scheme') with the Company itself.

Consequent to the Order and subsequent approval of Securities and Exchange Board of India ("SEBI") and other regulatory filing the IHMS Scheme had become effective on September 29, 2016 with effect from the appointed date of January 1, 2016 and LEPPL Scheme had become effective on December 19, 2016 with effect from the appointed date of March 31, 2016.

As these are common control transactions, the amalgamation has been accounted using the 'pooling of interest' method and the figures for the previous year have been recast as if the amalgamation had occurred from the beginning of the preceding year to harmonise the accounting approved in the Scheme with the requirements of Appendix C of Ind AS 103 on Business Combinations. However, the effect of capital reduction has been given on the respective Appointed Dates. Consequently, an aggregate sum of ₹ 2020.36 crores has been reduced from the Securities Premium Account at the respective Appointed Dates (Refer Note 29).

Notes to Financial Statements for the year ended March 31, 2017

Note 15 : Borrowings

(a) Long term borrowings

	Effective Rate of Interest (%)	Maturity	March 31, 2017 ₹ crores Face Value	March 31, 2017 ₹ crores Amortised cost	March 31, 2016 ₹ crores Face Value	March 31, 2016 ₹ crores Amortised cost	April 1, 2015 ₹ crores Face Value	April 1, 2015 ₹ crores Amortised cost
Non Convertible Debentures (NCDs)								
Secured								
a) 7.85% Non-Convertible Debentures	7.85	April 15, 2022	**495.00**	**493.65**	-	-	-	-
b) 10.10% Non-Convertible Debentures	10.10	November 18, 2021	**300.00**	**300.00**	300.00	300.00	300.00	300.00
c) 9.95% Non-Convertible Debentures	9.95	July 27, 2021	**250.00**	**250.00**	250.00	250.00	250.00	250.00
d) 2% Non-Convertible Debentures	9.51	March 22, 2016					90.00	131.11
		March 22, 2017			150.00	236.32	150.00	218.51
e) Zero coupon Non-Convertible Debentures	10.00	February 12, 2016	**-**	**-**	-	-	521.00	642.28
			1,045.00	**1,043.65**	700.00	786.32	1,311.00	1,541.90
Unsecured								
a) 2% Non-Convertible Debentures	9.86	December 9, 2019	**250.00**	**446.87**	250.00	411.35	250.00	378.92
b) 2% Non-Convertible Debentures	9.76	April 23, 2017	**200.00**	**292.73**	200.00	270.38	200.00	249.95
c) 9.90% Non-Convertible Debentures	9.90	February 24, 2017	**-**	**-**	136.00	136.00	136.00	136.00
			450.00	**739.60**	586.00	817.73	586.00	764.87
			1,495.00	**1,783.25**	1,286.00	1,604.05	1,897.00	2,306.77
Term Loan from Banks								
Unsecured								
Foreign Currency Term Loan From Banks		November 22, 2017		**204.52**		208.98		196.19
		November 22, 2016		**-**		208.51		196.17
		January 22, 2016		**-**		-		195.94
Term Loan from Bank		August 9, 2017		**49.88**		124.55		-
				254.40		542.04		588.30
Loans (Unsecured)								
From Related Party (Refer Note 40)				**4.02**		4.11		3.86
				4.02		4.11		3.86
				2,041.67		2,150.20		2,898.93
Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)				**547.13**		580.83		969.33
				1,494.54		1,569.37		1,929.60
(b) Short term borrowings								
Loans repayable on demand from Bank								
Secured				**7.31**		7.45		-
Unsecured				**-**		-		0.99
				7.31		7.45		0.99

Notes to Financial Statements for the year ended March 31, 2017

Footnotes:

(i) **Non Convertible Debentures - Secured include:**

a) 4,950, 7.85% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 495 crores, allotted on January 20, 2017 are repayable at par after the end of 5th year from the date of allotment on April 15, 2022.

b) 3,000, 10.10% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on November 18, 2011 are repayable at par on November 18, 2021 i.e at the end of 10th year from the date of allotment.

c) 2,500, 9.95% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on July 27, 2011 are repayable at par on July 27, 2021 i.e at the end of 10th year from the date of allotment.

d) 3,000, 2% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on March 22, 2010 were repayable in 3 annual instalments commencing at the end of 5th, 6th & 7th year from the date of allotment along with redemption premium of ₹ 6.13 lakhs per debenture. The company had repaid the first instalment of ₹ 60 crores on March 23, 2015 and the second instalment of ₹ 90 crores on March 22, 2016. During the year, the Company has repaid the last instalment of ₹ 150 crores due on March 22, 2017.

e) 5210, Zero coupon Secured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on February 13, 2013 and repaid on February 12, 2016 at the end of 3 years from the date of allotment having a Yield to maturity of 10% p.a. The Debentures were secured by pledge of the Company's 100% investment in Skydeck Properties & Developers Private Limited (SPDPL), a wholly owned subsidiary of the Company and receivables of Lands End Properties Private Limited prior to amalgamation with the Company.

(ii) All the Secured Non-Convertible Debentures are rated, listed and secured by a pari passu first charge created on all the property, plant and equipment of the Company, both present and future.

(iii) **Non Convertible Debentures - Unsecured include:**

a) 2,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on December 9, 2009 are repayable on December 9, 2019 i.e at the end of the 10th year from the date of allotment, along with redemption premium of ₹ 12.43 lakhs per debenture.

b) 2,000, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 23, 2012 are repayable on April 23, 2017, i.e at the end of the 5th year from the date of allotment along with redemption premium of ₹ 4.71 lakhs per debenture.

c) 1,360, 9.90% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 136 crores, allotted on February 24, 2012 were repayable on February 24, 2017 i.e at the end of the 5th year from the date of allotment. During the year, the Company has repaid these debentures on the due date.

(iv) **Term Loan from Banks (Unsecured) include:**

a) External commercial borrowing of US $ 95 million was taken on November 23, 2011. The loan is repayable at the end of 50th, 60th, and 72nd month from November 23, 2011 in equal instalments to achieve the average maturity of 5.05 years and carries an interest which is based on a spread over LIBOR. The first instalment of US $ 31.67 million and the second instalment of US $ 31.67 million has been repaid on January 25, 2016 and November 23, 2016 respectively. The last instalment of US $ 31.66 million (₹ 204.52 crores) is due on November 22, 2017 and has been classified under current maturities of long term borrowings.

b) Unsecured term loan from a bank of ₹ 125 crores carrying interest rate of 9.50% p.a. was taken during the previous year repayable at the end of 18 months from the date of first drawdown. The loan was drawn in 2 tranches of ₹ 60 crores and ₹ 65 crores on February 9, 2016 and March 21, 2016 respectively. Further, ₹ 25 crores was drawn on May 30, 2016. The Company has prepaid the loan of ₹ 100 crores on March 31, 2017. The net loan now stands at ₹ 49.88 crores. The interest rate has reduced to 8.25% p.a. as on March 31, 2017.

(v) Secured loan from Bank consists of overdraft facilities. These are secured by hypothecation of operating supplies, stores, food and beverages and receivables.

Notes to Financial Statements for the year ended March 31, 2017

Note 16: Other financial liabilities

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Other Non Current financial liabilities			
Liability on derivative contracts	**244.27**	289.71	294.24
Deposits from others			
Unsecured	**3.43**	3.47	2.33
Creditors for capital expenditure	**1.75**	0.59	0.03
Employee related liabilities	**4.01**	4.59	1.69
	253.46	298.36	298.29
(b) Other Current financial liabilities			
Current maturities of long term borrowings			
Debentures	**292.73**	372.32	773.39
Term Loan From Banks	**254.40**	208.51	195.94
	547.13	580.83	969.33
Liability on derivative contracts	**-**	48.39	24.42
Liability towards Loyalty Programmes	**35.28**	24.43	10.08
Other Payables			
Related Parties (Refer Note 40)	**8.50**	6.43	7.86
Others	**5.83**	6.23	7.73
	14.33	12.66	15.59
Deposits from others			
Option Deposit received against purchase of shares (Secured) (Refer Note 5 Footnote (vi))	**71.10**	71.10	71.10
Unsecured	**24.90**	24.02	24.35
	96.00	95.12	95.45
Interest accrued but not due on borrowings	**41.85**	37.32	37.06
Creditors for capital expenditure	**33.23**	21.40	18.85
Unclaimed dividend (Refer Footnote (ii))	**1.80**	2.07	2.57
Unclaimed Share Application Money (Refer Footnote (ii))	**-**	-	0.05
Unclaimed Matured Deposits and interest accrued thereon (Refer Footnote (ii))	**0.94**	1.10	1.35
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (March 31, 2016 - ₹ 25,153, April 1, 2015 - ₹ 25,153) (Refer Footnote (ii))	**-**	-	-
Employee related liabilities	**74.06**	63.58	66.39
Others	**38.51**	34.52	60.89
	883.13	921.42	1,302.03

Footnotes:

(i) The fair value hierarchy and classification are disclosed in Note 33.

(ii) A sum of ₹ 0.37 crore (March 31, 2016 - ₹ 0.46 crore, April 1, 2015 - ₹ 0.34 crore) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.

Notes to Financial Statements for the year ended March 31, 2017

Note 17 : Provisions

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non Current provisions			
Employee Benefit Obligation			
Compensated absences	**25.53**	20.76	13.79
Gratuity (Refer Note 35)	**-**	6.47	3.84
Post-employment medical benefits (Refer Note 35)	**5.27**	4.51	2.83
Post-retirement pension (Refer Note 35)	**17.98**	16.91	6.85
	48.78	48.65	27.31
(b) Current provisions			
Employee Benefit Obligation			
Compensated absences	**18.33**	17.22	19.80
Post-employment medical benefits (Refer Note 35)	**0.28**	0.24	0.26
Post-retirement pension (Refer Note 35)	**1.60**	0.71	0.92
	20.21	18.17	20.98
Provision for Contingencies (Refer Footnote (i))	**65.51**	59.97	41.49
	85.72	78.14	62.47

Footnote:

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

	Opening Balance ₹ crores	**Addition/ (Deletion) ₹ crores**	**Closing Balance ₹ crores**
Disputed claims for taxes, levies and duties	**59.29**	**5.81**	**65.10**
	39.91	*19.38*	*59.29*
Disputes on Contractual matters	**0.41**	**-**	**0.41**
	0.41	-	*0.41*
Disputes in respect of Employee benefits	**0.27**	**(0.27)**	**-**
	1.17	*(0.90)*	*0.27*
As at March 31, 2017	**59.97**	**5.54**	**65.51**
As at March 31, 2016	*41.49*	*18.48*	*59.97*

a) The above matters are under litigation/ negotiation and ultimate outcome and the timing of the cash flows cannot be currently determined.

b) Figures in italics are in respect of previous periods.

Notes to Financial Statements for the year ended March 31, 2017

Note 18 : Deferred Tax Liabilities (Net)

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Deferred Tax Liabilities:			
Property, Plant and equipment & Intangible Assets	**426.29**	442.77	396.37
Unamortised borrowing costs	**0.33**	0.90	1.20
Fair valuation changes of derivative contracts	**15.94**	0.21	-
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	**1.08**	0.99	13.98
	443.64	444.87	411.55
Deferred Tax Assets:			
Provision for Employee Benefits	**26.07**	23.08	14.26
MAT Credit Entitlement	**77.66**	126.57	74.69
Allowance for doubtful debts	**4.04**	3.82	2.61
Unused tax losses (Business)	**-**	21.74	71.04
Unused tax losses (Capital)	**-**	-	8.95
Fair valuation changes of derivative contracts	**-**	-	0.91
Reward Points	**17.90**	19.25	10.94
Provision for Contingencies	**21.12**	18.60	12.20
Others	**8.53**	3.01	2.63
	155.32	216.07	198.23
	288.32	228.80	213.32

Note 19: Trade Payables

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Micro and Small Enterprises (Refer Footnote (i) and (ii))	**1.31**	1.84	1.48
Vendor Payables	**92.09**	85.28	72.78
Accrued expenses and others	**83.74**	85.73	64.47
	177.14	172.85	138.73

Footnotes:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

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

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	**1.22**	1.77	1.43
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	**0.09**	0.07	0.05

Notes to Financial Statements for the year ended March 31, 2017

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	**-**	-	-
(d) The amount of interest due and payable for the year	**0.02**	0.02	0.02
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	**0.09**	0.07	0.05
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**0.02**	0.02	0.02

(iii) For related party balances refer Note 40.

Note 20 : Other Current Liabilities

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Income received in advance	**21.71**	26.14	17.98
Deferred Revenue	**131.81**	160.23	68.49
Advances collected from customers	**45.78**	39.23	31.42
Statutory dues	**39.99**	41.00	30.30
	239.29	266.60	148.19

Note 21 : Revenue from Operations

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Room Income, Food, Restaurants and Banquet Income	**1,990.05**	1,901.48
Shop rentals	**30.46**	29.86
Membership fees	**95.15**	71.01
Management and operating fees	**158.81**	148.95
Other Operating Income	**116.78**	116.55
	2,391.25	2,267.85

Notes to Financial Statements for the year ended March 31, 2017

Note 22 : Other Income

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Interest Income from financial assets at amortised cost		
Deposits with banks	**4.35**	27.85
Deposits with Related Parties (Refer Note 40)	**1.11**	1.77
Amortisation of Interest on security deposits	**2.96**	3.89
Others	**0.90**	1.27
	9.32	34.78
Interest on Income Tax Refunds	**(0.06)**	-
	9.26	34.78
Dividend Income from Investments (Refer Footnote)		
- from Investments in Subsidiaries, Joint Ventures and Associates which are measured at cost	**15.97**	21.89
- from Investments that are fair valued through Other Comprehensive Income	**1.50**	13.04
- from Investments that are fair valued through Profit and Loss	**6.66**	20.32
Profit on disposal of Property, plant and equipment (Net)	**2.09**	-
Gain on investments carried at fair value through Statement of Profit and Loss	**4.73**	-
Exchange Gain (Net)	**-**	1.82
Others	**13.65**	14.42
	53.86	106.27

Footnote:

Previous year includes dividend income relating to one of the investment designated at FVOCI and derecognised during the previous year ₹ 0.45 crore.

Note 23 : Food and Beverages Consumed

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Opening Stock	**22.32**	19.97
Add : Purchases	**221.80**	212.17
	244.12	232.14
Less : Closing Stock	**24.13**	22.32
	219.99	209.82

Note 24 : Employee Benefit Expenses and Payment to Contractors

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Salaries, Wages, Bonus etc.	**463.98**	443.77
Company's Contribution to Provident and Other Funds (Refer Note 35)	**34.40**	47.30
Reimbursement of Expenses on Personnel Deputed to the Company	**15.76**	16.57
Payment to Contractors	**44.04**	39.74
Staff Welfare Expenses	**75.04**	67.63
	633.22	615.01

Notes to Financial Statements for the year ended March 31, 2017

Note 25 : Finance costs

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	**194.99**	238.29
Add : Settlements on interest rate swap contracts	**(0.41)**	2.07
	194.58	240.36
On Tax Demands	**1.61**	1.14
Other borrowing costs	**1.67**	3.19
	197.86	244.69
Less : Interest Capitalised (Refer Footnote)	**-**	1.91
	197.86	242.78

Footnote:

The Company had capitalised the Interest cost on borrowings relating to certain qualifying assets in the previous year.

Note 26 : Other operating and general expenses

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
(i) Operating expenses consist of the following :		
Linen and Room Supplies	**41.99**	36.86
Catering Supplies	**20.75**	18.89
Other Supplies	**5.22**	4.70
Fuel, Power and Light	**166.87**	179.98
Repairs to Buildings	**40.36**	37.60
Repairs to Machinery	**45.02**	42.23
Repairs to Others	**11.37**	11.63
Linen and Uniform Washing and Laundry Expenses	**10.86**	11.54
Security charges and Others	**27.59**	26.59
Guest Transportation	**33.32**	34.62
Travel Agents' Commission	**37.26**	32.25
Discount to Collecting Agents	**20.03**	19.85
Other Operating Expenses	**42.86**	40.30
	503.50	497.04
(ii) General expenses consist of the following :		
Rent	**46.55**	44.38
Licence Fees (Refer Footnote (iv))	**158.13**	155.66
Rates and Taxes	**42.44**	49.52
Insurance	**6.53**	6.12
Advertising and Publicity	**70.64**	85.00
Carried over	**324.29**	340.68

Notes to Financial Statements for the year ended March 31, 2017

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Brought over	**324.29**	340.68
Printing and Stationery	**8.33**	8.37
Passage and Travelling	**10.83**	9.34
Provision for Doubtful Debts/ Bad debts written off	**1.57**	4.38
Expenditure on Corporate Social Responsibility (Refer Footnote (v))	**4.36**	0.92
Professional Fees	**32.65**	35.77
Outsourced Support Services	**53.65**	49.16
Exchange Loss (Net)	**0.22**	-
Loss on Sale of Property, plant and equipment (Net)	**-**	1.41
Payment made to Statutory Auditors (Refer Footnote (iii))	**3.91**	4.25
Directors' Fees and Commission	**3.32**	2.65
Other Expenses (Refer Footnote (ii))	**70.78**	66.74
	513.91	523.67
	1,017.41	1,020.71

Footnotes:

(i) The following direct expenses incurred during the year and to the extent attributable to construction or renovation of hotel buildings have been capitalised:

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Employee benefits expense	**2.69**	0.55
Fuel, power and light	**0.11**	0.03
Depreciation	**0.05**	-
Other expenses (Net)	**11.14**	10.52
	13.99	11.10

(ii) Other expenses include Assets written off - ₹ 9.85 crores (Previous year - ₹ Nil) and Advances written off ₹ 2.95 crores (Previous year - ₹ Nil).

(iii) Payment made to Statutory Auditors:

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
As auditors	**2.72**	2.72
As tax auditors	**0.37**	0.30
For other services	**0.55**	1.12
For out-of pocket expenses	**0.17**	0.04
Service tax on above [Net of credit availed - ₹ 0.49 crores (Previous year - ₹ 0.47 crores)]	**0.10**	0.07
	3.91	4.25

(iv) Licence Fees includes ₹ 3.59 crores (Previous year ₹ 4.15 crores) towards amortisation of Lease premium on account of measurement of interest free refundable security deposits at amortised cost.

(v) The gross amount required to be spent by the Company during the year is ₹ 4.26 crores (Previous year ₹ 3.59 crores). Against this sum, the Company has spent ₹ 4.36 crores (Previous year ₹ 0.92 crores) on projects other than construction/ acquisition of assets. The entire amount has been disbursed prior to the end of the financial year.

Notes to Financial Statements for the year ended March 31, 2017

Note 27 : Exceptional Items

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Exceptional Items comprises the following:		
Exchange Gain/ (Loss) on Long-term Borrowings/Assets (Net)	**1.90**	27.70
Change in fair value of derivative contracts	**65.45**	(24.41)
Recovery of costs alongwith interest (₹ 14.70 crores) on a surrendered project	**24.33**	-
Provision for impairment of investment in a subsidiary that incurred losses (Refer Note 5(a), Footnote (vii))	**(64.33)**	(0.35)
Refund of Municipal tax (including interest ₹ 2.38 crores)	**6.16**	-
Expenditure on a project written off	**-**	(9.83)
	33.51	(6.89)

Note 28 : Transition to Ind AS

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (''previous GAAP''). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 *'First-time Adoption of Indian Accounting Standards'* along with the reconciliations of equity, total comprehensive income and statement of cash flows in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Company has applied the following exemptions:

i. **Business combinations exemption**

The Company has elected not to apply Ind AS 103, Business Combinations, to business combinations occurred before the transition date.

ii. **Property, plant and equipment and intangible assets – Deemed Cost**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (Para D7AA of Appendix D). This exemption can also be used for intangible assets covered by Ind AS 38 *'Intangible Assets'* and investment property covered by Ind AS 40 *'Investment Properties'.*

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Notes to Financial Statements for the year ended March 31, 2017

Reconciliations between Previous GAAP and Ind AS:

i. Equity Reconciliations	Notes	As at March 31, 2016	As at April 1, 2015
		₹ crores	₹ crores
Equity under Previous GAAP		**3,885.60**	**2,615.15**
Adjustment on account of Schemes of Arrangement (Refer Note 29)		(1,661.77)	(1,590.69)
Adjustment on account of transition			
Borrowings – low coupon bonds measured at amortised cost	(a)	192.27	273.32
Fair value of derivative contracts recognised	(b)	(80.22)	(91.60)
Deferred revenue on Customer Loyalty Programme	(c)	(40.38)	(21.33)
Financial assets at amortised cost	(d)	(21.81)	(21.54)
Fair valuation of Investments	(e)	112.93	93.70
Proposed dividend (including tax on dividend) reversed	(f)	35.72	-
Equity component of other financial instruments	(g)	-	999.91
Other adjustments		5.58	(11.21)
Tax adjustments	(h)	(52.34)	(96.94)
Equity under Ind AS		**2,375.58**	**2,148.77**

ii. Total Comprehensive income reconciliation

	Notes	As at March 31, 2016
		₹ crores
Profit after tax under Previous GAAP		**201.04**
Adjustment on account of amalgamation (Refer Note 29)		(63.96)
Adjustments on account of transition		
Borrowings – low coupon bonds measured at amortised cost	(a)	(81.05)
Change in fair value of derivative contracts	(b)	(38.61)
Deferred revenue on Customer Loyalty Programme	(c)	(19.05)
Exchange difference on revaluation of Long term borrowings/ assets	(i)	76.82
Reversal of gain on sale of long term investment	(e)	(56.53)
Others adjustments		23.39
Tax adjustments	(h)	42.10
Profit after tax under Ind AS		**84.15**
Other comprehensive income	(j)	71.40
Total comprehensive income as per Ind AS		**155.55**

Notes to Financial Statements for the year ended March 31, 2017

iii. Statement of Cash Flows reconciliation

Particulars	Notes	For the year ended March 31, 2016		
		As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS
		₹ crores	₹ crores	₹ crores
Net cash flows from operating activities		431.95	37.40	469.35
Net cash flows from investing activities		(345.09)	656.39	311.30
Net cash flows from financing activities	(k)	(349.69)	(693.28)	(1,042.97)
Net increase/ (decrease) in cash and cash equivalents		**(262.83)**	**0.51**	**(262.32)**
Cash and cash equivalents as at April 1, 2015		**281.82**	**1.62**	**283.44**
Cash and cash equivalents as at March 31, 2016		**18.99**	**2.13**	**21.12**

a. The back ended premium on redemption on low coupon bonds had been offset against the Securities Premium Account under previous GAAP, which is now recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying the effective interest rate method. The redemption premium for unexpired period as at the date of transition has been added back to Securities Premium Account.

b. The Company has entered into cross currency swap contracts. Under previous GAAP, at the each reporting date, the notional amounts are restated at the closing exchange rates and recognized as liability. Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with the resulting changes being recognised in the Statement of Profit and Loss.

c. The Company operates loyalty programme, which allows its members to earn, accumulate and redeem the points based on their spending at the Hotels. Under the previous GAAP, the company created a provision towards its liability under the programme.

   Under Ind AS, the revenues have been allocated between the services rendered and points issued. The consideration allocated to the points has been deferred and will be recognized as revenue when the points are redeemed or lapse.

d. Interest free security deposits for leased premises (that are refundable in cash on completion of the lease term) were recorded at their transaction value under the previous GAAP. Under Ind AS, these deposits are recognized at fair value on the date of transaction, difference being taken to prepaid rent. Prepaid rent is amortised over the tenure of the deposit, which is partially set off by the notional interest income recognised on such deposit.

e. Under the previous GAAP, long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. Fair value changes with respect to investments in equity instruments designated as at fair value through Other Comprehensive Income (FVOCI) have been recognised in Equity through other comprehensive income as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2016. Also, profit on sale of investment recognised under previous GAAP is now reversed as the investment was fair valued on transition date.

f. Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as liability in the period to which it relates. This has resulted in an increase in equity by ₹ 35.72 crores and ₹ Nil as on March 31, 2016 and April 1, 2015 respectively.

g. Compulsorily Convertible Debentures ("CCDs") were considered as a liability under the Previous GAAP. Under Ind AS, CCDs are considered as other equity. These were converted in to Equity shares on March 1, 2016.

h. Deferred taxes have been recognised on the adjustments made on transition to Ind AS.

i. Exchange difference on revaluation of Long Term Borrowings/ assets is recognised in the Statement of Profit and Loss under Ind AS. Under the previous GAAP, these translation differences were previously being amortised over the tenure of the borrowing. Previously translation gain on Investment in Non-Integral Foreign Operations was taken to Foreign Currency Translation Reserve (FCTR).

Notes to Financial Statements for the year ended March 31, 2017

j. Under Ind AS, certain items of income and expense that are not recognised in profit or loss but in Other Comprehensive Income and these includes remeasurement of defined benefit plans and fair value gains or losses on equity instruments measured subsequently at FVOCI. The concept of Other Comprehensive Income did not exist under previous GAAP.

k. Under Ind AS, Lands End Properties Private Ltd. was amalgamated into the Company with effect from April 1, 2015 in line with Appendix C to Ind AS 103. Accordingly, the changes in cash flows reflect the impact on account of the aforesaid treatment (Refer Note 29).

Note 29 : Accounting and Disclosures for Schemes of Arrangement

During the current year, the Honourable High Court of Bombay vide its Orders dated August 12, 2016 and October 13, 2016 respectively has approved the Schemes of Arrangement (the "IHMS Scheme" and the "LEPPL Scheme") which inter alia includes the amalgamation of International Hotel Management Services LLC ("IHMS LLC") and Lands End Properties Private Ltd ("LEPPL") with the Company. Both these Schemes were approved by the Board and members on October 19, 2015 and May 4, 2016 respectively. Consequent to the said Orders and subsequent approval of SEBI and the filing of the final certified Orders with the Registrar of the Companies, Maharashtra and with the Secretary of the State of the Delaware, the IHMS Scheme has become effective on September 29, 2016 with effect from the Appointed Date of January 1, 2016 and the LEPPL Scheme has become effective on December 19, 2016 with effect from the Appointed Date of March 31, 2016.

Upon the coming into effect of the Schemes and with effect from the Appointed Dates, the undertaking of IHMS LLC and LEPPL have been transferred to and vested in the Company from the respective Appointed Dates. Further, in terms of the above referred Orders, the effect of the capital reduction aggregating to ₹ 2020.36 crores for both the Schemes has been given effect to on the respective Appointed Dates and adjusted against the Securities Premium Account.

As these are business combinations of entities under common control, the amalgamation has been accounted using the 'pooling of interest' method (in accordance with the approved Schemes). The figures for the previous period have been recast as if the amalgamation had occurred from the beginning of the preceding period to harmonise the accounting for the Scheme with the requirements of Appendix C of Ind AS 103 on Business Combinations and the following assets and liabilities were included (after eliminating the intercompany balances and adjusting the accumulated losses of the Company as on January 1, 2016 aggregating to ₹ 358.58 crores) in the financial statements of the Company as of April 1, 2015:

Particulars	In respect of the IHMS Scheme ₹ crores	In respect of the LEPPL Scheme ₹ crores
Assets		
Investments	667.56	275.94
Trade receivables	-	0.68
Cash and bank balances	-	1.62
Other Current financial assets	-	117.76
Other Current assets	-	0.16
	667.56	396.16
Liabilities		
Current financial liabilities	-	642.30
Provisions	-	0.08
Trade payables (under ₹ 0.01 crore)	-	-
	-	642.38
Debit balance in the profit and loss account transferred and adjusted against the Securities Premium Account	1334.47	256.22
Difference between the consideration and recorded amount of investment	-	7.12
	1334.47	263.34

Notes to Financial Statements for the year ended March 31, 2017

Further, the investments held by the Company in IHMS LLC. (₹ 2002.03 crores) and LEPPL (₹ 10.00 crores) have been eliminated.

The difference between the consideration and the recorded investment as of the Appointed Dates i.e. ₹ 7.12 crores has been transferred to Capital Reserve and shown separately in the Statement of Changes in Equity.

The effect of capital reduction has been given on the respective Appointed Dates. Consequently ₹ 2020.36 crores has been reduced from the Security Premium Account at the respective Appointed Dates.

Note 30 : Contingent Liabilities (to the extent not provided for) and Contingent Assets:

The Company is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses and is exposed to other contingencies arising from having issued guarantees to lenders of its subsidiaries and other entities. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

(a) On account of matters in dispute:

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company, in respect of taxes, etc, which are in dispute, are as under:

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Income tax	**109.25**	73.81	37.95
Entertainment tax	**2.21**	1.95	1.47
Sales tax / State Value added tax	**17.47**	16.29	9.07
Property tax	**55.95**	49.61	50.81
Service tax	**10.67**	9.33	9.00
Others	**16.99**	15.63	9.04

In respect of Income Tax matters, the Company's appeals are pending and the said amounts have been paid/ adjusted and will be recovered as refund if the matters are decided in favour of the Company.

(b) On account of lease agreements:

In respect of a plot of land provided to the Company under a license agreement, on which the Company has constructed a hotel, the licensor has made a claim of ₹ 344.50 crores to date, (13 times the previous annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the licensor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the existing license agreement as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch more than ₹ 86.36 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been issued by the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the licensor, pending a resolution of this dispute by the Honourable Bombay High Court. In view of this, and based on legal advice, the Company regards the likelihood of sustainability of the lessor's claim to be remote and the amount of any potential liability, if at all, is indeterminate.

(c) Others:

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

Notes to Financial Statements for the year ended March 31, 2017

(ii) the proceedings are in early stages;

(iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations; and

(iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial position, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

(d) Litigation in respect of a property:

After expiry of the license period of Taj Mahal Hotel, New Delhi, there was an ongoing litigation between the Company and the licensor, New Delhi Municipal Council (NDMC). On April 20, 2017, the Supreme Court has permitted NDMC to conduct e-auction of license rights, and has also allowed the Company six months' time to handover the premises in case the Company is unsuccessful in the e-auction. The hotel at the premises shall continue to carry out its operations in the meantime. The Supreme Court has directed that at the time of conducting such e-auction, NDMC shall take into account the unblemished record of the Company as well as its capabilities. NDMC has been directed to take into account these facts while taking a final decision in the matter. Pending the announcement of terms and conditions of the e-auction, these financial statements do not include the impact of the possible outcome of the same.

(e) Claims filed by the company:

The Company has filed a claim for Government subsidy with the Department of Industrial Policy and Promotion for a new greenfield hotel project which has commenced operations. The claim is in the initial stage of verification and in the absence of reasonable certainity at this stage on the amount that may be ultimately approved. No deferred income has been recognised.

Note 31 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 63.07 crores (March 31, 2016 – ₹ 127.31 crores, April 1, 2015 – ₹ 83.77 crores).

Note 32 : Operating Lease

The Company has taken certain vehicles, land and immovable properties on operating lease. The lease of hotel properties are generally long term in nature with varying terms and renewal rights expiring within five years to one hunderd & ninety eight years. On renewal, the terms of the leases are renegotiated. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses (Refer note no 26, Footnote (iv)).

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

Particulars	**March 31, 2017**	March 31, 2016	April 1, 2015
	₹ crores	₹ crores	₹ crores
Not later than one year	**54.69**	54.84	48.22
Later than one year but not later than five years	**201.18**	213.30	204.10
Later than five years	**1,178.37**	1,215.02	1,221.50
	1,434.24	1,483.16	1,473.82

In addition, in certain circumstances the Company is committed to making additional lease payments that are contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased.

Notes to Financial Statements for the year ended March 31, 2017

Expenses recognised in the Statement of Profit and Loss:

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Minimum Lease Payments/ Fixed Rentals	**39.19**	37.14
Contingent rents *	**88.69**	89.50
	127.88	126.64

* contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased.

Note 33 : Financial Instruments measurements and disclosures

a) Financial instruments by category:

As on March 31, 2017

	FVTPL	FVOCI	Amortised cost	Total carrying value
	₹ crores	₹ crores	₹ crores	₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote):				
Equity shares	-	382.60	-	382.60
Mutual fund units	53.10	-	-	53.10
Loans to Subsidiary Companies	32.43	-	-	**32.43**
Total	**85.53**	**382.60**	**-**	**468.13**
Not measured at fair value				
Trade Receivables	-	-	213.74	213.74
Cash and cash equivalents	-	-	14.07	14.07
Other Balances with Banks	-	-	7.63	7.63
Loans	-	-	6.82	6.82
Security Deposits	-	-	64.35	64.35
Other financial assets	-	-	114.07	114.07
	-	-	420.68	420.68
Total	**85.53**	**382.60**	**420.68**	**888.81**
Financial liabilities:				
Measured at fair value				
Derivative instruments	244.27	-	-	244.27
Not measured at fair value				
Borrowings	-	-	2,048.98	2,048.98
Trade Payables including creditors for capital expenditure	-	-	212.12	212.12
Deposits	-	-	99.43	99.43
Other financial liabilities	-	-	210.78	210.78
Total	**244.27**	**-**	**2,571.31**	**2,815.58**

Footnote:

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 2,492.49 crores.

Notes to Financial Statements for the year ended March 31, 2017

As on March 31, 2016

	FVTPL	FVOCI	Amortised cost	Total carrying value
	₹ crores	₹ crores	₹ crores	₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote):				
Equity shares	-	254.81	-	**254.81**
Mutual fund units	135.87	-	-	**135.87**
Loans to Subsidiary Companies	1,051.94	-	-	**1,051.94**
Total	**1,187.81**	**254.81**	**-**	**1,442.62**
Not measured at fair value				
Trade Receivables	-	-	161.83	**161.83**
Cash and cash equivalents	-	-	21.12	**21.12**
Other Balances with Banks	-	-	8.09	**8.09**
Loans	-	-	6.82	**6.82**
Security Deposits	-	-	67.08	**67.08**
Other financial assets	-	-	112.23	**112.23**
	-	-	**377.17**	**377.17**
Total	**1,187.81**	**254.81**	**377.17**	**1,819.79**
Financial liabilities:				
Measured at fair value				
Derivative instruments	338.10	-	-	**338.10**
Not measured at fair value				
Borrowings	-	-	2,157.65	**2,157.65**
Trade Payables including capital creditors	-	-	194.84	**194.84**
Deposits	-	-	98.59	**98.59**
Other financial liabilities	-	-	180.27	**180.27**
Total	**338.10**	**-**	**2,631.35**	**2,969.45**

Footnote:

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 1,564.03 crores.

Notes to Financial Statements for the year ended March 31, 2017

As on April 1, 2015

	FVTPL	FVOCI	Amortised cost	Total carrying value
	₹ crores	₹ crores	₹ crores	₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote):				
Equity shares	-	235.75	-	**235.75**
Mutual fund units	431.82	-	-	**431.82**
Loans	1,112.39	-	-	**1,112.39**
Total	**1,544.21**	**235.75**	**-**	**1,779.96**
Not measured at fair value				
Trade Receivables	-	-	139.56	**139.56**
Cash and cash equivalents	-	-	283.44	**283.44**
Other Balances with Banks	-	-	74.01	**74.01**
Loans to Subsidiary Companies	-	-	19.66	**19.66**
Security Deposits	-	-	75.27	**75.27**
Other financial assets	-	-	148.44	**148.44**
	-	**-**	**740.38**	**740.38**
Total	**1,544.21**	**235.75**	**740.38**	**2,520.34**
Financial liabilities:				
Measured at fair value				
Derivative instruments	318.66	-	-	**318.66**
Not measured at fair value				
Borrowings	-	-	2,899.92	**2,899.92**
Trade Payables including creditors for capital expenditure	-	-	157.61	**157.61**
Deposits	-	-	97.78	**97.78**
Other financial liabilities	-	-	195.67	**195.67**
Total	**318.66**	**-**	**3,350.98**	**3,669.64**

Footnote:

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 1,343.55 crores.

Notes to Financial Statements for the year ended March 31, 2017

b) Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis, it also includes the financial instruments which are measured at amortised cost for which fair values are disclosed.

As on March 31, 2017

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	280.44	-	102.16	**382.60**
Mutual fund units	53.10	-	-	**53.10**
Loans to Subsidiary Companies	-	-	32.43	**32.43**
Total	**333.54**	**-**	**134.59**	**468.13**
Not measured at fair value (Refer Footnotes)				
Total	**333.54**	**-**	**134.59**	**468.13**
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	244.27	-	**244.27**
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non Convertible Debentures	-	1,848.50	-	**1,848.50**
Foreign Currency Term Loans	-	204.52	-	**204.52**
Term Loan from Banks	-	49.88	-	**49.88**
Total	**-**	**2,347.17**	**-**	**2,347.17**

Footnotes:

(i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

(ii) The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Notes to Financial Statements for the year ended March 31, 2017

As on March 31, 2016

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	153.17	-	101.64	**254.81**
Mutual fund units	135.87	-	-	**135.87**
Loans to Subsidiary Companies	-	-	1,051.94	**1,051.94**
Total	**289.04**	**-**	**1,153.58**	**1,442.62**
Not measured at fair value (Refer Footnotes)				
Total	**289.04**	**-**	**1,153.58**	**1,442.62**
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	338.10	-	**338.10**
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non Convertible Debentures	-	1,641.99	-	**1,641.99**
Foreign Currency Term Loans	-	417.49	-	**417.49**
Term Loan from Banks	-	124.55	-	**124.55**
Total	**-**	**2,522.13**	**-**	**2,522.13**

Footnotes:

(i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

(ii) The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Notes to Financial Statements for the year ended March 31, 2017

As on April 1, 2015

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	77.42	-	158.33	**235.75**
Mutual fund units	431.82	-	-	**431.82**
Loans to Subsidiary Companies	-	-	1,112.39	**1,112.39**
Total	**509.24**	**-**	**1,270.72**	**1,779.96**
Not measured at fair value (Refer Footnote)				
Total	**509.24**	**-**	**1,270.72**	**1,779.96**
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	318.66	-	318.66
Not measured at fair value (Refer Footnote)				
Borrowings				
Non Convertible Debentures	-	2,368.16	-	2,368.16
Foreign Currency Term Loans	-	588.30	-	588.30
Total	**-**	**3,275.12**	**-**	**3,275.12**

Footnotes:

(i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.

(ii) The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

c) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

(a) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

(b) Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/ debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Level 3: If one or more of the significant Inputs is not based on observable market data, the instrument is included in

Notes to Financial Statements for the year ended March 31, 2017

level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

d) Inter level transfers:

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

e) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for the equity instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of non convertible debentures is valued using FIMMDA guidelines.
- the fair value for the cross currency swaps/principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of the unlisted shares are determined based on the income approach or the comparable market approach. For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis

f) Reconciliations of level 3 fair values

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

	Assets	
	Equity instruments	**Loans**
	₹ crores	₹ crores
Balance as at April 1, 2015	**158.33**	**1,112.39**
Changes on account of forex fluctuations	-	69.13
Loans given	-	844.82
Sale of Shares	(56.69)	-
Loans repaid	-	(974.40)
Balance as at March 31, 2016	**101.64**	**1,051.94**
Changes on account of forex fluctuations	-	4.37
Net change in fair value (unrealized)	0.52	-
Loans given		135.19
Loans repaid	-	(167.93)
Conversion into Equity (Refer Note 5, Footnote (iv))		(991.14)
Balance as at March 31, 2017	**102.16**	**32.43**

Notes to Financial Statements for the year ended March 31, 2017

g) Valuation inputs and relationships to fair value

Description of significant unobservable inputs used in level 3 fair value measurements is enumerated in the table below:

Particulars	Fair value as at			Significant unobservable inputs	Probability-weightage range			Sensitivity
	31-Mar-17	31-Mar-16	01-Apr-15		31-Mar-17	31-Mar-16	01-Apr-15	
Unlisted equity instruments	102.16	101.64	158.33	Capitalisation rate	14.5%-15.5%	14.5%-15.5%	14.5%-15.5%	2017: Increase/ decrease in capitalisation rate change by 0.50 basis point would decrease/increase fair value by ₹ 0.11 crores 2015 & 2016: Increase/ decrease in capitalisation rate change by 0.50 basis point would decrease/increase fair value by ₹ 0.10 crores
Loans given	32.43	1,051.93	1,112.40	Exchange Rate	68.09-61.61	69.57-62.95	65.4-59.17	2017: Increase/ decrease in exchange rate by 5% would increase /decrease fair value by ₹ 1.63 crore. 2016 :Increase/ decrease in exchange rate change by 5% would increase/ decrease fair value by ₹ 52.60 crores 2015 :Increase/ decrease in exchange rate change by 5% would increase/ decrease fair value by ₹ 56.09 crores
	134.59	**1,153.57**	**1,270.73**					

Note 34 : Financial risk management

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews

Notes to Financial Statements for the year ended March 31, 2017

the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

a) **Credit risk**

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

The company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the company.

b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	**March 31, 2017**	March 31, 2016	April 1, 2015
	₹ crores	₹ crores	₹ crores
Expiring within one year:			
Bank overdraft	**80.00**	80.00	80.00
Bank Loans	**100.00**	125.00	-
Expiring beyond one year	**-**	-	-
Total	**180.00**	205.00	80.00

The bank overdraft facilities may be drawn at any time by the company. The bank loan facilities are available upto July 31, 2017 and will have a maturity of 18 months from drawdown (March 31, 2016 - the bank loan facilities were available upto May 31, 2016 and had a maturity of 18 months from drawdown).

Notes to Financial Statements for the year ended March 31, 2017

The breakup of the borrowings into fixed and floating interest rates is as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	₹ crores	₹ crores	₹ crores
Fixed interest rate	**1,923.62**	1,886.49	2,702.83
Floating interest rate	**125.36**	271.16	197.09
Total	**2,048.98**	2,157.65	2,899.92

ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual redemption premium payments on low coupon debentures.

March 31, 2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	555.83	-	1,110.84	499.02	2,165.69
Trade and other payables	177.14	-	-	-	177.14
Interest on the borrowings	107.17	99.03	257.68	1.60	465.48
Other financial liabilities	294.43	1.75	4.37	0.38	300.93
Total	**1,134.57**	**100.78**	**1,372.89**	**501.00**	**3,109.24**
Derivative financial liabilities	-	-	244.38	-	244.38
Financial guarantee contracts	40.46	8.02	108.27	141.24	297.99
Total financial liabilities	**1,175.03**	**108.80**	**1,725.54**	**642.24**	**3,651.61**

March 31, 2016	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	608.51	629.06	560.84	554.11	2,352.52
Trade and other payables	172.85	-	-	-	172.85
Interest on borrowings	106.36	68.31	173.98	27.30	375.95
Other financial liabilities	254.88	9.30	0.78	-	264.96
Total	**1,142.60**	**706.67**	**735.60**	**581.41**	**3,166.28**
Derivative financial liabilities	49.05	0.65	134.85	153.55	338.10
Financial guarantee contracts	125.42	8.19	355.99	795.12	1,284.72
Total financial liabilities	**1,317.07**	**715.51**	**1,226.44**	**1,530.08**	**4,789.10**

Notes to Financial Statements for the year ended March 31, 2017

April 1, 2015	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	1,033.01	588.49	1,052.33	553.86	3,227.69
Trade and other payables	138.73	-	-	-	138.73
Interest on the borrowings	106.05	94.92	185.65	55.18	441.80
Other financial liabilities	271.22	0.03	9.35	-	280.60
Total	**1,549.01**	**683.44**	**1,247.33**	**609.04**	**4,088.62**
Derivative financial liabilities	41.58	25.30	118.50	133.27	318.65
Financial guarantee contracts	140.22	-	311.45	672.73	1124.40
Total financial liabilities	**1,730.81**	**708.74**	**1,677.28**	**1,415.04**	**5,531.87**

iii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents.

Particulars	Note	March 31, 2017	March 31, 2016	April 1, 2015
		₹ crores	₹ crores	₹ crores
Term loans	15	2,048.98	2,157.65	2,899.92
Less: Cash and cash equivalents	11	14.07	21.12	283.44
Less: Current Investments	5 (b)	53.10	135.87	431.82
Net debt		1,981.81	2,000.66	2,184.66
Equity	13/14	2,615.90	2,375.58	2,148.77
Gearing ratio		0.76	0.84	1.02

c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

i) Foreign Currency risk

The predominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). The Company's reported debt has an exposure to borrowings held in US dollars. Further, company has foreign currency exposure for its

Notes to Financial Statements for the year ended March 31, 2017

investments (equity and shareholder's loan) in its international subsidiaries. Movements in foreign exchange rates can affect the Company's reported profit, net assets.

The Company's investment in foreign subsidiaries is offset partially by US dollar denominated derivative instruments and bank loan which mitigates the foreign currency risk arising from the subsidiary's net assets.

The Company uses interest rate swaps and currency swaps to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:-

Derivative Instruments outstanding:

Nature of Derivative	**March 31, 2017**		March 31, 2016		April 1, 2015	
	Notional principal (US$ million)	**Fair values (₹ crores)**	Notional principal (US$ million)	Fair values (₹ crores)	Notional principal (US$ million)	Fair values (₹ crores)
Cross currency Interest rate Swap	**108.42**	**244.38**	130.53	336.79	143.80	316.10
Interest Rate Swap	**21.11**	**(0.11)**	42.23	1.31	63.34	2.56
Total	**129.53**	**244.27**	172.76	338.10	207.14	318.66

Sensitivity

For the year ended March 31, 2017 and March 31, 2016, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall affect the company's profit before tax by approximately 14.90% and 16.75% respectively and every 3% increase in the interest rate shall affect the company's profit before tax by approximately 5.89% and (2.20)% respectively.

For the year ended March 31, 2017 and March 31, 2016, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the company's profit before tax by approximately 4.01% and 22.48% respectively and every 3% decrease in the interest rate shall increase/(reduce) affect the company's profit before tax by approximately (5.00)% and 3.53% respectively.

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

Currency	**March 31, 2017**	March 31, 2016	April 1, 2015
United States Dollar (Million)	**(26.67)**	95.43	85.08

Sensitivity

For the year ended March 31, 2017 and March 31, 2016, every 3% depreciation/appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the company's profit before tax by approximately 2.00% and 12.41% respectively.

ii) Interest rate risk

The Company adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

The total borrowing at variable rate was ₹ 254.40 crores as at March 31, 2017 (March 31, 2016 - ₹ 542.04 crores, April 1, 2015 - ₹ 588.30 crores). The carrying value of the long term debt approximates fair value since the current interest rate approximates the market rate.

Notes to Financial Statements for the year ended March 31, 2017

iii) Other market price risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through Other Comprehensive Income. If the equity prices of quoted investments are 3% higher/ lower, the Other Comprehensive Income for the year ended March 31, 2017 would increase/ decrease by 6.35 % (for the year ended March 31, 2016: increase/ decrease by 6.44 %).

Note 35 : Employee Benefits

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds"(net of recoveries):

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Provident Fund	**18.91**	18.88
Superannuation Fund	**5.17**	4.24
Total	**24.08**	23.12

(b) The Company operates post retirement defined benefit plans as follows :-

a. Funded :

i. Post Retirement Gratuity

ii. Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

b. Unfunded :

i. Pension to Executive Directors and Employees – Post retirement minimum guaranteed pension scheme for select existing and retired executive directors and certain categories of employees, which is unfunded.

ii. Post Employment Medical Benefits to qualifying employees

(c) Pension Scheme for Employees:

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(d) The above defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Notes to Financial Statements for the year ended March 31, 2017

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has a relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the Fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(e) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2017 :-

(i) Amount to be recognised in Balance Sheet and movement in net liability

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Present Value of Funded Obligations	**163.60**	**-**	**-**	**-**	**7.15**
	163.00	-	-	-	*6.49*
	157.56	-	-	-	*5.92*
Present Value of Unfunded Obligations	-	**5.55**	**4.25**	**15.33**	-
	-	*4.75*	*4.64*	*12.98*	-
	-	*3.09*	*4.95*	*2.82*	-
Fair Value of Plan Assets	**(167.49)**	**-**	**-**	**-**	**(8.95)**
	(156.53)	-	-	-	*(8.37)*
	(153.72)	-	-	-	*(7.78)*
Amount not recognised due to asset limit	**-**	**-**	**-**	**-**	**0.61**
	-	-	-	-	*0.64*
	-	-	-	-	*0.63*
Net (Asset) / Liability	**(3.89)**	**5.55**	**4.25**	**15.33**	**(1.19)**
	6.47	*4.75*	*4.64*	*12.98*	*(1.24)*
	3.84	*3.09*	*4.95*	*2.82*	*(1.23)*

Notes to Financial Statements for the year ended March 31, 2017

(ii) Expenses recognised in the Statement of Profit & Loss

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Current Service Cost	**9.00**	**0.10**	**0.32**	**0.33**	**0.14**
	8.78	*1.92*	*0.38*	*11.19*	*0.12*
Past service Cost	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	0.76
Interest Cost	**0.30**	**0.35**	**0.33**	**0.97**	**(0.09)**
	0.30	*0.24*	*0.37*	*0.21*	*(0.09)*
Total	**9.30**	**0.45**	**0.65**	**1.30**	**0.05**
	9.08	*2.16*	*0.75*	*11.40*	*0.79*

Footnote:

Amount taken to Statement of Profit and Loss in respect of gratuity is net of recovery ₹ 1.43 crores (Previous year ₹ 2.01 crores).

(iii) Expenses recognised in Other Comprehensive Income (OCI)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	**2.78**	**0.14**	**0.19**	**0.39**	**0.15**
	(2.55)	*0.08*	*(0.08)*	*0.04*	*0.15*
Experience adjustments	**(1.28)**	**0.53**	**(0.13)**	**1.01**	**0.21**
	6.70	*(0.40)*	*0.49*	*(1.00)*	*(0.04)*
Actual return on plan assets less interest on plan assets	**(11.16)**	-	-	-	**(0.33)**
	3.64	-	-	-	*(0.12)*
Adjustment to recognise the effect of asset ceiling	-	-	-	-	**(0.08)**
	-	-	-	-	*(0.04)*
Total	**(9.66)**	**0.67**	**0.06**	**1.40**	**(0.05)**
	7.79	*(0.32)*	*0.40*	*(0.96)*	*(0.05)*

Notes to Financial Statements for the year ended March 31, 2017

(iv) Reconciliation of Defined Benefit Obligation

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Opening Defined Benefit Obligation	**163.00**	**4.75**	**4.64**	**12.98**	**6.49**
	157.56	*3.09*	*4.95*	*2.82*	*5.92*
Current Service Cost	**9.00**	**0.10**	**0.32**	**0.33**	**0.14**
	8.78	*1.92*	*0.38*	*11.19*	*0.12*
Interest Cost	**11.36**	**0.35**	**0.33**	**0.97**	**0.48**
	11.85	*0.24*	*0.37*	*0.21*	*0.47*
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	**2.78**	**0.14**	**0.19**	**0.39**	**0.15**
	(2.55)	*0.08*	*(0.08)*	*0.05*	*0.15*
Changes in demographic assumptions	-	-	-	-	-
	-	-	-	-	-
Experience adjustments	**(1.28)**	**0.53**	**(0.13)**	**1.01**	**0.21**
	6.70	*(0.40)*	*0.49*	*(1.00)*	*(0.04)*
Benefits Paid	**(21.26)**	**(0.32)**	**(1.10)**	**(0.35)**	**(0.32)**
	(19.34)	*(0.18)*	*(1.47)*	*(0.29)*	*(0.13)*
Closing Defined Benefit Obligation	**163.60**	**5.55**	**4.25**	**15.33**	**7.15**
	163.00	*4.75*	*4.64*	*12.98*	*6.49*

(v) Reconciliation of Fair Value of Plan Assets

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Opening Fair Value of Plan Assets	**156.53**	-	-	-	**8.37**
	153.72	-	-	-	*7.78*
Interest on Plan Assets	**11.06**	-	-	-	**0.62**
	11.55	-	-	-	*0.60*
Remeasurements due to:					
Actual return on plan assets less interest on plan assets	**11.16**	-	-	-	**0.33**
	(3.64)	-	-	-	*0.12*
Contribution by Employer	**10.00**	**0.32**	**1.10**	**0.35**	**(0.05)**
	14.24	*0.18*	*1.47*	*0.29*	-
Benefits Paid	**(21.26)**	**(0.32)**	**(1.10)**	**(0.35)**	**(0.32)**
	(19.34)	*(0.18)*	*(1.47)*	*(0.29)*	*(0.13)*
Closing Fair Value of Plan Assets	**167.49**	-	-	-	**8.95**
	156.53	-	-	-	*8.37*
Expected Employer's contribution/ outflow next year	**15.00**	-	-	-	-
	5.00	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2017

(vi) Actuarial Assumptions

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.) in %	**7.30%**	**7.30%**	**7.30%**	**7.30%**	**7.30%**
	7.55%	*7.55%*	*7.55%*	*7.55%*	*7.55%*
Salary Escalation Rate (p.a.) in %	**4%-5%**	**-**	**4.00%**	**10.00%**	**-**
	4%-5%	*-*	*4.00%*	*10.00%*	*-*
Pension Escalation Rate (p.a.) in %	**-**	**-**	**-**	**4.00%**	**-**
	-	*-*	*-*	*4.00%*	*-*
Annual increase in healthcare costs (p.a.) in %	**-**	**6.00%**	**-**	**-**	**-**
	-	*6.00%*	*-*	*-*	*-*
Mortality Table *					
Mortality table in service(LIC)	**Table 1**	**Table 1**	**Table 1**	**NA**	**NA**
	Table 1	*Table 1*	*Table 1*	*NA*	*NA*
Mortality table in retirement(LIC)	**NA**	**Table 2**	**Table 2**	**Table 2**	**Table 2**
	NA	*Table 2*	*Table 2*	*Table 2*	*Table 2*

* Table 1 – Indian Assured Lives Mortality (2006-08) Ult table

Table 2 – UK Published PA (90) annuity rated down by 4 years

Notes to Financial Statements for the year ended March 31, 2017

(vii) Disaggregation of Plan Assets (Managed by an Insurance Company)

a) **Gratuity Funded**

	March 31, 2017				March 31, 2016				April 1, 2015			
	Quoted	**Unquoted**	**Total**	**%**	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Government Debt Instruments	**33.54**	**-**	**33.54**	**20%**	70.60	-	70.60	45%	75.94	-	75.94	49%
Other Debt Instruments	**68.65**	**-**	**68.65**	**41%**	51.75	-	51.75	33%	52.02	-	52.02	34%
Other Equity Instruments	**30.62**	**-**	**30.62**	**18%**	23.34	-	23.34	15%	23.97	-	23.97	16%
Others	**33.88**	**0.80**	**34.68**	**21%**	10.56	0.28	10.84	7%	1.26	0.53	1.79	1%
Total	**166.69**	**0.80**	**167.49**	**100%**	156.25	0.28	156.53	100%	153.19	0.53	153.72	100%

b) **Pension Staff Funded**

	March 31, 2017				March 31, 2016				April 1, 2015			
	Quoted	**Unquoted**	**Total**	**%**	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Government Debt Instruments	**3.72**	**-**	**3.72**	**42%**	3.47	-	3.47	41%	2.71	-	2.71	35%
Other Debt Instruments	**4.96**	**-**	**4.96**	**55%**	4.71	-	4.71	56%	4.31	-	4.31	55%
Other Equity Instruments	**0.14**	**-**	**0.14**	**2%**	0.13	-	0.13	2%	-	-	-	-
Others	**-**	**0.13**	**0.13**	**1%**	-	0.06	0.06	1%	-	0.76	0.76	10%
Total	**8.82**	**0.13**	**8.95**	**100%**	8.31	0.06	8.37	100%	7.02	0.76	7.78	100%

Notes to Financial Statements for the year ended March 31, 2017

(viii) Sensitivity Analysis (for each defined benefit plan)

March 31, 2017	Gratuity March 31, 2017		Pension Top up March 31, 2017		Pension Staff Funded March 31, 2017		
	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)					
Impact of increase in 50 bps on DBO	**(3.35)**	**3.65**	**(5.32)**		**(4.20)**		
Impact of decrease in 50 bps on DBO	**3.57**	**(3.45)**	**5.81**		**4.50**		
Impact of life expectancy 1 year decrease				**(1.80)**		**-**	
Impact of life expectancy 1 year Increase				**1.77**		**-**	

	Post- Employment Medical Benefits Unfunded March 31, 2017			Pension Director Unfunded March 31, 2017		
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Pension rate
Impact of increase in 50 bps on DBO	(5.05)			(4.96)		
Impact of decrease in 50 bps on DBO	5.53			5.42		
Impact of life expectancy 1 year decrease		(3.24)			(2.70)	
Impact of life expectancy 1 year Increase		3.06			2.62	
Defined benefit obligation on pension increase rate minus 100 bps						(9.55)
Defined benefit obligation on pension increase rate plus 100 bps						11.21
Defined benefit obligation on healthcare costs rate minus 100 bps			(6.06)			
Defined benefit obligation on healthcare costs rate plus 100 bps			7.27			

(ix) Sensitivity Analysis (for each defined benefit plan)

March 31, 2016	Gratuity March 31, 2016		Pension Top up March 31, 2016		Pension Staff Funded March 31, 2016		
	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)					
Impact of increase in 50 bps on DBO	(3.34)	3.65	(5.43)		(4.53)		
Impact of decrease in 50 bps on DBO	3.56	(3.45)	6.03		4.74		
Impact of life expectancy 1 year decrease				(1.71)		-	
Impact of life expectancy 1 year Increase				1.78		-	

Notes to Financial Statements for the year ended March 31, 2017

	Post- Employment Medical Benefits Unfunded			Pension Director Unfunded		
	March 31, 2016			March 31, 2016		
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Pension rate
Impact of increase in 50 bps on DBO	(5.29)			(5.92)		
Impact of decrease in 50 bps on DBO	5.80			6.51		
Impact of life expectancy 1 year decrease		(3.52)			(3.66)	
Impact of life expectancy 1 year Increase		3.30			3.51	
Defined benefit obligation on pension increase rate minus 100 bps						(8.70)
Defined benefit obligation on pension increase rate plus 100 bps						10.08
Defined benefit obligation on healthcare costs rate minus 100 bps			(6.06)			
Defined benefit obligation on healthcare costs rate plus 100 bps			7.31			

(x) Movement in Asset Ceiling

	March 31, 2017 ₹ **crores**	March 31, 2016 ₹ crores
Opening Value of asset ceiling	**0.64**	0.63
Interest on Opening balance of asset ceiling	**0.05**	0.05
Remeasurement due to:	**-**	-
Change in Surplus/deficit	**(0.08)**	(0.04)
Closing value of asset ceiling	**0.61**	0.64

(xi) Expected future benefit payments:

₹ crores

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff funded
Within one year	**27.78**	**0.28**	**0.98**	**0.62**	**0.45**
	25.03	*0.21*	*0.55*	*0.16*	*0.37*
Between one and five years	**69.11**	**1.49**	**2.52**	**4.29**	**1.93**
	69.93	*1.11*	*3.16*	*1.94*	*1.63*
After five years	**214.52**	**13.87**	**2.16**	**36.71**	**12.98**
	222.75	*13.21*	*2.74*	*41.44*	*13.13*
Weighted average duration of the Defined	**6.91**	**10.57**	**11.26**	**10.05**	**8.21**
Benefit Obligation (in years)	*6.89*	*11.06*	*11.68*	*12.76*	*8.89*

Footnote: Figures in italics are of the previous year.

Due to the restrictions in the type of investments that can be held by the gratuity and pension fund as per the prevalent regulations, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Notes to Financial Statements for the year ended March 31, 2017

Note 36 : Specified Bank Notes disclosure:

During the year, the Company had specified bank notes (SBNs) or other denomination note (ODNs) as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ crores

Particulars	SBNs	ODNs	Total
Closing cash on hand as on November 8, 2016	2.68	0.37	3.05
Add: Non Permitted receipts	0.12*	-	0.12
Add: Permitted receipts	-	9.85	9.85
Less: Permitted payments	-	(1.84)	(1.84)
Less: Amounts Deposited in Banks	(2.80)	(6.07)	(8.87)
Closing Cash on hand as on December 30, 2016	-	2.31	2.31

* collected due to business exigencies.

Note 37 : Other regulatory matters

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to the period prior to 1998. Arising out of such disclosures, the Company received show cause notices. The Company has replied to the notices and is waiting for the directorate to return its files, after which it will complete the replies. Adjudication proceedings are in progress.

Note 38 : Deposits and Advances in the nature of loans to Subsidiaries, Joint Ventures and Associates

Particulars	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2017	Maximum amount outstanding during the previous year	Balance Outstanding as on March 31, 2016
	₹ crores	₹ crores	₹ crores	₹ crores
Subsidiaries				
IHOCO BV *	**939.48**	**-**	880.59	853.03
Taj International Hotels (HK) Ltd.*	**202.62**	**32.43**	1,185.97	198.90
Joint Ventures				
Taj Karnataka Hotels & Resorts Ltd.	**5.35**	**5.35**	5.35	5.35
TAL Hotels & Resorts Ltd.	**-**	**-**	9.96	-
Associates				
Taida Trading and Industries Ltd.	**4.54**	**4.54**	8.04	4.54

* No interest is payable

Notes to Financial Statements for the year ended March 31, 2017

Note 39 : Tax Disclosures

i) Income Tax recognised in the Statement Profit and loss:

Particulars	March 31, 2017	March 31, 2016
	₹ crores	₹ crores
Current Tax		
In respect of the current year	**109.24**	48.05
In respect of earlier years	**-**	(1.33)
	109.24	46.72
Deferred Tax		
MAT credit	**-**	(51.89)
Other items	**7.67**	73.91
	7.67	22.02
Total tax expense recognised in the current year	**116.91**	68.74

ii) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below:

Particulars	March 31, 2017	March 31, 2016
Profit before tax (a)	**258.85**	152.89
Income tax rate as applicable (b)	**34.61%**	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**89.58**	52.91
Permanent tax differences due to:		
Effect of Loss of International Hotel Management Services LLC which was amalgamated consequent to Scheme of Arrangement	**-**	1.07
Effect of Loss of Lands End Properties Private Limited which was amalgamated consequent to Scheme of Arrangement	**-**	21.07
Effect of income that is exempt from taxation	**(8.35)**	(19.12)
Income considered as capital in nature under tax and tax provisions	**(2.49)**	(23.92)
Effect of expenses that are not deductible in determining taxable profit	**6.40**	6.18
Impairment losses on investments that are not deductible	**22.26**	0.12
Expense considered to be capital in nature under tax and tax provisions	**0.86**	26.43
Others	**8.65**	5.33
	116.91	70.07
Prior year taxes as shown above	**-**	(1.33)
Income tax expense recognised in the Statement of Profit and Loss	**116.91**	68.74

Notes to Financial Statements for the year ended March 31, 2017

iii) Income tax recognised in other comprehensive income:

Particulars	March 31, 2017	March 31, 2016
	₹ crores	₹ crores
Current Tax		
Tax impact on profit on sale of investment in equity shares at fair value through Other Comprehensive Income	-	4.04
Deferred tax		
(a) Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at fair value through Other Comprehensive Income	**0.09**	-
Remeasurement of defined benefit obligation	**2.84**	(2.50)
Reversal of Deferred Tax Liability on account of Tata Projects	-	(12.99)
Reversal of Deferred Tax Assets on Unused Tax Losses	-	8.95
	2.93	(6.54)
(b) Arising on income and expenses reclassified from equity to profit or loss:		
Relating to financial assets measured at fair value through other comprehensive income	-	-
On disposal of foreign operation	-	-
Others		
	-	-
Total income tax recognised in other comprehensive income	**2.93**	(2.50)
(c) Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	**2.93**	(2.50)
Items that may be reclassified to profit or loss	-	-
	2.93	(2.50)

iv) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
	₹ crores	₹ crores	₹ crores
Deferred Tax assets	**155.32**	216.07	198.23
Deferred Tax liabilities	**(443.64)**	(444.87)	(411.55)
Net Deferred Tax Liability	**(288.32)**	(228.80)	(213.32)

Notes to Financial Statements for the year ended March 31, 2017

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

March 31, 2017	Opening Balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	MAT credit utilised	Closing balance
Deferred tax assets/ (liabilities):					
Property, plant and equipment & Intangible Assets	(442.77)	16.48	-	-	**(426.29)**
Unamortised borrowing cost	(0.90)	0.57	-	-	**(0.33)**
Fair valuation changes of derivative contracts	(0.21)	(15.73)	-	-	**(15.94)**
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(0.99)	-	(0.09)	-	**(1.08)**
Provision for Employee Benefits	23.08	5.83	(2.84)	-	**26.07**
Unused tax losses (Business)	21.74	(21.74)	-		**-**
MAT Credit Entitlement	126.58	-	-	(48.92)	**77.66**
Reward Points	19.25	(1.35)	-	-	**17.90**
Provision for Contingencies	18.60	2.52	-	-	**21.12**
Allowance for Doubtful Debts	3.82	0.22	-	-	**4.04**
Others	3.00	5.53	-	-	**8.53**
Total Deferred Tax Liability	**(228.80)**	**(7.67)**	**(2.93)**	**(48.92)**	**(288.32)**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

March 31, 2016	Opening Balance as at April 1, 2015	Recognised in the statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets/ (liabilities):				
Property, plant and equipment & Intangible Assets	(396.37)	(46.40)	-	(442.77)
Unamortised borrowing cost	(1.20)	0.30	-	(0.90)
Fair valuation changes of derivative contracts	0.91	(1.12)	-	(0.21)
Unrealised gain on equity shares carried at fair value through OCI	(13.98)	-	12.99	(0.99)
Provision for Employee Benefits	14.26	6.32	2.50	23.08
Unused tax losses (Business)	71.04	(49.30)	-	21.74
Unused tax losses (Capital)	8.95	-	(8.95)	-
MAT Credit Entitlement	74.69	51.88	-	126.57
Reward points	10.94	8.31	-	19.25
Provision for Contingencies	12.20	6.40	-	18.60
Allowance for Doubtful Debts	2.61	1.21	-	3.82
Others	2.63	0.38	-	3.01
Total Deferred Tax Liability	**(213.32)**	**(22.02)**	**6.54**	**(228.80)**

Notes to Financial Statements for the year ended March 31, 2017

Note 40 : Related Party Disclosures

(a) The names of related parties of the Company are as under:

i. Company having significant influence

Name of the Company	Country of Incorporation
Tata Sons Ltd (including its subsidiaries and joint ventures)	India

ii. Subsidiary Companies

Name of the Company	Country of Incorporation
Domestic	
TIFCO Holdings Ltd.	India
KTC Hotels Ltd.	India
United Hotels Ltd.	India
Roots Corporation Ltd.	India
Taj Enterprises Ltd.	India
Taj Trade and Transport Co Ltd.	India
Benares Hotels Ltd.	India
Inditravel Ltd.	India
Piem Hotels Ltd.	India
Northern India Hotels Ltd.	India
Skydeck Properties and Developers Private Limited	India
Sheena Investments Private Limited	India
ELEL Hotels & Investments Limited	India
Luthria & Lalchandani Hotel & Properties Pvt. Ltd	India
International	
Samsara Properties Ltd.[1]	British Virgin Islands
Chieftain Corporation NV [2]	Netherlands Antilles
Apex Hotel Management Services (Pte) Ltd.[3]	Singapore
IHOCO BV	Netherlands
United Overseas Holding Inc. and its subsidiaries	United States of America
St. James Court Hotel Ltd.	United Kingdom
Taj International Hotels Ltd.	United Kingdom
Taj International Hotels (H.K.) Ltd.	Hong Kong
PIEM International (H.K.) Ltd.	Hong Kong
Apex Hotel Management Services (Australia) Pty. Ltd.[4]	Australia

[1] application for liquidation was made in May, 2017

[2] liquidated on April 13, 2017

[3] in process of liquidation with effect from December 21, 2016

[4] sold on March 31, 2017

Notes to Financial Statements for the year ended March 31, 2017

iii. Joint Ventures

Name of the Company	Country of Incorporation
Domestic	
Taj Madras Flight Kitchen Pvt. Ltd.	India
Taj Sats Air Catering Ltd.	India
Taj Karnataka Hotels & Resorts Ltd.	India
Taj Kerala Hotels & Resorts Ltd.	India
Taj GVK Hotels & Resorts Ltd.	India
Taj Safaris Ltd	India
Kaveri Retreats and Resorts Ltd.	India
International	
TAL Hotels & Resorts Ltd.	Hong Kong
TAL Maldives Resorts Pte. Ltd.	Maldives
IHMS Hotels (SA) (Proprietary) Ltd. and its subsidiary	South Africa

iv. Associates

Name of the Company	Country of Incorporation
Domestic	
Oriental Hotels Limited and its subsidiaries	India
Taj Madurai Limited	India
Taida Trading & Industries Ltd. and its subsidiaries	India
International	
Lanka Island Resort Ltd.	Sri Lanka
TAL Lanka Hotels PLC	Sri Lanka
BJETS Pte Ltd., Singapore and its subsidiaries	Singapore

v. Key Management Personnel

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

*for part of the year upto October 15, 2016, post which Mr. Giridhar Sanjeevi was appointed as Chief Financial Officer with effect from May 4, 2017

#for part of the previous year upto April 13, 2015

vi. Post Employment benefit plans

Particulars

The Indian Hotels Company Limited Employees Provident Fund

The Indian Hotels Company Limited Superannuation Scheme

The Indian Hotels Employees Gratuity Trust

Notes to Financial Statements for the year ended March 31, 2017

(b) The details of related party transactions during the year ended March 31, 2017 and March 31, 2016 are as follows :

Particulars	Company having significant influence *	Key Management Personnel	Subsidiaries	Associates #	Joint Ventures#	Post Retirement benefit plans
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Interest income	**0.17**	**-**	**-**	**0.46**	**0.48**	**-**
	-	-	*0.12*	*0.64*	*1.01*	-
Dividend income	**-**	**-**	**14.42**	**0.90**	**0.64**	**-**
	10.80	-	*20.36*	*1.53*	-	-
Dividend Paid	**8.78**	**-**	**-**	**0.05**	**-**	**-**
	-	-	-	-	-	-
Operating / Licence fees expense	-	-	**0.32**	-	-	-
	-	-	*0.32*	-	-	-
Operating fees income	-	-	**44.20**	**26.90**	**29.75**	-
	-	-	*44.92*	*25.03*	*27.16*	-
Purchase of goods and services	**55.65**	**-**	**20.05**	**0.48**	**0.16**	**-**
	52.67	-	*13.44*	*0.27*	*0.07*	-
Sale of goods and services	**17.77**	**-**	**2.55**	**-**	**0.61**	**-**
	10.85	-	*3.89*	*0.10*	*0.04*	-
Deputed Staff reimbursements	-	-	**6.05**	**3.03**	**5.23**	-
	0.09	-	*6.72*	*3.53*	*2.94*	-
Other Cost reimbursements	**0.12**	**-**	**2.80**	**0.88**	**0.53**	-
	0.03	-	*0.43*	*2.71*	*0.18*	-
Loyalty expense (Net of redemption credit)	**0.12**	**-**	**9.38**	**5.28**	**2.70**	-
	-	-	*5.35*	*3.62*	*1.62*	-
Deputed Staff Out	**0.42**	**-**	**22.11**	**14.91**	**17.09**	-
	0.39	-	*24.25*	*16.13*	*15.10*	-
Contribution to Funds	-	-	-	-	-	**24.78**
	-	-	-	-	-	*28.92*
Deposit Placed	-	-	-	-	-	-
	-	-	*4.00*	-	-	-
Inter corporate Deposit (''ICD'') Placed	**10.00**	-	-	-	-	-
	-	-	-	-	-	-
ICD Encashed	**10.00**	-	-	-	-	-
	-	-	*4.00*	*3.50*	*9.34*	-
Purchase of Shares	-	-	-	-	-	-
	3.76	-	*252.76*	*11.37*	-	-
Transfer of Shares	-	-	-	-	-	-
	-	-	*111.73*	-	-	-
Deposit Converted into Equity	-	-	**991.14**	-	-	-
	-	-	**-**	-	-	-
Shareholders' Deposit placed	-	-	**135.19**	-	-	-
	-	-	*844.80*	-	-	-
Shareholders' Deposit encashed	-	-	**167.93**	-	-	-
	-	-	*974.41*	-	-	-

Notes to Financial Statements for the year ended March 31, 2017

Particulars	Company having significant influence *	Key Management Personnel	Subsidiaries	Associates #	Joint Ventures#	Post Retirement benefit plans
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Remuneration Paid / Payable	-	**13.18**	-	-	-	-
(Refer Footnote ii)	-	*17.18*	-	-	-	-
Guarantees/Letter of Comfort given on behalf(net)	-	-	-	-	-	-
(Refer Note 43)	-	-	*29.21*	-	*262.22*	-
Guarantees/Letter of Comfort withdrawn	-	-	**977.93**	**-**	**17.61**	-
	-	-	-	-	-	-
The details of amounts due to or from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:						
Trade Receivables (Refer Note 10)	**2.57**	**-**	**11.43**	**8.61**	**35.75**	-
	0.93	-	*3.03*	*8.61*	*17.13*	-
	1.40	-	*1.00*	*7.54*	*19.22*	-
Trade Payables (Refer Note 19)	**6.08**	**-**	**1.92**	**0.07**	**0.05**	-
	8.14	-	*2.18*	*0.07*	-	-
	4.46	-	*6.24*	-	-	-
Other Receivables/(Other Payables)	**0.35**	**-**	**81.23**	**1.75**	**(5.30)**	-
(Refer Note 7, and Note 16)	*0.63*	-	*80.79*	*1.93*	*1.71*	-
	0.01	-	*122.53*	*0.53*	*(1.24)*	-
Interest Receivable	-	-	-	**0.35**	**0.59**	-
(Refer Note 7)	-	-	-	*0.33*	*0.61*	-
	-	-	-	*1.34*	*1.47*	-
Deposits Receivable	**1.32**	**-**	**36.41**	**4.54**	**5.35**	-
(Refer Note 6, and Note 7)	*1.32*	-	*1,055.91*	*4.54*	*5.35*	-
	1.23	-	*1,116.38*	*8.04*	*14.70*	-
Deposits Payable	**-**	**-**	**4.02**	**-**	**-**	**-**
(Refer Note 15)	-	-	*4.11*	-	-	-
	-	-	*3.86*	-	-	-
Option Deposit	**71.10**	**-**	**-**	**-**	**-**	**-**
(Refer Note 5 (vi))	*71.10*	-	-	-	-	-
	71.10	-	-	-	-	-
Guarantees/Letter of Comfort given on behalf	**-**	**-**	**175.68**	**-**	**244.61**	**-**
(Refer Note 43)	-	-	*1,153.61*	-	*262.22*	-
	-	-	*1,124.40*	-	-	-

*including its subsidiaries and joint ventures #including its subsidiaries

Footnotes:

(i) Figures in *italics* are of the previous periods.

(ii) Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole and long term incentive. Commission to Executive Directors has been considered on payment basis.

Notes to Financial Statements for the year ended March 31, 2017

(c) Statement of Material Transactions

Name of the Company	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Company having substantial interest and its subsidiaries and joint ventures :			
Tata Sons Ltd.			
Dividend income	**-**	10.80	-
Dividend paid	**8.31**	-	-
Trade Payables	**3.37**	3.07	-
Sale of goods and services	**5.84**	4.01	-
Tata Capital Financial Services Ltd.			
Purchase of Shares	**-**	3.76	-
Tata Consultancy Services Ltd.			
Trade Payables	**2.49**	4.75	3.93
Purchase of goods and services	**32.94**	31.33	-
Sale of goods and services	**2.85**	3.00	-
Taj Air Ltd.			
ICD Placed	**10.00**	-	-
ICD Encashed	**10.00**	-	-
Interest income	**0.17**	-	-
Tata Realty and Infrastructure Ltd.			
Deposit Closing position – Option Deposit	**71.10**	71.10	71.10
Tata AIG General Insurance Company Ltd.			
Purchase of goods and services	**8.42**	7.34	-
Tata SIA Airlines Ltd.			
Sale of goods and services	**4.72**	-	-
Remuneration to Key Management Personnel			
Rakesh Sarna	**7.94**	7.92	-
Anil P. Goel (upto october 15, 2016)	**2.92**	2.61	-
Abhijit Mukerji (upto April 13, 2015)	**-**	4.62	-
Mehernosh S. Kapadia	**2.32**	2.03	-
Subsidiaries:			
TIFCO Holdings Ltd.			
Dividend income	**8.15**	8.15	-
Trade Payables	**-**	-	3.33
KTC Hotels Ltd.			
Operating/Licence Fees expense	**0.32**	0.32	-
Other receivables/(Other payables)	**-**	(2.21)	(1.78)

Notes to Financial Statements for the year ended March 31, 2017

Name of the Company	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Taj Trade & Transport Co Ltd.			
Sale of goods and services	**-**	2.33	-
Trade Payables	**1.13**	-	-
Other costs reimbursement	**-**	(0.37)	-
Piem Hotels Ltd.			
Trade Receivables	**9.98**	-	-
Dividend income	**3.95**	7.89	-
Operating fees income	**30.14**	30.70	-
Deputed Staff Out	**17.34**	16.98	-
Deputed Staff Reimbursement	**4.87**	5.06	-
Loyalty expense (Net of redemption credit)	**4.03**	2.26	-
Other Cost reimbursements	**1.37**	0.68	-
Skydeck Properties and Developers Private Limited			
Other receivables/(Other payables)	**79.80**	79.80	117.75
Deposit Placed	**-**	4.00	-
ICD Encashed	**-**	4.00	-
United Overseas Holdings Inc.			
Trade Payables	**-**	0.92	0.81
Purchase of goods and services	**11.47**	4.86	-
Guarantee given on behalf (including novation)	**-**	916.44	122.08
Guarantees given on behalf – Closing position	**175.68**	916.44	812.95
Guarantee withdrawn	**740.76**	812.95	-
Other costs reimbursement	**0.78**	-	-
St. James Court Hotel Ltd			
Trade Payables	**-**	-	1.22
Loyalty expense (Net of redemption credit)	**3.75**	1.67	-
Other receivables/(Other payables)	**-**	-	(0.80)
Taj International Hotels (H.K.) Ltd.			
Deposit Closing Position – Receivable	**32.42**	198.90	1,112.39
Deposit Payable	**4.02**	4.11	3.86
Shareholders' Deposit Encashed	**167.93**	974.41	-
Guarantee withdrawn	**237.17**	74.28	-
Guarantees given on behalf – Closing position	**-**	237.17	311.45

Notes to Financial Statements for the year ended March 31, 2017

Name of the Company	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
IHOCO BV			
Shareholders' Deposit Placed	**135.19**	844.80	-
Deposit Converted into Equity	**991.14**	-	-
Transfer of investment	**-**	111.73	-
Deposit Closing Position – Receivable	**-**	853.03	-
Chieftain Corporation NV			
Purchase of IHOCO BV Shares	**-**	252.76	-
Joint Ventures:			
Taj GVK Hotels & Resorts Ltd.			
Other receivables/(Other payables)	**(0.92)**	-	-
Operating fees income	**14.17**	15.66	-
Deputed Staff Out	**8.38**	9.01	-
Deputed Staff Reimbursement	**3.40**	1.98	-
Trade Receivables	**28.03**	14.62	10.19
Taj Karnataka Hotels & Resorts Ltd.			
Interest income	**0.48**	0.48	-
Deposit given outstanding	**5.35**	5.35	5.35
Interest Receivable	**0.59**	0.61	0.62
TAL Hotels & Resorts Limited			
Interest income	**-**	0.53	-
ICD encashed	**-**	9.34	-
Deposit Closing Position – Receivable	**-**	-	9.34
Trade Receivables	**-**	-	3.93
Interest Receivable	**-**	-	0.84
TAL Maldives Resorts Private Ltd.			
Other receivables/(Other payables)	**(6.94)**	(3.68)	(3.98)
Loyalty expense (Net of redemption credit)	**1.91**	-	-
IHMS Hotels SA (Proprietary) Ltd.			
Guarantee withdrawn	**17.61**	-	-
Trade Receivables	**-**	-	3.46
Letter of Comfort given on behalf *	**-**	262.22	-
Letter of Comfort given on behalf – Closing position *	**244.61**	262.22	-

* Liability restricted to ₹ 122.31 crores (March 31, 2016 ₹ 131.11 crores, April 1, 2015 ₹ Nil) as counter indemnity for 50% has been obtained from JV partner.

Associates:			
Taida Trading & Industries Ltd.			
Interest income	**0.46**	0.64	-
Interest Receivable	**0.35**	0.33	1.34
Purchase of Shares	**-**	7.61	-
ICD Encashed	**-**	3.50	-
ICD Closing Position - Receivable	**-**	4.54	8.04

Notes to Financial Statements for the year ended March 31, 2017

Name of the Company	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Oriental Hotels Ltd.			
Operating fees income	**26.90**	25.03	-
Purchase of Shares	**-**	3.76	-
Deputed Staff Out	**14.91**	16.13	-
Loyalty expense (Net of redemption credit)	**4.37**	2.60	-
Deputed Staff reimbursement	**3.03**	3.48	-
Other costs reimbursement	**0.88**	2.64	-
Trade Receivables	**8.61**	8.61	7.54
Post-employment benefit plans			
Contribution to Superannuation Fund	**5.01**	5.41	-
Contribution to Provident Fund	**9.78**	10.00	-
Contribution to Gratuity Fund	**10.00**	13.50	-

Note 41 : Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker. From the internal organisation of the Company's activities and consistent with the internal reporting provided to the chief operating decision-maker and after considering the nature of its services, the ultimate customer availing those services and the methods used by its to provide those services, "Hotel Services" has been identified to be the Company's sole operating segment. Hotel Services include "Revenue from Operations" including Management and Operating Fees where hotels are not owned or leased by the Company. The organisation is largely managed separately by property based on centrally driven policies and the results and cash flows of the period, financial position as of each reporting date aggregated for the assessment by the Managing Director and Chief Executive Officer. The Company's management reporting and controlling systems principally use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under Ind AS. As the Company is engaged in a single operating segment, segment information that has been tabulated below is Company-wide:

	Revenue from Hotel Services by location of operations		Non-current assets (see footnote below)		
Country	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
India	**2,376.21**	2,256.12	**2,615.89**	2,495.96	2,322.75
Overseas locations	**15.04**	11.73	**-**	-	-
Total	**2,391.25**	2,267.85	**2,615.89**	2,495.96	2,322.75

Footnote: Non-current assets exclude financial assets, deferred tax assets, post-employment benefit assets and rights under insurance contracts.

No single customer contributes more than 10% or more of the Company's total revenue for the years ended March 31, 2017 and March 31, 2016.

Note 42 : Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'.

Particulars	March 31, 2017	March 31, 2016
Profit after tax (₹ crores)	**141.94**	84.15
Weighted average number of Equity Shares	**98,92,74,015**	98,92,74,015
Earnings Per Share		
Basic and Diluted (₹)	**1.43**	0.85
Face Value per Equity Share (₹)	**1**	1

Notes to Financial Statements for the year ended March 31, 2017

Note 43 : Guarantees given

i) Guarantees/ Letters of Comfort given by the Company in respect of loans obtained by other companies and outstanding as on March 31, 2017 - ₹ 420.29 crores (March 31, 2016 - ₹ 1,415.83 crores, April 1, 2015 - ₹ 1,124.40 crores). Out of this, counter indemnity for ₹ 122.31 crores (March 31, 2016 - ₹ 131.11 crores, April 1, 2015 - ₹ Nil) has been obtained from a JV partner for his 50% share.

ii) The Company has given letters of support to select subsidiaries, a joint venture and an associate during the year.

Note 44 : The list of investments in subsidiaries, joint ventures and associates are as given below : -

a. Subsidiary Companies

		As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Principal place of business/ Country of Incorporation	**Held directly by Parent or through its subsidiaries**	**Effective Holding**	Held directly by Parent or through its subsidiaries	Effective Holding	Held directly by Parent or through its subsidiaries	Effective Holding
		(%)	**(%)**	**(%)**	**(%)**	(%)	(%)
Domestic							
Benares Hotels Limited	India	**53.70**	**51.68**	53.70	51.68	53.70	51.68
Inditravel Limited	India	**96.67**	**77.19**	96.67	77.19	96.67	77.19
KTC Hotels Li mited	India	**100.00**	**100.00**	100.00	100.00	100.00	100.00
Northern India Hotels Limited	India	**93.14**	**48.03**	93.14	48.03	93.14	48.03
Piem Hotels Limited	India	**51.57**	**51.57**	51.57	51.57	51.57	51.57
Roots Corporation Limited	India	**66.93**	**63.25**	66.93	63.25	66.93	63.25
Taj Enterprises Limited	India	**90.59**	**74.70**	90.59	74.70	90.59	74.70
Taj Trade & Transport Limited	India	**89.51**	**72.73**	89.51	72.73	89.51	72.73
TIFCO Holdings Limited	India	**100.00**	**100.00**	100.00	100.00	100.00	100.00
United Hotels Limited	India	**55.00**	**55.00**	55.00	55.00	55.00	55.00
Lands End Properties Private Ltd. (Refer Footnote (i))	India	**-**	**-**	-	-	19.90	19.90
Skydeck Properties & Developers Private Limited (Refer Footnote (ii))	India	**100.00**	**100.00**	100.00	100.00	-	-
Sheena Investments Private Limited (Refer Footnote (ii))	India	**100.00**	**100.00**	100.00	100.00	-	-
ELEL Hotels & Investments Limited (Refer Footnote (ii))	India	**85.72**	**85.72**	85.72	85.72	-	-
Luthria & Lalchandani Hotels and Properties Private Limited (Refer Footnote (ii))	India	**87.15**	**87.15**	87.15	87.15	-	-

Notes to Financial Statements for the year ended March 31, 2017

	Principal place of business/ Country of incorporation	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Held directly by Parent or through its subsidiaries	**Effective Holding**	Held directly by Parent or through its subsidiaries	Effective Holding	Held directly by Parent or through its subsidiaries	Effective Holding
		(%)	**(%)**	(%)	(%)	(%)	(%)
International							
Apex Hotel Management Services (Pte) Limited (Refer Footnote (iii))	Singapore	**-**	**-**	100.00	100.00	100.00	100.00
Apex Hotel Management Services (Australia) Pty Ltd. (Refer Footnote (iv))	Australia	**-**	**-**	100.00	100.00	100.00	100.00
Chieftain Corporation NV (Refer Footnote (v))	Netherlands Antilles	**100.00**	**100.00**	100.00	100.00	100.00	100.00
IHOCO BV	Netherlands	**100.00**	**100.00**	100.00	100.00	100.00	100.00
International Hotel Management Services LLC (Refer Footnote (i))	United States of America	**-**	**-**	-	-	100.00	100.00
United Overseas Holding Inc (Refer Footnote (vi))	United States of America	**100.00**	**100.00**	100.00	100.00	-	-
Piem International (HK) Ltd.	Hong Kong	**100.00**	**51.57**	100.00	51.57	100.00	51.57
Samsara Properties Ltd. (Refer Footnote (vii))	British Virgin Islands	**100.00**	**100.00**	100.00	100.00	100.00	100.00
St. James Court Hotel Ltd.	United Kingdom	**89.39**	**72.25**	89.39	72.25	89.39	72.25
Taj International Hotels (HK) Ltd.	Hong Kong	**100.00**	**100.00**	100.00	100.00	100.00	100.00
Taj International Hotels Ltd.	United Kingdom	**100.00**	**100.00**	100.00	100.00	100.00	100.00

Footnotes:

(i) These subsidiaries have been amalgamated with the Company during the year as per the respective court orders (Refer Note 29).

(ii) The Company consolidated Lands End Properties Private Limited (''LEPPL'') including its subsidiaries in which the Company held 19.90% stake on transition to Ind AS as it had exposure or had rights, to vari able returns from its involvement with this entity. Subsequently, the Company had acquired remaining 80.10% stake in LEPPL on October 14, 2015.

(iii) Apex Hotel Management Services (Pte) Ltd. is in the process of liquidation with effect from December 21, 2016.

(iv) Apex Hotel Management Services (Australia) Pty Ltd. has been sold on March 31, 2017.

(v) Chieftain Corporation NV filed for liquidation during the year and dissolved on April 13, 2017.

(vi) This subsidiary was created during the financial year ended March 31, 2016.

(vii) In May 2017, an application was filed with the appropriate local authority for liquidating Samsara Properties Ltd (SPL), an indirect WOS of the Company incorporated in the British Virgin Islands. SPL was a dormant intermediate holding company. The process of liquidation is expected to be completed within the next few months.

Notes to Financial Statements for the year ended March 31, 2017

b. Joint Ventures

	Principal place of business/ Country of incorporation	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Held directly by Parent or through its subsidiaries	Effective Holding	Held directly by Parent or through its subsidiaries	Effective Holding	Held directly by Parent or through its subsidiaries	Effective Holding
		(%)	(%)	(%)	(%)	(%)	(%)
Domestic							
Taj SATS Air Catering Ltd.	India	**51.00**	**51.00**	51.00	51.00	51.00	51.00
Taj Madras Flight Kitchen Private Ltd.	India	**50.00**	**50.00**	50.00	50.00	50.00	50.00
Taj Karnataka Hotels & Resorts Ltd.	India	**49.40**	**44.27**	49.40	44.27	49.40	44.27
Taj Kerala Hotels & Resorts Ltd.	India	**28.30**	**28.30**	28.30	28.30	28.30	28.30
Taj GVK Hotels & Resorts Ltd.	India	**25.52**	**25.52**	25.52	25.52	25.52	25.52
Taj Safaris Ltd.	India	**32.91**	**28.96**	32.91	28.96	33.48	29.46
Kaveri Retreat & Resorts Ltd.	India	**50.00**	**50.00**	50.00	50.00	50.00	50.00
International							
TAL Hotels & Resorts Ltd.	Hong Kong	**28.26**	**27.49**	28.26	27.49	28.26	27.49
IHMS Hotels (SA)(Pty) Ltd.	South Africa	**50.00**	**50.00**	50.00	50.00	50.00	50.00

c. Associates

	Principal place of business/ Country of incorporation	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Held directly by Parent or through its subsidiaries	Effective Holding	Held directly by Parent or through its subsidiaries	Effective Holding	Held directly by Parent or through its subsidiaries	Effective Holding
		(%)	(%)	(%)	(%)	(%)	(%)
Domestic							
Oriental Hotels Ltd.	India	**37.05**	**35.67**	37.05	35.67	37.05	35.67
Taj Madurai Ltd.	India	**26.00**	**26.00**	26.00	26.00	26.00	26.00
Taida Trading and Industries Ltd.	India	**48.74**	**34.76**	48.74	34.76	48.74	34.76
International							
BJets Pte Ltd.	Singapore	**45.69**	**45.69**	45.69	45.69	45.69	45.69
Lanka Island Resorts Limited	Sri Lanka	**24.66**	**24.66**	24.66	24.66	24.66	24.66
TAL Lanka Hotels PLC	Sri Lanka	**24.62**	**24.62**	24.62	24.62	24.62	24.62

Footnote:

All the above investments have been accounted at cost in accordance with the provisions of Ind AS – 27 "Separate Financial Statements"

Notes to Financial Statements for the year ended March 31, 2017

Note 45 : Going Concern assumption

At at the year end, the Company's current liabilities have exceeded its current assets by ₹ 886.36 crores primarily on account of borrowings aggregating ₹ 547.13 crores which fall due within 12 months following the balance sheet date and certain provisions although classified as ''Current'' are unlikely to result in a cash outflow within that period. Management is confident of its ability to generate cash inflows from operations, liquidate certain non-current investments and raise cash from financing activities so that it would be able to meet its obligations on due dates as it has demonstrated in earlier years. On these considerations, these financial statements are prepared on a going concern basis

Note 46 : Dividends

Dividends paid during the year ended March 31, 2017 out of General Reserve was ₹ 0.30 per equity share for the year ended March 31, 2016.

The dividends declared by the Company are based on the profits available for distribution as reported in the standalone financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2017, retained earnings not tranferred to reaserves available for distribution was ₹ 156.23 crores.

On May 26, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 0.35 per equity share in respect of the year ended March 31, 2017, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 41.67 crores, inclusive of dividend distribution tax of ₹ 7.05 crores.

For and on behalf of the Board

N. Chandrasekaran	Chairman
Rakesh Sarna	Managing Director & CEO
Rajeev Newar	Vice President - Finance
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 26, 2017

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **THE INDIAN HOTELS COMPANY LIMITED** (hereinafter referred to as the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group") its associates and its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements/ financial information of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS

financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2017, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements/financial information of twenty five subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 6,284 crores as at March 31, 2017, total revenues of ₹ 1,600 crore and net cash inflows/ (outflows) amounting to ₹ 8 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 29 crores for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of six associates and seven joint ventures, whose financial statements/financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

The above includes twelve subsidiaries, two joint ventures and three associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, joint ventures and associates located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, joint ventures and associates located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The comparative financial information as at and for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of thirteen subsidiaries, three associates and five joint ventures included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

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

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and jointly venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's/ subsidiary company's/ associate company's/ joint venture company's incorporated in India internal financial controls over financial reporting.

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and the other auditors by the Management of the respective Group entities. However, as stated in Note 40 to the consolidated Ind AS financial statements, receipts aggregating to ₹ 0.19 crore and payments aggregating to ₹ 0.02 crore, as represented to us by the Management of the Parent and the respective Group entities, have been received and paid respectively from transactions which are not permitted.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Place: Mumbai
Date : May 26, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of The Indian Hotels Company Limited (hereinafter referred to as "the Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to fourteen subsidiary companies, three associate companies and seven joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Place : Mumbai
Date : May 26, 2017

Consolidated Balance Sheet as at March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Assets				
Non-current assets				
Property, Plant and Equipment	3	**4,618.48**	5,529.19	5,278.70
Capital work-in-progress		**222.25**	289.23	330.08
Goodwill	4	**555.56**	573.65	552.66
Intangible assets	5	**641.35**	658.78	655.95
Intangible assets under development		**0.42**	0.74	2.97
Financial assets				
Investments in joint ventures and associates	6(a)	**607.81**	585.95	573.08
Investments	6(b)	**545.10**	758.68	941.39
Loans	7(a)	**15.09**	15.16	53.73
Other financial assets	8(a)	**71.63**	72.67	88.98
Deferred tax assets (net)	9(a)	**35.21**	18.00	6.81
Advance income tax (net)		**82.57**	65.39	49.56
Other non-current assets	10(a)	**312.47**	303.45	198.54
		7,707.94	8,870.89	8,732.45
Current assets				
Inventories	11	**80.44**	80.24	78.15
Financial assets				
Investments	6 (c)	**90.80**	170.61	521.45
Trade receivables	12	**272.06**	241.98	223.50
Cash and cash equivalents	13	**141.31**	139.83	376.68
Other balances with banks	14	**105.75**	42.72	109.05
Loans	7(b)	**49.02**	82.58	118.45
Other financial assets	8(b)	**108.65**	111.37	98.32
Other current assets	10(b)	**78.31**	75.16	68.21
		926.34	944.49	1,593.81
Total		**8,634.28**	9,815.38	10,326.26
Equity and liabilities				
Equity				
Equity share capital	15	**98.93**	98.93	80.75
Other equity	16	**2,418.76**	2,481.32	2,693.14
Equity attributable to owners of the company		**2,517.69**	2,580.25	2,773.89
Non-controlling interests		**737.82**	742.93	746.16
		3,255.51	3,323.18	3,520.05
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17(a)	**2,789.86**	3,419.01	3,375.37
Other financial liabilities	19(a)	**356.83**	329.29	337.42
Provisions	20(a)	**75.56**	71.81	48.34
Deferred tax liabilities (net)	9(b)	**317.25**	256.22	238.09
		3,539.50	4,076.33	3,999.22
Current liabilities				
Financial liabilities				
Borrowings	17(b)	**18.16**	93.59	14.69
Trade payables	18	**293.06**	287.28	248.19
Other financial liabilities	19(b)	**1,065.46**	1,536.59	2,194.66
Provisions	20(b)	**135.21**	129.40	113.97
Current income tax liabilities (net)		**0.25**	0.10	0.13
Other current liabilities	21	**327.13**	368.91	235.35
		1,839.27	2,415.87	2,806.99
		5,378.77	6,492.20	6,806.21
Total		**8,634.28**	9,815.38	10,326.26

The accompanying notes form an integral part of the consolidated financial statements 1 - 48

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman

Rakesh Sarna — Managing Director & CEO

Rajeev Newar — Vice President - Finance

Beejal Desai — Vice President - Legal & Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Income			
Revenue from operations	22	**4,010.26**	4,023.02
Other income	23	**54.94**	99.76
Total		**4,065.20**	4,122.78
Expenses			
Food and beverages consumed		**363.95**	366.93
Employee benefit expense and payment to contractors	24	**1,364.65**	1,423.26
Finance costs	25	**323.83**	375.59
Depreciation and amortisation expenses		**299.37**	284.82
Other operating and general expenses	26	**1,672.04**	1,680.67
Total		**4,023.84**	4,131.27
Profit/(loss) before exceptional items, tax and share of profit of equity accounted investees		**41.36**	(8.49)
Exceptional items	27	**(10.78)**	(82.68)
Profit/(loss) before tax and share of profit of equity accounted investees		**30.58**	(91.17)
Tax expense			
Current tax		**125.76**	77.65
Deferred tax		**(12.02)**	12.98
Total		**113.74**	90.63
Loss after tax before share of associates and joint ventures		**(83.16)**	(181.80)
Share of Profit/(loss) of associates and joint venture		**37.56**	(21.41)
Loss for the year		**(45.60)**	(203.21)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		**7.82**	(6.09)
Change in fair value of equity instruments designated irrevocably as fair value through other comprehensive income		**144.07**	(64.74)
Share of other comprehensive income in associates and joint ventures		**(1.15)**	(1.36)
Less/(Add) : Income tax expense/ (credit)		**(0.44)**	2.23
Net other comprehensive income not to be reclassified subsequently to profit or loss		**150.30**	(69.96)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating the financial statement of foreign operations		**(117.15)**	117.54
Share of other comprehensive income in associates and joint ventures		**(9.44)**	(1.67)
Less : Income tax expense		**-**	-
Net other comprehensive income to be reclassified subsequently to profit or loss		**(126.59)**	115.87
Other comprehensive income for the year, net of tax		**23.71**	45.91
Total comprehensive income for the year		**(21.89)**	(157.30)
Loss for the year attributable to:			
Owners of the company		**(63.20)**	(231.08)
Non-controlling interests		**17.60**	27.87
		(45.60)	(203.21)
Total comprehensive Income for the year attributable to:			
Owners of the company		**(28.50)**	(185.54)
Non-controlling interests		**6.61**	28.24
		(21.89)	(157.30)
Earnings per share :	48		
Basic and Diluted - (₹)		**(0.64)**	(2.34)
Face value per equity share - (₹)		**1.00**	1.00

The accompanying notes form an integral part of the consolidated financial statements 1 - 48

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman

Rakesh Sarna — Managing Director & CEO

Rajeev Newar — Vice President - Finance

Beejal Desai — Vice President - Legal & Company Secretary

Consolidated Statement of Changes in Equity for the Year ended March 31, 2017

	A. Equity Share Capital	B. Other Equity												
			Reserves and surplus						Items of other comprehensive income					
	Equity Share Capital Subscribed	Equity Component of other financial instruments	Capital Reserve	Capital Reserve on Consolidation (Refer Note 28)	Securities Premium Account	General Reserve	Other reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statement of foreign operations (Refe Note28)	Total Other Equity	Equity attributable to owners of the company	Non Controlling Interests	Total Equity
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Balance as at April 1, 2015	**80.75**	**999.91**	**43.91**	**114.42**	**2,270.28**	**596.04**	**355.66**	**(1,793.34)**	**106.26**	**-**	**2,693.14**	**2,773.89**	**746.16**	**3,520.05**
Loss for the year ended March 31, 2016	-	-	-	-	-	-	-	(231.08)	-	-	(231.08)	(231.08)	27.87	(203.21)
Other Comprehensive Income for the year ended March 31, 2016, net of taxes	-	-	-	-	-	-	-	(4.49)	(61.03)	111.06	45.54	45.54	0.37	45.91
Total Comprehensive Income for the year ended March 31, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(235.57)**	**(61.03)**	**111.06**	**(185.54)**	**(185.54)**	**28.24**	**(157.30)**
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	(19.51)	(19.51)
Tax on Dividend	-	-	-	-	-	-	-	-	-	-	-	-	(3.95)	(3.95)
Transfer to/from retained earnings	-	-	-	-	-	-	3.32	4.29	(7.61)	-	-	-	-	-
CCDs converted to Equity shares during the year (Refer Note 15, Footnote ii)	18.18	(999.91)	-	-	981.73	-	-	-	-	-	(18.18)	-	-	-
Adjustment of accumulated losses of the Company, IHMS LLC and LEPPL adjusted against the securities premium as per the schemes (Refer Note 29)	-	-	-	-	(2,013.24)	-	-	2,013.24	-	-	-	-	-	-
Excess of investment over fair value adjusted against the securities premium as per LEPPL scheme (Refer Note 29)	-	-	-	-	(7.12)	-	-	-	-	-	(7.12)	(7.12)	-	(7.12)
Adjustment on account of acquisition of additional stake in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(8.01)	(8.01)
Issue expenses written off against Securities Premium	-	-	-	-	(1.00)	-	-	-	-	-	(1.00)	(1.00)	-	(1.00)
Other adjustment	-	-	-	-	-	-	-	-	0.02	-	0.02	0.02	-	0.02
Balance as at March 31, 2016	**98.93**	**-**	**43.91**	**114.42**	**1,230.65**	**596.04**	**358.98**	**(11.38)**	**37.64**	**111.06**	**2,481.32**	**2,580.25**	**742.93**	**3,323.18**
Loss for the year ended March 31, 2017	-	-	-	-	-	-	-	(63.20)	-	-	(63.20)	(63.20)	17.60	(45.60)
Other Comprehensive Income for the year ended March 31, 2017, net of taxes	-	-	-	-	-	-	-	4.23	135.04	(104.57)	34.70	34.70	(10.99)	23.71
Total Comprehensive Income for the year ended March 31, 2017	-	-	-	-	-	-	-	(58.97)	135.04	(104.57)	(28.50)	(28.50)	6.61	(21.89)
Dividend	-	-	-	-	-	(29.68)	-	-	-	-	(29.68)	(29.68)	(10.67)	(40.35)
Tax on Dividend	-	-	-	-	-	(4.38)	-	-	-	-	(4.38)	(4.38)	(1.05)	(5.43)
Transfer to retained earnings	-	-	-	-	-	-	-	(123.28)	123.28	-	-	-	-	-
Balance as at March 31, 2017	**98.93**	**-**	**43.91**	**114.42**	**1,230.65**	**561.98**	**358.98**	**(193.63)**	**295.96**	**6.49**	**2,418.76**	**2,517.69**	**737.82**	**3,255.51**

The accompanying notes form an integral part of the consolidated financial statements. (Refer Note 1 - 48)

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran — Chairman

Rakesh Sarna — Managing Director & CEO

Rajeev Newar — Vice President - Finance

Beejal Desai — Vice President - Legal & Company Secretary

Consolidated Statement of Cash Flows for the year ended March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Cash Flow From Operating Activities			
Profit / (Loss) Before Tax		**30.58**	(91.17)
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortisation		**299.37**	284.82
(Profit) / Loss on sale of investments		**(0.17)**	-
(Profit)/Loss on sale of a hotel property		**103.25**	-
(Profit) / Loss on sale of assets (including compulsory acquisition of land) and Assets written off		**8.12**	2.55
Expenditure on discontinued projects written off		**-**	25.07
Allowance for Doubtful Debts and advances (Including Advances written off)		**7.98**	6.37
Dividend Income		**(10.70)**	(39.60)
Interest Income		**(22.38)**	(46.30)
Finance Cost		**323.83**	375.59
Exchange (Gain) / Loss on long term borrowings/assets (net)		**(0.44)**	33.20
Provision for contingencies		**8.50**	20.55
Provision for Employee Benefits		**3.41**	18.36
Gain on investments carried at fair value through profit and loss		**(4.74)**	(0.09)
Loss/ (Gain) on fair valuation of derivative contracts		**(65.45)**	24.55
		650.58	705.07
Cash Operating Profit before working capital changes		**681.16**	613.90
Adjustments for increase / decrease in operating assets and liabilities:			
Financial and Other Assets		**(23.90)**	12.84
Inventories		**(1.78)**	(2.10)
Financial and Other Liabilities		**(34.18)**	84.09
		(59.86)	94.83
Cash Generated from Operating Activities		**621.30**	708.73
Direct Taxes Paid		**(86.79)**	(89.98)
Net Cash Generated From Operating Activities (A)		**534.51**	618.75

Consolidated Statement of Cash Flows for the year ended March 31, 2017

	Note	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Cash Flow From Investing Activities			
Payments for purchase of property, plant & equipment and Intangible assets (including CWIP)		**(399.40)**	(368.29)
Proceeds from sale of property, plant & equipment and Intangible assets		**5.44**	2.59
Additional Investment in a joint venture		**(10.00)**	-
Purchase of current investments		**(2,107.41)**	(2,066.03)
Proceeds from sale / redemption of current investments		**2,199.91**	2,417.97
Proceeds from sale of investments measured at fair value through other comprehensive income		**350.00**	150.84
Interest Received		**26.13**	56.65
Dividend Received (including ₹ 8.56 crores from joint ventures and associates (Previous year ₹ 2.83 crores))		**16.36**	40.88
Bank Balances not considered as Cash & Cash Equivalents		**(62.17)**	76.81
Long Term Deposits refunded/ (placed)		**-**	(1.93)
Short term loan realised/(given)		**18.89**	(33.67)
Proceeds from sale of hotel properties		**813.23**	-
Deposits Refunded by / (Placed with) Other Companies		**4.00**	62.28
Net Cash Generated /(Used) In Investing Activities (B)		**854.98**	338.10
Cash Flow From Financing Activities			
Debenture issue / Loan arrangement costs		**(4.81)**	(2.25)
Interest Paid		**(163.67)**	(188.01)
Repayment of long term Loans and Debentures		**(1,954.38)**	(2,013.71)
Proceeds from long term Loans and Debentures		**890.11**	979.51
Short Term Loans Raised		**257.79**	90.14
Short Term Loans Repaid		**(333.65)**	(18.58)
Acqusition of additional interest from non-controlling interest shareholders		**-**	(15.13)
Settlement of derivative contracts		**(26.97)**	(4.96)
Dividend Paid (Including tax on dividend)		**(45.78)**	(23.47)
Net Cash Generated/(Used) In Financing Activities (C)		**(1,381.36)**	(1,196.46)
Net Increase / (Decrease) In Cash and Cash Equivalents (A + B + C)		**8.13**	(239.61)
Cash and Cash Equivalents - Opening		**139.83**	376.68
Exchange difference on translation of foreign currency cash and cash equivalents		**(6.66)**	2.76
Cash and Cash Equivalents - Closing		**141.31**	139.83

The accompanying notes form an integral part of the consolidated financial statements 1 - 48

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826
Mumbai, May 26, 2017

For and on behalf of the Board

N. Chandrasekaran Chairman

Rakesh Sarna Managing Director & CEO

Rajeev Newar Vice President - Finance

Beejal Desai Vice President - Legal & Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 1: Corporate information

The Indian Hotels Company Limited ("IHCL" or the "Company"), and its subsidiaries (referred collectively as the "Group") is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts. These consolidated financial statements of the Group also include the Group's interest in associates and joint ventures.

The Company is domiciled and incorporated in India in 1902 and has its registered office at Mandlik House, Mandlik Road, Mumbai – 400 001, India. It is promoted by Tata Sons Limited, which holds a significant stake in the Company.

The consolidated financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 26, 2017.

Note 2: Basis of preparation, Principles of consolidation and equity accounting, Critical accounting estimates and judgements, Significant accounting policies and Recent accounting pronouncements

The consolidated financial statements have been prepared on the following basis:

(a) Statement of compliance

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

These consolidated financial statements have been prepared in accordance with Ind AS. For all periods up to and including the year ended March 31, 2016, the Company prepared group's consolidated financial statements in accordance with the requirements of Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP")

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

(b) Basis of preparation

The Consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(ii) Joint ventures, associates and equity method accounting

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets and obligations for the liabilities, relating to the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance sheet.

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee in Other Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its Associates and Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.

The financial statements of subsidiaries, joint ventures and associates consolidated are drawn upto the same reporting date as that of the Company except one of the associate which has the reporting date of December 31, 2016.

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate

(iv) Goodwill

a. Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

b. Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.

c. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the statement of profit and loss.

d. Goodwill on acquisition of the foreign subsidiaries is restated at the rate prevailing at the end of the year.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(d) Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets that are subject to amortisation/ depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Impairment of investments:** The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charges in the Statement of Profit and Loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss.
- **Loyalty programme:** The Group estimates the fair value of points awarded under the Loyalty programme by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.
- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.
- **Litigation:** From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

Significant accounting policies

(e) Revenue recognition

Income from operation

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management fees for the management of the hotels.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sale of goods or rendering of services is net of Indirect taxes, returns and discounts.

The Group operates loyalty programme, which allows its eligible customers to earn points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenue related to award points is deferred and on redemption of the award points, the revenue is recognised. Membership fees received from the loyalty program is recognized as revenue on time-proportion basis.

Management fees earned from hotels managed by the Group are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognised when the Group's right to receive the amount is established.

(f) Employee Benefits

i. Defined Contribution Schemes

a. Provident Fund

The eligible employees of domestic components of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the statement of profit and loss during the period. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Group. The Group is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the employee.

Employee benefits arising out of contributions towards Provident Fund and Family Pension Scheme to Regional Provident Fund Commissioner or the Central Provident Commissioner and Social Security etc. paid/ payable during the year are recognised as expense in the statement of profit and loss account in the period in which the employee renders services.

Eligible employees of some of the overseas components of the Group are members of defined contribution plans. These plans, in addition to employee contribution, require the Group to make contributions equivalent to a pre-define percentage of each eligible participant's plan compensation for each year. The Group may also make a profit sharing contribution of uniform percentage of eligible participant's plan compensation based on profit as defined. The Group recognised such contribution as an expense in the year in which the employee renders service.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

b. Others

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligation therein, based on independent external actuarial valuations carried out at the Balance Sheet date.

Certain international subsidiaries operate a defined contribution pension scheme and the pension charge represents the amounts paid/payable by them to the Fund in the period in which the employee renders services.

ii. Gratuity

The Group accounts for the net present value of its obligations for gratuity benefits, based on independent actuarial valuations, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or asset as of the reporting date. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

In case of funded scheme, the Group makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds in respect of eligible employee in case of certain domestic components and the parent / company.

iii. Post-Retirement Pension Scheme and Medical Benefits

a. The net present value of the Group's obligation towards post retirement pension scheme for retired whole time directors and post- employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

b. The Group also participates in an industry-wide defined benefit plan which provides pension linked to final salaries in respect of employees of certain overseas hotel properties. The plan is funded in a manner such that contributions are set at a level that is expected to be sufficient to pay the benefits falling due in the same period. It is not practicable to determine the present values of the Group's obligations as the covered hotel properties have not received information from the plan's administrator. In the absence of sufficient information the plan has been accounted as if it was a defined contribution plan.

c. The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

iv. Superannuation

The Group has a defined contribution plan for eligible employees of its domestic components, wherein it annually contributes a sum equivalent to a defined percentage of the eligible employee's annual basic salary to a fund administered by the trustees. The Group recognises such contributions as an expense in the year in which the corresponding services are received from the employees. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to Statement of Profit and Loss.

v. Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

vi. Short term obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which the Company has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p)). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalised and depreciated over their estimated useful life.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Indian Entities

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

The estimated useful lives of the assets are as follows:

Class of Assets	Estimated Useful Life
Building	60 to 80 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Other miscellaneous hotel assets	4 years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives. Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effects of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the pervious GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

International Entities

Depreciation on assets is provided at Straight Line Method (SLM) based on the estimated useful life detailed below. In respect of improvements in the nature of structural changes and major refurbishment to buildings occupied on lease, depreciation is provided for over the period of the lease.

Class of Asset	Estimated Useful Life
Long term lease hold property	Over the term of lease
Plant and Equipment	5 to 20 years
Electrical Installation and Equipment	20 years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives. Freehold land is not depreciated.

(h) Intangible Assets

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs including the lease rights acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising for other intangible assets is as under:

Class of Assets	Estimated Useful Life
Website Development Cost	5 years
Software and Licences	6 years
Service and Operating Rights	10 years

An intangible assets is derecognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Group has elected to continue with carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(i) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(j) Foreign Currency Translation

Functional and presentation currency

The functional currency and presentation currency of the Company is Indian Rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.

Translation of financial statements of foreign operations

Assets and liabilities of foreign entities are translated into Indian Rupees on the basis of the closing exchange rates as at the end of the period. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. All resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as a part of gain or loss on sale.

(k) Assets taken on lease

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

Finance Lease

Leases in which substantially all the risks and rewards of ownership are transferred to the Group as lessee are classified as finance lease. Finance lease are capitalised at the inception of the lease at the fair value of the leased assets or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in the borrowings or other financial liabilities as appropriate.

Lease payments are apportioned between the reduction of the lease liability and finance charges in the Statement of Profit and Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

(l) Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost includes fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(m) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Group will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

(n) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

Current tax

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates at the end of the reporting period in the countries where the company and its subsidiaries and its associates and joint ventures operates and generates taxable income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of the goodwill. The deferred income tax is also not accounted if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profits/(taxable loss).

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets positions are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences between the carrying amount and the tax bases of investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(o) Provisions

Provisions are recognised when the Group has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Group created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

(p) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

(q) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

(r) Earnings per share

Basic earnings per share is computed by dividing the Statement of Profit and Loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(s) Exceptional items

The Group discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the Group and provides consistency with the Group's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group. Exceptional items can include, but are not restricted to, gains and losses on the disposal of properties/significant undertakings, impairment charges, exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(t) Financial Instruments

a. Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

- **Cash and cash equivalents -** Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- **Debt Instruments -** The Group classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset:

  i. Financial assets at amortised cost

  Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

  ii. Financial assets at Fair Value through Other Comprehensive Income ("FVOCI")

  Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

  iii. Financial assets at Fair Value through Statement of Profit and Loss ("FVTPL")

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

  - **Equity Instruments -** The Group subsequently measures all equity investments (other than the investment in joint ventures and associates which are measured using equity method of accounting) at fair value. Where the Group has elected to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payment is established.

    At the date of transition to Ind AS, the Group has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments not held for trading.

    When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

De-recognition

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in Statement of Profit and Loss.

Derivatives contracts

Derivatives contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. During the years reported, no hedge relationship was designated and consequently all fair value changes have been recorded through the Statement of Profit and Loss .

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Impairment of financial assets

The Group assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Group recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(u) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the Statement of Profit and Loss.

(v) Business combination

The Group uses the "acquisition method" of accounting to account for its business combinations as per which the identifiable assets or liabilities (and contingent liabilities) assumed are recognised at their fair values (with limited exceptions). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interests of the acquire, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition date amounts of identifiable assets acquired and the liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in Other Comprehensive Income and accumulated in equity as Capital Reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as Capital Reserve.

Transaction costs incurred (other than debt related) in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees are expensed as incurred.

If the Group obtains control over one or more entities that are not businesses, then the bringing together of those entities are not business combinations. The cost of acquisition is allocated among the individual identifiable assets and liabilities of such entities, based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill and no non-controlling interest is recognised.

Business combinations of entities under common control are accounted using the "pooling of interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination

(w) Recent accounting pronouncements

Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Group from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group shall be including the above disclosure in the financial statements from the date that this amendment is applicable i.e., for periods starting from April 1, 2017 and onwards.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 3 : Property, plant and equipment (Owned, unless otherwise stated)

	Freehold land	Buildings (Refer footnote i)	Plant and machinery	Furniture & fixtures (Refer footnote ii)	Office equipment (Refer footnote ii)	Vehicles	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Cost							
At April 1, 2015 (Refer Footnote viii)	504.28	3,725.71	715.44	295.85	30.25	7.17	5,278.70
Translation adjustment (Refer Footnote iii)	21.56	114.46	1.19	5.40	0.37	-	142.98
Additions	0.07	154.38	146.38	55.58	18.05	1.18	375.64
Disposals	-	1.59	4.34	0.92	0.14	-	6.99
At March 31, 2016	**525.91**	**3,992.96**	**858.67**	**355.91**	**48.53**	**8.35**	**5,790.33**
Translation adjustment (Refer Footnote iii)	(7.66)	(161.56)	(4.46)	(11.51)	(0.22)	-	(185.41)
Additions	-	219.19	159.25	71.11	10.34	0.53	460.42
Disposals (Refer Footnote vi)	259.44	674.43	16.27	13.01	3.54	0.59	967.28
At March 31, 2017	**258.81**	**3,376.16**	**997.19**	**402.50**	**55.11**	**8.29**	**5,098.06**
Depreciation (Refer Footnote v)							
At April 1, 2015 (Refer Footnote viii)	-	-	-	-	-	-	-
Translation adjustment (Refer Footnote iii)	-	(0.03)	(0.09)	(0.11)	0.03	-	(0.20)
Impairment by a subsidiary (Refer Footnote v)	-	4.47	0.53	0.20	-	-	5.20
Charge for the year (Refer Footnote iv)	-	115.49	78.06	52.30	10.59	1.56	258.00
Disposals	-	0.26	0.96	0.58	0.06	-	1.86
At March 31, 2016	**-**	**119.67**	**77.54**	**51.81**	**10.56**	**1.56**	**261.14**
Translation adjustment (Refer Footnote iii)	-	(6.24)	(0.78)	(2.86)	(0.11)	-	(9.99)
Charge for the year (Refer Footnote iv)	-	120.45	88.16	51.49	10.56	1.10	271.76
Disposals (Refer Footnote vi)	-	29.76	7.44	4.52	1.50	0.11	43.33
At March 31, 2017	**-**	**204.12**	**157.48**	**95.92**	**19.51**	**2.55**	**479.58**
Net Block							
At April 1, 2015	**504.28**	**3,725.71**	**715.44**	**295.85**	**30.25**	**7.17**	**5,278.70**
At March 31, 2016	**525.91**	**3,873.29**	**781.13**	**304.10**	**37.97**	**6.79**	**5,529.19**
At March 31, 2017	**258.81**	**3,172.04**	**839.71**	**306.58**	**35.60**	**5.74**	**4,618.48**

Footnotes :

(i) Cost includes improvements to buildings constructed on leasehold land - ₹ 2139.27 crores; (Previous year - ₹ 2177.50 crores, April 1, 2015 - ₹ 2017.81 crores).

(ii) Furniture, Fixtures and Office Equipment as at the year end include assets on finance lease: Cost - ₹ 0.60 crore (Previous year - ₹ 0.71 crore), April 1, 2015 - ₹ 0.77 crore, Accumulated Depreciation - ₹ 0.35 crore (Previous year ₹ 0.11 crore), April 1, 2015 - Nil, Depreciation for the year - ₹ 0.28 crore (Previous year - ₹ 0.07 crore) and carring value as at the reporting date of ₹ 0.25 crore (Previous year ₹ 0.60 crore), April 1, 2015 - ₹ 0.77 crore.

(iii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".

(iv) Depreciation capitalised during previous year ₹ 0.04 crore.

(v) Accumulated Depreciation includes adjustment for impairment of ₹ 5.20 crores (Previous year ₹ 5.20 crores).

(vi) Disposal includes assets sold consequent to divestment of a property in one subsidiary during the year amounting to ₹ 912.01 crores (cost ₹ 943.34 crores and accumulated depreciation ₹ 31.33 crores.) (Refer Note 30)

(vii) Addition includes ₹ 4.29 crores (March 31, 2016 - ₹ 6.71 crores) on account of interest cost on borrowings capitalised on certain qualifying assets (Refer Note 25).

(viii) On transition to Ind AS, carrying value of all the property, plant and equipments under the previous GAAP is considered as the deemed cost under Ind AS. Also refer Note 28.

(ix) For details of pledged assets refer Note 17, footnote (ii).

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 4 : Goodwill

	March 31, 2017	March 31, 2016
	₹ crores	₹ crores
Opening Balance	**573.65**	552.66
Add / (Less) : Foreign Exchange fluctuation for the year	**(18.09)**	20.99
Closing Balance	**555.56**	573.65

Footnote :

The Group tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill, which arose on acquisition of the assets/entities, is allocated to a cash generating unit "CGU" representing the lowest level with the Group at which goodwill is monitored for internal management reporting purposes.

The recoverable value of the CGU is determined on the basis of 'fair value less cost to sell'. The Group determined fair values using the market approach, when available and appropriate, or the income approach, or a combination of both. The Group assesses the valuation methodology based upon the relevance and availability of the data at the time the valuation is performed. If multiple valuation methodologies are used, the results are weighted appropriately.

Valuations using the market approach are derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services.

Goodwill mainly comprises of ₹ 371.86 crores (March 31, 2016 - ₹ 389.96 crores; April 1, 2015 - ₹ 368.97 crores) allocated to the International business (United Kingdom) and ₹ 130.99 crores (March 31, 2016 - ₹ 130.99 crores; April 1, 2015 - ₹ 130.99 crores) allocated to a component of domestic business. The estimated fair value of these CGUs is based on comparable businesses. The remaining amount of goodwill of ₹ 52.71 crores (March 31, 2016 - ₹ 52.70 crores; April 1, 2015 - ₹ 52.70 crores) relates to different CGUs which is individually immaterial.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 5 : Intangible assets

	Leasehold property rights (Refer Footnote iv)	Website development cost	Software and licences (Refer Footnote i)	Service and operating rights	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Cost					
At April 1, 2015 (Refer Footnote iii)	622.34	1.58	28.69	3.34	655.95
Translation adjustment (Refer Footnote ii)	0.63	-	-	0.21	0.84
Additions	0.66	13.67	15.51	-	29.84
Disposals	-	0.91	0.96	-	1.87
At March 31, 2016	**623.63**	**14.34**	**43.24**	**3.55**	**684.76**
Translation adjustment (Refer Footnote ii)	(0.22)	-	-	(0.08)	(0.30)
Additions	0.11	4.23	5.74	-	10.08
Disposals	-	-	0.27	-	0.27
At March 31, 2017	**623.52**	**18.57**	**48.71**	**3.47**	**694.27**
Amortisation					
At April 1, 2015 (Refer Footnote iii)	-	-	-	-	-
Translation adjustment (Refer Footnote ii)	0.03	-	-	0.05	0.08
Charge for the year	14.65	0.86	7.77	3.50	26.78
Disposals	-	0.47	0.41	-	0.88
At March 31, 2016	**14.68**	**0.39**	**7.36**	**3.55**	**25.98**
Translation adjustment (Refer Footnote ii)	(0.11)	-	(0.37)	(0.08)	(0.56)
Charge for the year	15.56	3.66	8.39	-	27.61
Disposals	-	-	0.11	-	0.11
At March 31, 2017	**30.13**	**4.05**	**15.27**	**3.47**	**52.92**
Net Block					
At April 1, 2015	**622.34**	**1.58**	**28.69**	**3.34**	**655.95**
At March 31, 2016	**608.95**	**13.95**	**35.88**	**-**	**658.78**
At March 31, 2017	**593.39**	**14.52**	**33.44**	**-**	**641.35**

Footnotes :

(i) Software includes Customer Reservation System and other licensed software.

(ii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".

(iii) On transition to Ind AS, carrying value of all the intangible assets under the previous GAAP is considered as the deemed cost under Ind AS. Also refer Note 28.

(iv) Lease property rights mainly consits of lease acquisition rights for the hotel property including land. Refer Note 2(h), for accounting policy.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 6 : Investments in joint ventures and associates

a) Investments in joint ventures and associates

Equity investments in joint venture companies (Refer Note 34(c))

Break up of investments in joint ventures (carrying value determined using the equity method of accounting) as below :-

		March 31, 2017		March 31, 2016		April 1, 2015	
	Face Value	**Holdings As at**	**₹ crores**	Holdings As at	₹ crores	Holdings As at	₹ crores
Fully paid unquoted equity investments							
Taj Kerala Hotels & Resorts Ltd.	₹ 10	**14,151,664**	**16.70**	14,151,664	16.51	14,151,664	16.47
Taj SATS Air Catering Ltd.	₹ 10	**8,874,000**	**48.52**	8,874,000	41.51	8,874,000	36.83
Taj Karnataka Hotels & Resorts Ltd. (Refer footnote (iv))	₹ 10	**1,398,740**	**-**	1,398,740	-	1,398,740	-
Taj Madras Flight Kitchen Pvt Ltd.	₹ 10	**7,944,112**	**23.76**	7,944,112	22.74	7,944,112	22.06
Taj Safaris Ltd.	₹ 10	**12,496,667**	**1.02**	12,496,667	1.37	12,496,667	1.49
Kaveri Retreat & Resorts Ltd.	₹ 10	**13,176,467**	**38.14**	10,235,293	27.37	10,235,293	23.85
IHMS Hotels (SA) (Proprietary) Ltd. (Refer footnote (iv))	Zar 1	**86,739,958**	**-**	86,739,958	-	500	-
TAL Hotels and Resorts Ltd.	US $ 1	**4,946,282**	**118.86**	4,946,282	114.79	4,946,282	106.16
Total Aggregate unquoted investments			**247.00**		224.29		206.86
Fully paid quoted equity investments							
Taj GVK Hotels & Resorts Ltd.	₹ 10	**16,000,400**	**110.41**	16,000,400	110.14	16,000,400	109.23
Total Aggregate quoted investments			**110.41**		110.14		109.23
Total Investments carrying value			**357.41**		334.43		316.09

Equity investments in associate companies (Refer Note 34(c))

Break up of investments in associates (carrying value determined using the equity method of accounting) as below :-

		March 31, 2017		March 31, 2016		April 1, 2015	
	Face Value	**Holdings As at**	**₹ crores**	Holdings As at	₹ crores	Holdings As at	₹ crores
Fully paid unquoted equity investments							
Taj Madurai Ltd.	₹ 10	**912,000**	**4.81**	912,000	4.19	912,000	4.27
Taida Trading & Industries Ltd. (Referfootnote (v))	₹ 100	**65,992**	**-**	65,992	-	65,992	-
Lanka Island Resorts Ltd.	LKR 10	**19,965,524**	**33.32**	19,965,524	32.90	19,965,524	31.47
Bjets Pte Ltd. (Refer footnote (v))	US $ 1	**20,000,000**	**-**	20,000,000	-	20,000,000	-
Total Aggregate unquoted investments			**38.13**		37.09		35.74
Fully paid quoted equity investments							
Oriental Hotels Ltd. (Refer footnote (vi))	₹ 10	**66,166,530**	**196.72**	66,166,530	199.31	66,166,530	203.89
TAL Lanka Hotels Plc	LKR 10	**34,375,640**	**15.55**	34,375,640	15.12	34,375,640	17.36
Total Aggregate quoted investments			**212.27**		214.43		221.25
Total Investments carrying value			**250.40**		251.52		256.99
Total Investments in joint ventures and associates			**607.81**		585.95		573.08

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 6 : Investments

	Face Value	March 31, 2017 Holdings As at	March 31, 2017 ₹ crores	March 31, 2016 Holdings As at	March 31, 2016 ₹ crores	April 1, 2015 Holdings As at	April 1, 2015 ₹ crores
(b) Non current							
Equity investments in other companies (Non current)							
Carried at fair value through Other Comprehensive Income:							
Fully paid unquoted equity investments							
Damania Airways Ltd.*	₹ 10	**500**	**-**	500	-	500	-
Hotels and Restaurant Co-op. Service Society Ltd.*	₹ 50	**20**	**-**	20	-	20	-
Kumarakruppa Frontier Hotels Private Ltd.	₹ 10	**96,432**	**6.03**	96,432	5.51	96,432	5.51
MPOWER Information Systems Private Ltd. *	₹ 10	**5,28,000**	**-**	5,28,000	-	5,28,000	-
Smile and Care Products Private Ltd. *	₹ 10	**49,800**	**-**	49,800	-	49,800	-
Tata Ceramics Ltd.	₹ 2	**1,54,29,480**	**1.70**	1,54,29,480	1.70	1,54,29,480	1.70
Tata Industries Ltd. (Refer Footnote (x)	₹ 100	**42,74,590**	**55.73**	42,74,590	55.73	42,74,590	55.73
Tata International Ltd	₹ 1000	**8,000**	**20.80**	8,000	31.44	8,000	31.44
Taj Air Ltd.	₹ 10	**2,22,40,200**	**-**	2,22,40,200	-	2,22,40,200	-
Tata Projects Ltd. (Refer Footnote ix)	₹ 100	**-**	**-**	-	-	90,000	56.70
Tata Services Ltd.	₹ 1000	**421**	**0.04**	421	0.04	421	0.04
Tata Sons Ltd. (Refer Footnote (x)	₹ 1000	**4,500**	**25.00**	4,500	25.00	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote iii)	₹ 10	**7,11,00,000**	**71.10**	7,11,00,000	71.10	7,11,00,000	71.10
Bombay Mercantile Co-operative Bank Ltd. *	₹ 30	**333**	**-**	333	-	333	-
Hindustan Engineering & Industries Ltd. *	₹ 10	**7**	**-**	7	-	7	-
Saraswat Co-operative Bank Ltd. *	₹ 10	**2,000**	**-**	2,000	-	2,000	-
			180.40		190.52		247.22
Fully paid quoted equity investments:							
India Tourism Development Corporation Ltd.	₹ 10	**67,50,275**	**279.66**	67,50,275	152.69	67,50,275	76.82
Belmond Ltd. (Formerly Orient-Express Hotels Ltd.) (Refer Footnote viii) [Class A common shares, quoted on the New York Stock Exchange]	US $ 0.01	**-**	**-**	56,19,297	353.35	71,30,764	545.45
Tourism Finance Corporation of India Ltd.	₹ 10	**50,000**	**0.41**	50,000	0.21	50,000	0.34
Tulip Star Hotels Ltd.	₹ 10	**35,800**	**0.19**	35,800	0.28	35,800	0.29
Asian Hotels (North) Ltd. *	₹ 10	**2**	**-**	2	-	2	-
Asian Hotels (East) Ltd. *	₹ 10	**2**	**-**	2	-	2	-
Asian Hotels (West) Ltd. *	₹ 10	**2**	**-**	2	-	2	-
EIH Ltd. *	₹ 2	**37**	**-**	37	-	37	-
Hotel Leela Venture Ltd. *	₹ 2	**25**	**-**	25	-	25	-
Graviss Hospitality Ltd.	₹ 2	**4,500**	**0.01**	4,500	0.01	4,500	0.01
Crest Ventures Ltd.	₹10	**42,000**	**0.75**	42,000	0.17	42,000	0.20
HDFC Bank Ltd.	₹ 2	**2,500**	**0.36**	2,500	0.26	2,500	0.26
Timex Group India Ltd.	₹ 1	**1,000**	**0.01**	1,000	-	1,000	-
Titan Company Ltd.	₹ 1	**18,06,000**	**83.30**	18,06,000	61.18	18,06,000	70.79
			364.69		568.15		694.16

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 6 : Investments

	Face Value	March 31, 2017 Holdings As at	March 31, 2017 ₹ crores	March 31, 2016 Holdings As at	March 31, 2016 ₹ crores	April 1, 2015 Holdings As at	April 1, 2015 ₹ crores
Investment in Preference Shares (carried at amortised costs)							
Central India Spinning Weaving & Manufacturing Company Ltd. * (10% unquoted Cumulative Preference Shares)	₹ 500	**50**	**-**	50	-	50	-
Investment in Others (carried at amortised costs)							
National Savings Certificate			**0.01**		0.01		0.01
Total Investments carrying value			**545.10**		758.68		941.39

*Value of these investments is less than ₹ 25,000

Footnotes :

		March 31, 2017	March 31, 2016	April 1, 2015
(i)	Aggregate amount of Quoted Investments	**687.37**	892.72	1,024.64
	Market value of Quoted Investments	**878.82**	858.06	982.56
(ii)	Aggregate amount of Unquoted Investments	**465.54**	451.91	489.83

(iii) Transfer of shares is restricted due to option granted for 10 years upto July, 2021 to Tata Realty and Infrastructure Ltd. for repurchase of the shares at par value. Tata Realty and Infrastructure Ltd. has deposited a sum of ₹ 71.10 crores (March 31, 2016 ₹ 71.10 crores, April 1, 2015 ₹ 71.10 crores) as Option Deposit, which shall be adjusted upon exercise of the option or refunded.

(iv) The carrying value of these investments is carried at nil value as the Group's interest using equity method in these entities are reduced to zero. The Group has provided for additional losses and has recognised liability to the extent the Group has constructive obligation and/or to make payments on behalf of the joint ventures. (Refer Note no 19(b))

(v) The carrying amount of these investments has been reported as Nil, as the Group's share of losses exceeds the cost/carrying value.

(vi) Includes 5.40% (Previous year 5.40%), April 1, 2015 - 5.40%, of the shares held in the form of Global Depository Receipts (GDR).

(vii) The fair value hierarchy and classification are disclosed in Note 35(b).

(viii) During the year, the Group has divested its entire remaning stake in the Belmond Ltd. through the New York Stock Exchange aggregating to a total sale proceeds of $ 53.97 million (March 31, 2016 $ 14.21 million), which was utilised to retire the debt of the Group. The accumulated loss on sale of the investment were transferred to retained earnings from the other comprehensive income where it was recognised earlier.

(ix) The Company's stake in Tata Projects Ltd.was sold in the previous year for a total consideration of ₹ 56.70 crores. The accumulated profit on sale of the investment were transferred to retained earnings from the other comprehensive income where it was recognised earlier.

(x) For these investments, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(c) Current			
Investments carried at fair value through profit and loss:			
Investments in mutual fund units (unquoted)	**90.80**	170.61	521.45
	90.80	170.61	521.45
Investments carried at fair value through Other Comprehensive Income:			
Equity investments in other entities (unquoted)			
BAHC 5 Pte Ltd. (Refer Note iii) 1 (Previous year - 1, April 1, 2015 - 1) equity shares of US $ 1 each (₹ 64 (Previous year ₹ 66, April 1, 2015 - ₹ 62))	**-**	-	-
Premium Aircraft Leasing Corporation Ltd. (Refer Footnote ii) Nil (Previous year Nil, April 1, 2015 - 10), equity shares of US $ 1 each (Nil (Previous year Nil, April 1, 2015 - ₹ 623))	**-**	-	-
	-	-	-
Total Current investments	**90.80**	170.61	521.45

Footnote :

(i)	Aggregate amount of Unquoted Investments:	**90.80**	170.61	521.45

(ii) This company has been liquidated with effect from February 10, 2016.

(iii) This investment are temporarily held for disposal in near future (Refer Note 34(a)(ii)(b))

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 7 : Loans

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non current (at amortised costs)			
(Unsecured)			
Loans to related parties (Refer Note 42)			
Considered good	**15.09**	15.16	53.73
Considered doubtful	**139.95**	151.20	142.34
	155.04	166.36	196.07
Less : Allowance for doubtful loans	**139.95**	151.20	142.34
	15.09	15.16	53.73
(b) Current (at amortised cost)			
(Unsecured, considered good)			
Loans			
Related parties (Refer Note 42)	**47.96**	72.45	49.65
Others	**1.06**	10.13	68.80
	49.02	82.58	118.45
Total loans	**64.11**	97.74	172.18

Note 8 : Other financial assets

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non current			
Long-term security deposits placed for hotel properties at amortised costs			
Long-term security deposits placed for hotel properties at amortised costs	**36.87**	32.11	33.84
	36.87	32.11	33.84
Less : Allowance for doubtful deposits	**2.00**	-	-
	34.87	32.11	33.84
Deposits with Public Bodies and Others at amortised costs			
Related parties (Refer Note 42)	**0.09**	1.32	1.23
Public Bodies and Others	**30.05**	27.47	42.82
	30.14	28.79	44.05
Less : Allowance for doubtful deposits	**0.38**	0.28	-
	29.76	28.51	44.05
Deposits with banks (Refer Note 14)	**3.91**	7.19	7.25
Interest receivable	**-**	0.82	0.58
Others	**3.09**	4.04	3.26
	71.63	72.67	88.98
(b) Current			
Deposit with public bodies and others			
Related parties (Refer Note 42)	**1.23**	-	-
Public Bodies and Others	**10.02**	17.03	10.65
	11.25	17.03	10.65
Other advances			
Considered good	**11.71**	9.93	7.56
Considered doubtful	**3.37**	6.11	5.14
	15.08	16.04	12.70
Less : Allowance for doubtful advances	**3.37**	6.11	5.14
	11.71	9.93	7.56
Interest receivable			
Related Parties (Refer Note 42)	**2.40**	2.14	3.29
Others	**1.73**	1.61	6.44
	4.13	3.75	9.73
Other receivable			
Related Parties (Refer Note 42)	**63.85**	68.30	62.16
Others	**17.71**	12.36	8.22
	81.56	80.66	70.38
	108.65	111.37	98.32
Total other financial assets	**180.28**	184.04	187.30

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 9 : Deferred tax

	March 31, 2017	March 31, 2016	April 1, 2015
	₹ crores	₹ crores	₹ crores
(a) Deferred tax assets (net):			
Deferred tax assets:			
Allowance for doubtful debts	**0.04**	0.05	0.04
Provision for employee benefits	**0.15**	0.16	0.08
Property, Plant and equipment & Intangible Assets	**-**	-	1.00
Unused tax losses (Business)	**34.18**	17.26	5.24
MAT credit entitlement	**0.37**	0.30	0.06
Others	**1.03**	0.92	1.02
Total (A)	**35.77**	18.69	7.44
Deferred tax liabilities:			
Property, Plant and equipment & Intangible Assets	**0.56**	0.69	0.63
Total (B)	**0.56**	0.69	0.63
Net Deferred tax assets (A-B) (Refer Footnote i)	**35.21**	18.00	6.81

Footnotes :

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

(ii) For the movement in deferred tax balances, Refer Note 38.

(b) Deferred tax liabilities (net)			
Deferred tax liabilities:			
Property, Plant and equipment & Intangible Assets	**457.62**	473.46	419.38
Unamortised borrowing costs	**0.33**	0.90	1.20
Fair valuation changes of derivative contracts	**15.94**	0.21	-
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	**3.70**	6.24	19.23
Total (A)	**477.59**	480.81	439.81
Deferred tax assets:			
Allowance for doubtful debts	**4.41**	4.09	2.76
Provision for employee benefits	**27.75**	24.88	15.77
Unused tax losses (Business)	**-**	21.74	71.13
Unused tax losses (Capital)	**-**	-	8.95
MAT credit entitlement	**77.66**	129.27	74.69
Fair valuation changes of derivative contracts	**-**	-	0.91
Reward Points	**17.90**	19.25	10.94
Provision for Contingencies	**21.12**	18.60	12.20
Others	**11.50**	6.76	4.37
Total (B)	**160.34**	224.59	201.72
Net Deferred tax liabilities (A-B) (Refer Footnote i)	**317.25**	256.22	238.09

Footnotes :

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

(ii) For the movement in deferred tax balances, Refer Note 38 (iv).

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 10 : Other assets

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non current			
Capital advances	**25.70**	20.19	23.13
Prepaid expenses	**114.21**	102.20	99.60
Deposits with government authorities	**57.27**	52.14	27.37
Incentive receivables	**107.41**	120.06	38.69
Others	**7.88**	8.86	9.75
	312.47	303.45	198.54
(b) Current			
Prepaid expenses	**43.30**	44.99	43.44
Indirect tax recoverable	**15.10**	10.88	8.20
Advances to suppliers	**16.69**	14.69	13.84
Loans and advances to employee	**2.97**	3.69	2.48
Others	**0.25**	0.91	0.25
	78.31	75.16	68.21
Total other assets	**390.78**	378.61	266.75

Note 11 : Inventories (At lower of cost and net realisable value)

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Food and Beverages	**39.67**	39.45	35.96
Stores and Operating Supplies	**40.77**	40.79	42.19
	80.44	80.24	78.15

Note 12 : Trade Receivables

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(Unsecured) (Refer Note 42 for Related Party Disclosures)			
Considered good	**272.06**	241.98	223.50
Considered doubtful	**13.97**	13.01	8.74
	286.03	254.99	232.24
Less : Allowance for doubtful receivables	**13.97**	13.01	8.74
	272.06	241.98	223.50

Footnote:

Allowance for doubtful receivables		
Opening balance	**13.01**	8.74
Add: Allowance during the year	**2.93**	6.37
	15.94	15.11
Less: Bad debts written off / reversed no longer required	**(1.97)**	(2.10)
Closing balance	**13.97**	13.01

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 13 : Cash and Cash Equivalents

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Cash on hand	**3.30**	4.01	4.34
Cheques, drafts on hands	**3.94**	7.29	3.22
Balances with banks in current account	**119.47**	106.47	75.73
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**14.60**	22.06	293.39
	141.31	139.83	376.68

Note 14 : Other Balances with banks

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Call and Short-term deposit accounts	**33.30**	39.66	105.21
Deposits pledged with others	**0.62**	0.64	0.62
Margin money deposits	**7.69**	6.66	6.91
Earmarked balances *	**68.05**	2.95	3.56
	109.66	49.91	116.30
Less : Term deposit with banks maturing after 12 months from the Balance Sheet date and other earmarked / margin money / pledged deposits classified as non-current 'Other financial asset' (Refer Note 8(a))	**3.91**	7.19	7.25
	105.75	42.72	109.05

*Earmarked balance includes cash held in escrow of ₹ 60.80 crores (March 31, 2016 - Nil, April 1, 2015 - Nil), of the proceeds from sale of Taj Boston, Boston, which can only be drawn on January 12, 2018. (Refer Note 30)

Note 15 : Equity Share capital

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Authorised share capital			
200,00,00,000 Equity Shares of ₹ 1 each (March 31, 2016: 200,00,00,000 Equity Shares of ₹ 1 each) (April 1, 2015: 200,00,00,000 Equity Shares of ₹ 1 each)	**200.00**	200.00	200.00
	200.00	200.00	200.00
Issued share capital			
98,93,07,472 Equity Shares of ₹ 1 each (March 31, 2016: 98,93,07,472 Equity Shares of ₹ 1 each) (April 1, 2015: 80,74,89,291 Equity Shares of ₹ 1 each)	**98.93**	98.93	80.75
	98.93	98.93	80.75
Subscribed and paid up			
98,92,74,015 Equity Shares of ₹ 1 each, Fully Paid (March 31, 2016: 98,92,74,015 Equity Shares of ₹ 1 each) (April 1, 2015: 80,74,72,787 Equity Shares of ₹ 1 each) (Refer Footnote (vi))	**98.93**	98.93	80.75
	98.93	98.93	80.75

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 15 : Equity Share capital

Footnotes :

(i) The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and carry right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) On September 1, 2014 ,the Company had allotted 18,18,01,228 Compulsorily Convertible Debentures ("CCDs") of ₹ 55 each aggregating to ₹ 999.91 crores on a "rights" basis (Each CCD was convertible into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share after 18 months from the date of allotment of the CCD). The CCDs were converted into 18,18,01,228 Equity shares of ₹ 1 each on March 1, 2016 as per the terms of allotment and ₹ 981.73 crores has been transferred to Securities Premium account

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2017		March 31, 2016	
	No. of shares	**₹ crores**	No. of shares	₹ crores
As at the beginning of the year	**98,92,74,015**	**98.93**	80,74,72,787	80.75
Add : CCDs converted to Equity shares	**-**	**-**	181,801,228	18.18
As at the end of the year	**98,92,74,015**	**98.93**	98,92,74,015	98.93

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

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**% of Holding**	No. of shares	% of Holding	No. of shares	% of Holding
Equity share of ₹ 1 each fully paid						
Tata Sons Limited	**27,70,63,351**	**28.01**	27,70,63,351	28.01	20,20,52,004	25.02
Life Insurance Corporation of India	**8,90,22,722**	**9.00**	8,10,06,874	8.19	6,57,52,493	8.14
Sir Dorabji Tata Trust	**5,02,21,040**	**5.08**	5,02,21,040	5.08	5,02,21,040	6.22
Reliance Capital Trustee Company Limited	**7,02,36,948**	**7.10**		*		*

* less than 5%

(v) 33,457 (March 31, 2016 - 33,457 and April 1, 2015 - 16,504) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (March 31, 2016 - Nil and April 1, 2015 - Nil)

(vii) Equity Shares in the entity held by associates.

	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	**% of Holding**	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid						
Oriental Hotels Limited	**6,26,999**	**0.06**	6,26,999	0.06	5,11,836	0.06
Taida Trading and Industries Limited	**1,56,515**	**0.02**	1,56,515	0.02	1,27,768	0.02
Taj Madurai Limited	**9,37,828**	**0.09**	9,37,828	0.09	7,65,574	0.09

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 16 : Other equity

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
a) Equity Component of Compulsorily Convertible Debentures (Refer Note 15, footnote (ii))		
Opening Balance	-	999.91
Less : CCDs converted to Equity shares		(999.91)
Closing Balance	-	-
b) Reserves and surplus		
Capital Reserve		
Opening and Closing Balance	**43.91**	43.91
Capital Reserve on Consolidation		
Opening and Closing Balance	**114.42**	114.42
Securities Premium Reserve		
Opening Balance	**1,230.65**	2,270.28
Add : Premium on conversion of CCDs into shares (Refer Note 15, Footnote (ii))	-	981.73
Less : Issue expenses written off (net of tax)	-	(1.00)
Less : Adjustment of accumulated losses of the Company, IHMS LLC and LEPPL adjusted against the securities premium as per the schemes (Refer Note 29)	-	(2,013.24)
Less :Excess of investment over fair value adjusted against the securities premium as per LEPPL scheme (Refer Note 29)	-	(7.12)
Closing Balance	**1,230.65**	1,230.65
Other Reserves		
Capital Redemption Reserve		
Opening and Closing Balance	**10.59**	10.59
Reserve Fund (In terms of Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening Balance	**42.42**	39.10
Add : Transfer from retained earnings	-	3.32
Closing Balance	**42.42**	42.42
Debenture Redemption Reserve		
Opening and Closing Balance	**305.97**	305.97
	358.98	358.98
General Reserve		
Opening Balance	**596.04**	596.04
Less : Dividend	**(29.68)**	-
Less : Tax on Dividend	**(4.38)**	-
Closing Balance	**561.98**	596.04
Retained Earnings		
Opening Balance	**(11.38)**	(1,793.34)
Add : Loss for the year	**(63.20)**	(231.08)
Add : Adjustment of accumulated losses of the Company, IHMS LLC and LEPPL adjusted against the securities premium as per the schemes (Refer Note 29)	-	2,013.24
Less : Transfer to Reserve Fund	-	(3.32)
Add/(Less): Realised (gain) / loss on equity shares carried at fair value through other comprehensive income	**(123.28)**	7.61
Add/(Less): Remeasurements of post employment benefit obligation, (item of other comprehensive income recognised directly in retained earnings)	**7.23**	(6.85)
Add/(Less): Tax on remeasurements of post employment benefit obligation	**(3.00)**	2.36
Closing Balance	**(193.63)**	(11.38)
Total	**2,116.31**	2,332.62
c) Other Comprehensive Income		
(Refer Statement of changes in equity for the reclassification adjustments to retained earnings)		
Equity Instruments fair valued through Other Comprehensive Income	**295.96**	37.64
Exchange differences on translating the financial statement of foreign operations	**6.49**	111.06
	302.45	148.70
	2,418.76	2,481.32

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 17 : Borrowings

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non current			
Debentures			
Non convertible debentures			
Secured (Refer Footnote ii)	**1,043.65**	786.32	1,541.90
Unsecured (Refer Footnote iii)	**739.60**	817.72	764.87
	1,783.25	1,604.04	2,306.77
Term loans			
From Banks			
Secured (Refer Footnote v)	**578.45**	1,538.07	1,565.85
Unsecured (Refer Footnote vii)	**254.40**	542.04	588.29
	832.85	2,080.11	2,154.14
From Other parties			
Secured (Refer Footnote vi)	**748.45**	747.89	506.66
	748.45	747.89	506.66
	1,581.30	2,828.00	2,660.80
Others	**0.27**	0.46	0.77
Total	**3,364.82**	4,432.50	4,968.34
Less : Current maturities of Long term borrowings (shown under Other current financial liabilities)	**574.96**	1,013.49	1,592.97
Total non current borrowings	**2,789.86**	3,419.01	3,375.37

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(b) Current			
Loans repayable on demand			
From Bank			
Secured (Refer Footnote viii)	**7.31**	7.45	-
Unsecured	**3.85**	86.14	14.69
	11.16	93.59	14.69
Other short-term loans and advances			
From Related parties (Refer Note 42)			
Unsecured (Refer Footnote ix)	**7.00**	-	-
	7.00	-	-
Total current borrowings	**18.16**	93.59	14.69

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 17 : Borrowings

Footnotes :

(i) Details of borrowings as at:

	Effective Rate of Interest	Maturity	**March 31, 2017**		March 31, 2016		April 1, 2015	
			Face value	**Amortised cost**	Face value	Amortised cost	Face value	Amortised cost
	(%)		**₹ crores**	**₹ crores**	₹ crores	₹ crores	₹ crores	₹ crores
Debentures								
Non convertible debentures (NCDs)								
Secured								
7.85% Non convertible debentures	7.85	April 15, 2022	**495.00**	**493.65**	-	-	-	-
10.10% Non convertible debentures	10.10	November 18, 2021	**300.00**	**300.00**	300.00	300.00	300.00	300.00
9.95% Non convertible debentures	9.95	July 27, 2021	**250.00**	**250.00**	250.00	250.00	250.00	250.00
2% Non convertible debentures	9.51	March 22, 2016	**-**	**-**	-	-	90.00	131.11
		March 22, 2017	**-**	**-**	150.00	236.32	150.00	218.51
Zero coupon Non convertible debenture	10.00	February 12, 2016	**-**	**-**	-	-	521.00	642.28
			1,045.00	**1,043.65**	700.00	786.32	1,311.00	1,541.90
Unsecured								
2% Non convertible debentures	9.86	December 9, 2019	**250.00**	**446.87**	250.00	411.34	250.00	378.92
2% Non convertible debentures	9.76	April 23, 2017	**200.00**	**292.73**	200.00	270.38	200.00	249.95
9.90% Non convertible debentures	9.90	February 24, 2017	**-**	**-**	136.00	136.00	136.00	136.00
			450.00	**739.60**	586.00	817.72	586.00	764.87
			1,495.00	**1,783.25**	1,286.00	1,604.04	1,897.00	2,306.77
Term loan from banks								
Secured			**-**	**578.45**	-	1,538.07	-	1,565.85
Unsecured			**-**	**254.40**	-	542.04	-	588.29
			-	**832.85**	-	2,080.11	-	2,154.14
Term loans from other parties								
Secured			**-**	**748.45**	-	747.89	-	506.66
			-	**748.45**	-	747.89	-	506.66
Others				**0.27**		0.46		0.77
			1,495.00	**3,364.82**	1,286.00	4,432.50	1,897.00	4,968.34
Short term borrowings			**-**	**18.16**	-	93.59	-	14.69
Total Borrowings			**1,495.00**	**3,382.98**	1,286.00	4,526.09	1,897.00	4,983.03

(ii) Non convertible debentures - secured include:

a) 4,950, 7.85% Secured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 495 crores, allotted on January 20, 2017 are repayable at par after the end of 5th year from the date of allotment i.e. April 15, 2022.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 17 : Borrowings

b) 3,000, 10.10% Secured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on November 18, 2011 are repayable at par on November 18, 2021 i.e. at the end of 10th year from the date of allotment.

c) 2,500, 9.95% Secured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on July 27, 2011 are repayable at par on July 27, 2021 i.e. at the end of 10th year from the date of allotment.

d) 3,000, 2% Secured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on March 22, 2010 were repayable in 3 annual instalments commencing at the end of 5th, 6th & 7th year from the date of allotment along with redemption premium of ₹ 6.13 lakhs per debenture. The Company had repaid the first instalment of ₹ 60 crores on March 23, 2015 and the second installment of ₹ 90 crores on March 22, 2016. During the year, the Company has repaid the last instalment of ₹ 150 crores on March 22, 2017.

e) 5210, Zero coupon Secured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on February 13, 2013 and repaid on February 12, 2016 at the end of 3 years from the date of allotment having a Yield to maturity of 10% p.a. The Debentures were secured by pledge of the Company's 100% investment in Skydeck Properties & Developers Private Limited (SPDPL), a wholly owned subsidiary of the Company and receivables of Lands End Properties Private Limited prior to amalgamation with the Company.

All the Secured Non convertible debentures are rated, listed and secured by a pari passu first charge created on all the property, plant and equipment of the Company, both present and future.

(iii) Non convertible debentures - unsecured include:

a) 2,500, 2% Unsecured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on December 9, 2009 are repayable on December 9, 2019 i.e. at the end of the 10th year from the date of allotment, along with redemption premium of ₹ 12.43 lakhs per debenture.

b) 2,000, 2% Unsecured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 23, 2012 are repayable on April 23, 2017, i.e. at the end of the 5th year from the date of allotment along with redemption premium of ₹ 4.71 lakhs per debenture.

c) 1,360, 9.90% Unsecured Non convertible debentures of ₹ 10 lakhs each aggregating ₹ 136 crores, allotted on February 24, 2012 are repayable on February 24, 2017 i.e. at the end of the 5th year from the date of allotment. During the year, the Group has repaid these debentures on the due date.

(iv) Term Loan from Banks (Secured) include:

a) Roots Corporation Limited (RCL), a domestic subsidiary of the Company availed a term loan facility of ₹ 75 crores from a bank on March 30, 2015, carrying interest rate of 10% per annum payable at monthly rests. This loan is repayable in 4 equal quarterly instalments of 8%, 16%, 20%, 26% and 30% of the loan amount starting from the 3rd year till the 7th year. RCL has created a charge in April 2016 by way of hypothecation of moveable assets therein and mortgage of 4 hotel properties and fixed assets contained therein. In addition, loan of ₹ 12 crores carrying interest rate of 9.65% per annum payable at monthly rests is repayable in equal quarterly instalments of ₹ 1.20 crores ending in May 2019. The Loan is secured by way of hypothecation of certain hotel properties of RCL.

b) During the current year, St James Court Hotels Limited, an overseas subsidiary of the company, has repaid the existing bank loan of £45 million in full on 19 August 2016 which carried interest at the floating rate of one month Sterling LIBOR plus a margin based on a ratchet between 2% and 3% based on the Interest Cover ratio achieved by the Company. A new loan of £44.5 million (₹ 352 crores) was undertaken in the year at a floating rate of 1 month Sterling LIBOR + 1.65%. Repayments on the new loan are £1.5m per annum (payable quarterly) with the balance repayable in August 2021.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 17 : Borrowings

c) United Overseas Holding Inc. (UOH), a wholly owned overseas subsidiary, had a term loan facility for US $ 120 million with State Bank of India, London Branch which had the originally maturity date of September 15, 2022. During the year, UOH has prepaid $98 million of the outstanding loan balance using the proceeds from the sale of one of its subsidiary which housed Taj Boston. This loan requires monthly interest only payments computed at LIBOR plus 3.81%, as defined through March 15, 2017 (5.24% and 4.72% at March 31, 2017 and 2016, respectively). Thereafter, principal payments are due every six months, as defined. The Term Loan Facility is secured, by amongst other things, the San Francisco LLC's hotel property. The balance outstanding as at March 31, 2017 is $ 21.78 million (₹ 141.25 crores)

d) Taj International Hotels (H.K) Limited (TIHK), wholly owned overseas subsidiary of the company, had obtained loan of US $ 50 million on December 19, 2014 which was secured by pledge of Group's Investment in Belmond Ltd and had the original maturity date of December 23, 2019. During the year, TIHK has repaid the entire loan out of proceeds from the sale of the Group's Investment in Belmond Ltd.

(v) Term Loan from others (Secured) include:

Skydeck Properties and Developers Private Limited, a wholly owned domestic subsidiary acquired during the year, has obtained a new loan of ₹ 750 crores to refinance its existing loan. This loan carries interest at the rate of 10% per annum compounded on an annual basis and matures on January 26, 2019 at which the loan is payable along with the cumulative interest. This loan is secured by way of pledge of the group's total investment in ELEL Hotels & Investments Limited and Sheena Investments Private Limited.

(vii) Term loan from banks (Unsecured) include:

a) External commercial borrowing of US $ 95 million was taken on November 23, 2011. The loan is repayable at the end of 50th, 60th, and 72nd month from November 23, 2011 in equal instalments to achieve the average maturity of 5.05 years and carries an interest which is based on a spread over LIBOR. The first instalment of US $ 31.67 million and the second instalment of US $ 31.67 million has been repaid on January 25, 2016 and November 23, 2016 respectively. The last instalment of US $ 31.66 million (₹ 204.52 crores) is due on November 22, 2017 and has been classified under current maturities of long term borrowings.

b) Unsecured term loan from a bank of ₹ 125 crores carrying interest rate of 9.50% per annum was taken during the previous year by the Parent Company which was repayable at the end of 18 months from the date of first drawdown. The loan was drawn in 2 tranches of ₹ 60 crores and ₹ 65 crores on February 9, 2016 and March 21, 2016 respectively. Further, ₹ 25 crores was drawn on May 30, 2016 at an interest of 9.5% p.a. The Parent Company has prepaid the loan of ₹ 100 crores on March 31, 2017 and the outstanding at the end of the year is ₹ 49.88 crores. The interest rate has reduced to 8.25% as on March 31, 2017.

(viii) Loans repayable on demand

Loans repayable on demand from bank consists of overdraft facility. The secured portion of this facility are secured by hypothecation of operating suplies, stores, food and beverages and receivables.

(ix) Other short-term loans and advances

Loan from related parties consists of an inter-corporate deposits obtained by one of the subsidiary which carries interest of 10.50% p.a. repayable on demand.

Note 18 : Trade Payables (Refer Note 42 for Related Party Disclosures)

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Vendor payables	**178.87**	172.78	156.13
Accrued expenses and others	**114.19**	114.50	92.06
	293.06	287.28	248.19

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 19 : Other financial liabilities

		March 31, 2017 ₹ **crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a)	**Non current**			
	Liability on derivative contracts	**257.21**	304.49	333.41
	Deposits from others	**2.95**	2.99	1.62
	Creditors for capital expenditure	**3.54**	4.38	0.70
	Employee related liabilities	**4.01**	4.59	1.69
	Other liabilities	**89.12**	12.84	-
		356.83	329.29	337.42
(b)	**Current**			
	Current maturities of long-term borrowings (Refer Note 17 (i))			
	Debentures	**292.73**	372.32	773.39
	Term loan from bank	**282.10**	641.03	312.60
	Term loan from other parties	**-**	-	506.66
	Others	**0.13**	0.14	0.32
		574.96	1,013.49	1,592.97
	Liability on derivative contracts	**1.17**	58.32	24.42
	Liability towards loyalty programmes	**35.28**	24.43	10.08
	Other payables			
	From related parties (Refer Note 42)	**7.96**	0.07	0.81
	From other parties	**6.04**	8.09	12.05
		14.00	8.16	12.86
	Additional liability on account of loss in joint ventures (Refer Note 6(a)(iv))	**79.94**	89.16	61.71
	Deposits from others			
	Option Deposit received against purchase of shares (Secured) (Refer Note 6(b)(iii),)	**71.10**	71.10	71.10
	Unsecured	**27.03**	26.19	26.63
		98.13	97.29	97.73
	Interest accrued but not due on borrowings	**43.73**	40.32	178.12
	Creditors for capital expenditure	**43.92**	36.73	27.47
	Unclaimed dividends	**2.26**	2.48	2.96
	Unclaimed share application money	**-**	-	0.05
	Unclaimed matured deposits and interest accrued thereon	**0.94**	1.10	1.35
	Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous Year - ₹ 25,153)	**-**	-	-
	Employee related liabilities	**107.10**	103.28	106.41
	Other liabilities	**64.03**	61.83	78.53
		1,065.46	1,536.59	2,194.66

Footnote :

The fair value hierarchy and classification are disclosed in Note 35

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 20 : Provisions

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
(a) Non current			
Provision for employee benefits (Refer Note 39)			
Compensated absences	**50.06**	42.94	33.87
Gratuity	**1.06**	7.30	4.64
Post-employment medical benefits	**5.27**	4.51	2.83
Post-retirement pension	**17.98**	16.91	6.85
	74.37	71.66	48.19
Provision for contingencies (Refer Footnote)	**1.19**	0.15	0.15
	75.56	71.81	48.34

Footnote :

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

(b) Current			
Provision for employee benefits (Refer Note 39)			
Compensated absences	**19.31**	22.80	24.78
Gratuity	**0.76**	0.60	2.62
Post-employment medical benefits	**0.28**	0.23	0.26
Post-retirement pension	**1.60**	0.71	0.92
Other employee benefits	**1.48**	1.47	2.35
	23.43	25.81	30.93
Provision for others			
Provision for contingent claims (Refer Footnote i)	**111.05**	103.59	83.04
Tax on dividend	**0.73**	-	-
	111.78	103.59	83.04
	135.21	129.40	113.97

Footnotes :

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

	Opening Balance ₹ crores	Additions ₹ crores	Utilisation ₹ crores	Reversal (withdrawn as no longer required) ₹ crores	Closing Balance ₹ crores
Disputed claims for taxes, levies and duties	**100.72**	**8.92**	**1.19**	**-**	**108.45**
	79.28	*21.44*	-	-	*100.72*
Dispute on contractual matters	**0.43**	**-**	**-**	**-**	**0.43**
	0.41	*0.02*	-	-	*0.43*
Dispute in respect of employee benefits	**2.44**	**-**	**-**	**0.27**	**2.17**
	3.35	-	*0.91*	-	*2.44*
Total	**103.59**	**8.92**	**1.19**	**0.27**	**111.05**
	83.04	*21.46*	*0.91*	-	*103.59*

a) The above matters are under litigation / negotiation and the ultimate outcome and timing of the cash flows, ifany cannot be currently determined.

b) Figures in italics are in respect of previous year.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 21 : Other liabilities

	March 31, 2017 ₹ **crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Current			
Income received in advance	**25.52**	29.44	21.24
Deferred Revenue	**131.81**	160.23	68.49
Advances collected from customers	**113.91**	120.66	97.20
Statutory dues	**55.89**	58.58	48.42
	327.13	368.91	235.35

Note 22 : Revenue from operations

	March 31, 2017 ₹ **crores**	March 31, 2016 ₹ crores
Rooms, restaurants and banquets income	**3,522.97**	3,567.41
Shop rentals	**39.80**	44.74
Membership fees	**95.16**	71.01
Management and operating fees	**177.38**	160.64
Other operating income	**174.95**	179.22
Total	**4,010.26**	4,023.02

Note 23 : Other income

	March 31, 2017 ₹ **crores**	March 31, 2016 ₹ crores
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	**4.77**	5.93
Deposits with banks	**7.89**	31.42
Others	**9.00**	8.66
	21.66	46.01
Interest on income tax refunds	**0.72**	0.29
	22.38	46.30
Dividend Income from Investments (Refer Footnote)		
from Investments that are fair valued through Other Comprehensive Income	**2.19**	15.56
from Investments that are fair valued through Profit and Loss	**8.51**	24.04
Profit on disposal of Property, plant and equipment (Net)	**0.76**	-
Gain on investments carried at fair value through profit and loss	**4.74**	0.09
Others	**16.36**	13.77
Total	**54.94**	99.76

Footnote:

Previous year includes dividend income relating to one of the investment designated at Fair Value through Other Comprehensive Income and derecognised during the previous year ₹ 0.45 crore.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 24 : Employee benefit expenses and payment to contractors

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Salaries, wages, bonus etc.	**1,077.28**	1,130.39
Company's contribution to provident and other funds (Refer Note 20)	**47.47**	61.37
Reimbursement of expenses on personnel deputed to the company	**38.06**	37.94
Payment to contractors	**88.17**	84.01
Staff welfare expenses	**113.67**	109.55
Total	**1,364.65**	1,423.26

Note 25 : Finance costs

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Interest expense		
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	**320.63**	389.24
Add : Settlements on interest rate swap contracts	**(7.96)**	(14.00)
	312.67	375.24
On income tax demand	**1.60**	1.24
Other borrowing costs	**13.85**	5.82
	328.12	382.30
Less : Interest capitalised (Refer Footnote)	**4.29**	6.71
Total	**323.83**	375.59

Footnote :

The Group has capitalised the interest cost on borrowings relating to qualifying assets including within capital work in progress

Note 26 : Operating and general expenses

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
(a) Operating expenses consist of the following :		
Linen and room supplies	**77.31**	74.64
Catering supplies	**29.68**	27.22
Other supplies	**7.31**	6.19
Fuel, power and light	**258.61**	275.43
Repairs to buildings	**60.89**	56.34
Repairs to machinery	**69.93**	68.38
Repairs to others	**31.51**	30.18
Linen and uniform washing and laundry expenses	**41.13**	44.40
Security charges and Others	**36.48**	34.53
Guest transportation	**37.36**	38.26
Travel agents' commission	**84.70**	78.71
Discount to collecting agents	**48.10**	51.18
Other operating expenses	**82.65**	86.41
Total	**865.66**	871.87

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 26 : Operating and general expenses

		March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
(b)	**General expense consist of the following :**		
	Rent	**66.14**	67.12
	Licence fees (including imputted lease expenses of ₹ 4.86 crores (Previous year ₹ 5.86 crores))	**250.16**	240.84
	Rates and taxes	**89.28**	95.19
	Insurance	**15.25**	16.15
	Advertising and publicity	**101.38**	111.85
	Printing and stationery	**13.98**	14.16
	Passage and travelling	**18.96**	16.87
	Allowance for doubtful debts and Bad debts written off	**2.93**	6.37
	Expenditure on corporate social responsibility	**6.00**	2.09
	Professional fees	**50.92**	53.01
	Support services	**56.09**	51.12
	Exchange loss (Net)	**1.64**	0.55
	Loss on Sale of Property, plant and equipment (Net)	**-**	2.55
	Payment made to statutory auditors (Refer Footnote)	**8.74**	9.54
	Directors' fees and commission	**3.96**	3.59
	Other expenses	**120.95**	117.80
	Total	**806.38**	808.80
		1,672.04	1,680.67

Footnote :

Payment made to statutory auditors:

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
As auditors	**7.60**	7.85
For other services (including tax audit and company law matters)	**1.03**	1.61
Expenses and incidentals	**0.11**	0.08
	8.74	9.54

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 27 : Exceptional Items

	March 31, 2017	March 31, 2016
	₹ crores	₹ crores
Exceptional Items comprises of the following :		
Exchange Gain / (Loss) on long term borrowings / assets (net)	**0.44**	(33.20)
Change in fair value of derivative contracts	**65.45**	(24.41)
Recovery of costs alongwith interest (₹ 14.70 crores) on a surrendered project	**24.33**	-
Provision of financial exposure in an associate	**(5.05)**	-
Net loss on disposal of subsidiaries (Refer note 30)	**(103.08)**	-
Refund of Municipal tax (including interest ₹ 2.38 crores)	**6.16**	-
Profit on compulsory acquisition of land by government	**0.97**	-
Projects written off for commercial reasons	**-**	(25.07)
Total	**(10.78)**	(82.68)

Note 28 : Transition to Ind AS

These are the group's first consolidated financial statements prepared in accordance with Ind AS. In preparing its opening Ind AS balance sheet as at April 1, 2015, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

The exemptions and exceptions applied by the Company in accordance with Ind AS 101 *'First-time Adoption of Indian Accounting Standards'* along with the reconciliations of equity, total comprehensive income and Statement of Cash Flows in accordance with Previous GAAP to Ind AS are explained below:

A. <u>Exemptions from retrospective application:</u>

The Group has applied the following exemptions:

i. Business combinations exemption

The Group has elected to apply Ind AS 103- 'Business Combinations' prospectively from the date of transition to business combinations occurred before the transition date. Hence, business combinations occurring prior to the transition date have not been restated.

ii. Property, plant and equipment and intangible assets – Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (Para D7AA of Appendix D). This exemption can also be used for intangible assets covered by Ind AS 38 *'Intangible Assets'* and investment property covered by Ind AS 40 *'Investment Properties'.*

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying values.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

iii. Cumulative translation differences

Ind AS 101 permits cumulative translation gain and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation difference in accordance with Ind AS 21 *'The Effects of Changes in Foreign Exchange Rates'* from the date a subsidiary or equity method accounted investee was formed or acquired.

The Group elected to reset all its cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

B. Reconciliations between Previous GAAP and Ind AS:

i. Equity Reconciliations	Notes	As at March 31, 2016 ₹ crores	As at April 1, 2015 ₹ crores
Equity under Previous GAAP attributable to:			
Owners of the company		3,181.97	2,227.22
Non-controlling interests		835.34	737.84
Equity under Previous GAAP		**4,017.31**	**2,965.06**
Adjustment on account of Schemes of Arrangement (Refer Note 29)		(7.12)	-
Borrowings – low coupon debentures measured at amortised cost	(a)	206.65	290.80
Fair value of derivative contracts recognised	(b)	(108.26)	(130.21)
Deferred revenue on Customer Loyalty programme	(c)	(40.38)	(21.33)
Financial assets at amortised cost	(d)	(26.06)	(24.72)
Fair valuation of Investments	(e)	89.35	178.74
Proposed dividend (including tax on dividend) reversed	(h)	35.72	-
Equity component of other financial instruments	(m)	-	999.91
Reserves of entities covered under the definition of subsidiaries in Ind AS-110 consolidated into the results of the Group. Previously these entities were not regarded as subsidiaries (upto September, 2015) under the provisions of AS 21	(f)	(690.17)	(517.87)
Non-controlling interest of entities which are now accounted using equity method	(g)	(117.89)	(114.44)
Other adjustments		7.05	(5.15)
Tax adjustments	(i)	(43.02)	(100.74)
Equity under Ind AS		**3,323.18**	**3,520.05**
Attributable to:			
Owners of the company		2,580.25	2,773.89
Non-controlling interests		742.93	746.16

Notes to Consolidated Financial Statements for the year ended March 31, 2017

ii. Total Comprehensive income reconciliation

	Notes	For the year ended March 31, 2016 ₹ crores
Loss after tax, minority interest and share of associates under Previous GAAP		**(60.53)**
Adjustments on account of transition (net of non-controlling interests)		
Finance cost – low coupon debentures measured at amortised cost	(a)	(81.06)
Change in fair value of derivative contracts	(b)	(27.04)
Deferred revenue on Customer Loyalty Programme	(c)	(19.05)
Exchange difference on revaluation of Long term borrowings/ assets	(j)	15.91
Reversal of gain/ loss on sale of long term investment	(e)	(21.11)
Results of entities covered under the definition of subsidiaries in Ind AS-110 consolidated into the results of the Group. Previously these entities were not regarded as subsidiaries (upto September, 2015) under the provisions of AS 21	(f)	(73.31)
Change in share of profit/ (loss) in Associates/ Joint ventures due to transition to Ind AS		(29.13)
Reclassification of actuarial gains/ losses, arising in respect of employee benefit schemes, to other comprehensive income. This was previously charged to the statement of profit and loss.		6.07
Other adjustments		14.27
Tax adjustments	(i)	43.90
Loss after tax under Ind AS (owner's share)		**(231.08)**
Other comprehensive income (net of non-controlling interests)	(k)	45.54
Total comprehensive income as per Ind AS (owner's share)		**(185.54)**

iii. Statement of Cash Flows reconciliation

Particulars	Notes	For the year ended March 31, 2016		
		As per Previous GAAP ₹ crores	Effect of transition to Ind AS ₹ crores	As per Ind AS ₹ crores
Net cash flows from operating activities	(l)	659.07	(40.32)	618.75
Net cash flows from investing activities	(l)	285.86	52.24	338.10
Net cash flows from financing activities	(l)	(1182.06)	(14.40)	(1,196.46)
Net increase/ (decrease) in cash and cash equivalents		**(237.13)**	**(2.48)**	**(239.61)**
Cash and cash equivalents as at April 1, 2015		**412.93**	**(36.25)**	**376.68**
Adjustments on acquisition / translation		10.63	(7.87)	**2.76**
Cash and cash equivalents as at March 31, 2016		**186.43**	**(46.60)**	**139.83**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Analysis of changes in cash and cash equivalents fo the purpose of consolidated statement of cash flows under Ind AS

	Notes	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP		**186.43**	**412.93**
Joint venture - equity accounting	(l)	(29.68)	(19.45)
Consolidation of subsidiaries	(l)	-	1.79
Other adjustments		(16.92)	(18.59)
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS		**139.83**	**376.68**

a. The back ended premium on redemption on low coupon bonds had been offset against the Securities Premium Account under the Previous GAAP, which is now recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying the effective interest rate method. The redemption premium for unexpired period as at the date of transition has been added back to Securities Premium Account.

b. The Group has entered into certain derivatives contracts mainly cross currency swaps and interest rate swaps. Under the Previous GAAP, in case of cross currency swap at the each reporting date, the notional amounts were restated at the closing exchange rates and recognised as liability in case of cross currency swap contracts and the Interest rate swaps are accounted on a net basis at the time of settlement . Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with the resulting changes being recognised in the Statement of Profit and Loss.

c. The Company operates loyalty programme, which allows its members to earn, accumulate and redeem the points based on their spending at the hotels. Under the Previous GAAP, the Company created a provision based on estimated cost of future services towards its liability under the programme.

   Under Ind AS, the revenues have been allocated between the services rendered and points issued. The consideration allocated to the points that has been deferred will be recognised as revenue when such points are redeemed or lapse.

d. Interest free security deposits for leased premises (that are refundable in cash on completion of the lease term) were recorded at their transaction value under the Previous GAAP. Under Ind AS, these deposits are recognised at fair value on the date of transaction, difference is taken to prepaid rent. Prepaid rent is amortised over the tenure of the deposit, which is partially set off by the notional interest income recognised on such deposit.

e. Under the Previous GAAP, long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. Fair value changes with respect to investments in equity instruments designated as at fair value through Other Comprehensive Income (FVOCI) have been recognised in Equity through Other Comprehensive Income as at the date of transition and subsequently in the Other Comprehensive Income for the year ended March 31, 2016. Also, profit / loss on sale of investment recognised under the Previous GAAP is now reversed as the investment was fair valued on transition date.

f. The Group consolidated its investments in structured entities on transition to Ind AS as the management is of the view that it had exposure or had rights, to variable returns from its involvement with this entity. This was considered as an investment and accounted at cost under the Previous GAAP upto September 2015.

g. This comprises of adjustment to 'Non-controlling interest' component on account of equity accounting of joint ventures.

h. Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as liability in the period to which it relates. This has resulted in an increase in equity by ₹ 35.72 crores and Nil as on March 31, 2016 and April 1, 2015 respectively.

i. Deferred tax have been recognised on the adjustments made on transition to Ind AS which also includes deferred tax assets created on unabsorbed tax losses based on reasonable certainty and dividend distribution tax paid by group companies charged to statement of profit and loss instead of adjusting the reserves.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

j. Exchange difference on revaluation of Long Term Borrowings/Assets is recognised in Statement of Profit and Loss under Ind AS. Under the Previous GAAP, these translation differences were previously being amortised over the tenure of the borrowing. Previously, translation gain on Investment in Non-Integral Foreign Operations was taken to Foreign Currency Translation Reserve (FCTR).

k. Under Ind AS, certain items of income and expense that are not recognised in the Statement of Profit and Loss but in Other Comprehensive Income and this includes remeasurement of defined benefit plans and fair value gains or losses on equity instruments measured subsequently at FVOCI and exchange differences on translating the financial statement of foreign operations. The concept of Other Comprehensive Income did not exist under the Previous GAAP.

l. Pertains to cash movement of certain companies which under the Previous GAAP were consolidated on line-by-line basis / proportionate basis are now accounted on the basis of equity accounting.

m. Compulsorily Convertible Debenture ("CCDs") were considered as a liability under the Previous GAAP. Under Ind AS, CCDs are considered as Other Equity. These were converted into Equity Shares on March 1, 2016.

Note 29 : Schemes of Arrangement

During the current year, the Honorable High Court of Bombay vide its Orders dated August 12, 2016 and October 13, 2016 respectively has approved two separate Schemes of Arrangement (the "IHMS Scheme" and the "LEPPL Scheme") which inter alia include the amalgamation of International Hotel Management Services LLC ("IHMS LLC") and Lands End Properties Private Ltd ("LEPPL") with the Company. Both these Schemes were approved by the Board of Directors and Shareholders on October 19, 2015 and May 4, 2016 respectively. Consequent to the said Orders and subsequent approval of the Securities and Exchange Board of India and the filing of the final certified Orders with the Registrar of the Companies, Maharashtra and with the Secretary of the State of the Delaware, the IHMS Scheme has become effective on September 29, 2016 with effect from the Appointed Date of January 1, 2016 and the LEPPL Scheme has become effective on December 19, 2016 with effect from the Appointed Date of March 31, 2016.

Upon the coming into effect of the Schemes and with effect from the Appointed Dates, the undertaking of IHMS LLC and LEPPL have been transferred to and vested in the Company from the respective Appointed Dates. Further, in terms of the above mentioned Orders, the following adjustments aggregating to ₹ 2,020.36 crores were given effect to against the Securities Premium Account as on the respective Appointed Dates and the following adjustments were made against the Securities Premium Account - accumulated losses of the Company as on the Appointed Date of the IHMS Scheme - ₹ 358.58 crores and the accumulated losses of ₹ 1,337.56 crores and ₹ 317.10 crores relating to IHMS LLC and LEPPL respectively. The scheme also provided for the capital reduction (by adjustment against the securities premium account) on account of excess of investment over the face value of the equity of LEEPL amounting to ₹ 7.12 crores.

Note 30 : Sale/ disposal of subsidiaries

a) During the current year, United Overseas Holding Inc (UOH), a wholly owned subsidiary of the Company, has divested its entire LLC interests in IHMS (Boston) LLC which owned Taj Boston, to 'AS Holding LLC, Boston', for an aggregate consideration of US$ 125 million (₹ 813.23 crores) on July 12, 2016. Accordingly, the carrying value of the hotel has been brought down to reflect the sale value and the difference has been charged to the statement of profit and loss account aggregating to ₹ 103.25 crores and has been disclosed as an Exceptional item. Following are the key numbers for Taj Boston included in the financial statement as at the respective dates below:

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

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Footnote:

Figure for the year ended March 31, 2017 are only upto the date of divestment i.e. July 12, 2016.

Significant account balances of IHMS (Boston) LLC:

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Non-current assets	**-**	938.74	903.15
Current assets	**-**	13.80	21.94
Current liabilities	**-**	432.96	391.30

b) The Group has disposed and/or in the process of disposal of certain dormant and immaterial subsidiaries as detailed below:

i. Sale of a subsidiary

On 31 March 2017, the entire holding in the shares of Apex Hotel Management Services (Australia) Pty Ltd ('AHMSA'), an indirect wholly owned subsidiary ('WOS') of the Company incorporated in Australia, were sold to an unrelated third party. Accordingly, AHMSA ceased to be a WOS of the Company. AHMSA was locally promoting the Taj hotels at the time of sale.

ii. Liquidation of a subsidiary

On 13 April 2017, Chieftain Corporation NV (Chieftain), an indirect WOS of the Company incorporated in Curaçao, Netherlands Antilles, was liquidated. Chieftain was a dormant intermediate holding company.

iii. Proposed closure of subsidiaries

In April 2017, an application was filed with the appropriate local authority for striking off of the name of Apex Hotel Management Services Pte Ltd ('AHMS'), an indirect WOS of the Company incorporated in Singapore. The application has been approved by the said local authority and the name of AHMS is expected to be struck off the Register of Companies in Singapore in the next few months. AHMS was promoting the Taj hotels in the South East Asian and East Asian regions.

In May 2017, an application was filed with the appropriate local authority for liquidating Samsara Properties Ltd ('SPL'), an indirect WOS of the Company incorporated in the British Virgin Islands. SPL was a dormant intermediate holding company. The process of liquidation is expected to be completed within the next few months.

Note 31 : Contingent Liabilities (to the extent not provided for) and contingent assets

The Group is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Group's businesses and is exposed to other contingencies arising from having issued guarantees to lenders of its subsidiaries and other entities. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

(a) On account of matters in disputes :

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company and the Group, in respect of taxes, etc., which are in dispute, are as under:

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Income Tax	**119.21**	85.13	42.82
Luxury tax	**3.79**	2.66	2.55
Entertainment tax	**2.22**	3.02	2.66
Sales tax / VAT	**28.16**	27.89	16.68
Property and Water tax	**84.13**	71.43	58.26
Service tax	**25.37**	22.85	20.81
Others	**17.12**	16.80	9.51

Notes to Consolidated Financial Statements for the year ended March 31, 2017

The Group is a defendant in various legal actions and a party to claims as above, plus interest thereon, which arose during the ordinary course of business. The Group's management believes based on the facts presently known, that the results of these actions will not have a material impact on the Company's financial statements. It is not practicable for the Group to estimate the timings of cash flows, if any, in respect of the above.

(b) On account of lease agreements:

In respect of a plot of land provided to the Company under a license agreement, on which the Company has constructed a hotel, the licensor has made a claim of ₹ 344.50 crores to date, (13 times the existing annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim, based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the licensor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the existing license agreement as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch beyond than ₹ 86.36 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been issued by the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the licensor, pending a resolution of this dispute by the Honourable Bombay High Court. In view of this, and based on legal advice, the Company regards the likelihood of sustainability of the lessor's claim to be remote and the amount of any potential liability, if at all, to be indeterminate.

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

(i) Legal and statutory matters ₹ 0.95 crores (March 31, 2016 - ₹ 2.02 crores, April 1, 2015 - ₹ 1.16 crores)

(ii) Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimates above, including where:

a) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

b) the proceedings are in early stages;

c) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

d) there are significant factual issues to be resolved; and/or there are novel legal issues presented

The Group's Management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Group's financial position, though the outcomes could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

(d) Litigation in respect of a property:

After expiry of the license period of Taj Mahal Hotel, New Delhi, there was an ongoing litigation between the company and the licensor, New Delhi Municipal Council ('NDMC'). On April 20, 2017, the Supreme Court has permitted NDMC to conduct e-auction of license rights, and has also allowed the Company six months' time to handover the premises in case the Company is unsuccessful in the e-auction. The hotel at the premises shall continue to carry out its operations in the meantime. The Supreme Court has directed that at the time of conducting such e-auction, NDMC shall take into account the unblemished record of IHCL as well as its capabilities. NDMC has been directed to take into account these facts while taking a final decision in the matter. Pending the announcement of terms and conditions of the e-auction, these financial statements do not include the impact of the possible outcome of the same.

(e) Claims filed by the Group:

The Company has filed a claim for Government subsidy with the Department of Industrial Policy and Promotion for a new greenfield hotel project which has commenced operations. The claim is in the initial stage of verification and in the absence of reasonable certainty at this stage on the amount that may be ultimately approved, no deferred income has been recognised.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 32 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for is ₹ 114.86 crores (March 31, 2016 - ₹ 191.16 crores, April 1, 2015 – ₹ 213.85 crores).

Note 33 : Guarantees and Undertakings given

(a) Guarantees given by the Group and outstanding as on March 31, 2017 - ₹ 16.42 crores (March 31, 2016 - ₹ 10.79 crores, April 1, 2015 - ₹ 10.79 crores).

(b) The Group has given letters of support to few associates and joint venture companies during the year.

(c) The Group, together with an associate and a third party entered into an agreement with the bank, in consideration for the lender originally provided a credit facility of up to US $9 million to Lanka Island Resorts Limited, an associate of the Group. The outstanding balance as at March 31, 2017 ₹ 20.43 crores (US $ 3.15 million) (March 31, 2016 ₹ 38.27 crores (US $ 5.78 million), April 1, 2015 ₹ 48.28 crores (US $ 7.75 million)). The Group has agreed to execute a shortfall undertaking and a non-disposal undertaking for shares in Lanka Island Resorts Limited in favor of the bank as security for repayment of credit facilities and monies payable by the associate to the bank under the facility agreement and performance and observance by the bank of all its obligations and covenants under the Facility Agreement.

Note 34 : Interest in other entities

a) Subsidiaries

i) The parent's subsidiaries at March 31, 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the group and the effective ownership of the group in enumerated in the table below. The country of incorporation or registration is also their principal place of business.

	Country of Incorporation	Effective ownership interest held by the group			Ownership interest held by non-controlling interests		
		March 31, 2017	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015
		(%)	(%)	(%)	**(%)**	(%)	(%)
Domestic							
Benares Hotels Ltd.	India	**51.68**	51.68	51.68	**48.32**	48.32	48.32
ELEL Hotels & Investments Ltd. (Refer Footnote (f))	India	**85.72**	85.72	-	**14.28**	14.28	-
Inditravel Ltd.	India	**77.19**	77.19	77.19	**22.81**	22.81	22.81
KTC Hotels Ltd.	India	**100.00**	100.00	100.00	**-**	-	-
Lands End Properties Private Ltd. (Refer Footnote (a))	India	**-**	-	19.90	**-**	-	80.10
Luthria & Lalchandani Hotels and Properties Private Ltd. (Refer Footnote (f))	India	**87.15**	87.15	-	**12.85**	12.85	-
Northern India Hotels Ltd.	India	**48.03**	48.03	48.03	**51.97**	51.97	51.97
Piem Hotels Ltd.	India	**51.57**	51.57	51.57	**48.43**	48.43	48.43
Roots Corporation Ltd.	India	**63.25**	63.25	63.25	**36.75**	36.75	36.75
Sheena Investments Private Ltd. (Refer Footnote (f))	India	**100.00**	100.00	-	**-**	-	-
Skydeck Properties & Developers Private Ltd. (Refer Footnote (f))	India	**100.00**	100.00	-	**-**	-	-
Taj Enterprises Ltd.	India	**74.70**	74.70	74.70	**25.30**	25.30	25.30
Taj Trade & Transport Ltd.	India	**72.73**	72.73	72.73	**27.27**	27.27	27.27
TIFCO Holdings Ltd.	India	**100.00**	100.00	100.00	**-**	-	-
United Hotels Ltd.	India	**55.00**	55.00	55.00	**45.00**	45.00	45.00

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	Country of Incorporation	Effective ownership interest held by the group			Ownership interest held by non-controlling interests		
		March 31, 2017	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015
		(%)	(%)	(%)	**(%)**	(%)	(%)
International							
Apex Hotel Management Services (Australia) Pty Ltd. (Refer Footnote (c))	Australia	**-**	100.00	100.00	**-**	-	-
Apex Hotel Management Services (Pte) Ltd. (Refer Footnote (b))	Singapore	**-**	100.00	100.00	**-**	-	-
Chieftain Corporation NV(Refer Footnote (d))	Netherlands Antilles	**100.00**	100.00	100.00	**-**	-	-
IHOCO BV	Netherlands	**100.00**	100.00	100.00	**-**	-	-
International Hotel Management Services LLC (Refer Footnote (a))	United States of America	**-**	-	100.00	**-**	-	-
Piem International (HK) Ltd.	Hong Kong	**51.57**	51.57	51.57	**48.43**	48.43	48.43
Samsara Properties Ltd.	British Virgin Islands	**100.00**	100.00	100.00	**-**	-	-
St. James Court Hotel Ltd.	United Kingdom	**72.25**	72.25	72.25	**27.75**	27.75	27.75
Taj International Hotels (HK) Ltd.	Hong Kong	**100.00**	100.00	100.00	**-**	-	-
Taj International Hotels Ltd.	United Kingdom	**100.00**	100.00	100.00	**-**	-	-
United Overseas Holding Inc. (Refer Footnote (e))	United States of America	**100.00**	100.00	-	**-**	-	-

Footnotes:

a) These subsidiaries have been amalgamated with the Company during the year as per the respective court orders (Refer Note 29).

b) Apex Hotel Management Services (Pte) Ltd. is in the process of liquidation with effect from December 21, 2016.

c) Apex Hotel Management Services (Australia) Pty Ltd. has been sold on March 31, 2017.

d) Chieftain Corporation NV filed for liquidation during the year and dissolved on April 13, 2017.

e) This subsidiary was created during the financial year 2015-16.

f) These were structured entities and for basis of consolidation, refer Note 34(a)(ii)(c)

ii) Significant judgements and assumptions:

a. The management have concluded that the group controls Northern India Hotels Limited, even though it holds less than half of the effective interest of this subsidiary. This is because the group is the largest shareholder and the direct ownership in this company is 93.14% through Piem Hotels Limited, a subsidiary in which the group holds 51.57%.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

b. The investment in BAHC 5, a company incorporated in Singapore in which the group holds 100% issued equity shares, is a temporary investment that is presently held for disposal. In the view of the management, the Group does not have any power or control over or exposure to this entity. It does not have any rights to variable returns from its involvement with this entity and thus the financial statements of this entity are not consolidated.

c. The Group consolidated Lands End Properties Private Limited ('LEPPL') (including its subsidiaries) although the Company held 19.90 % stake on April 1, 2015 as the management is of the view that it had exposure/ rights, to variable returns from its involvement with this entity as well as the ability to affect those returns through its power to direct the relevant activities of that entity. The Group acquired the balance 80.10% stake in LEPPL on October 14, 2015. One of the subsidiaries of LEPPL holds the leasehold rights over a plot of land on which erstwhile Searock hotel stood.

d. The Group holds more than 51% of the equity share capital of Taj SATS Air Catering Ltd. However, as per the contractual arrangement in form of joint venture agreement, the group considers it has joint control over the net assets of this entity and has been reclassified as joint venture.

b) Non-controlling interests ('NCI')

i) The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group are set out below. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised Balance Sheet	**PIEM Hotels Limited**			**Roots Corp Limited**			**ELEL Hotels and Investments Limited**			**St. James Court Hotel Limited**		
	March 31, 2017	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015
	₹ crores	₹ rores	₹ crores	**₹crores**	₹ crores	₹ crores	**₹ crores**	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Current Assets	**49.49**	46.85	129.99	**29.47**	32.61	25.48	**19.56**	20.67	20.62	**67.99**	48.51	26.94
Current Liabilities	**83.80**	63.67	50.20	**81.57**	43.30	41.19	**40.31**	40.39	38.97	**70.69**	486.48	57.83
Net Current Assets	**(34.31)**	(16.82)	79.79	**(52.10)**	(10.69)	(15.71)	**(20.75)**	(19.72)	(18.35)	**(2.70)**	(437.97)	(30.89)
Non-Current Assets	**640.86**	598.72	513.01	**409.38**	382.11	377.56	**632.84**	643.83	655.51	**839.44**	966.87	947.26
Non-Current Liabilities	**22.55**	21.11	18.29	**78.59**	88.88	67.68	**-**	-	-	**352.72**	15.10	453.36
Net Non-Current Assets	**618.31**	577.61	494.72	**330.79**	293.23	309.88	**632.84**	643.83	655.51	**486.72**	951.77	493.90
Net Assets	**583.99**	560.79	574.51	**278.68**	282.54	294.17	612.09	624.11	637.16	**484.02**	513.80	463.02
Accumulated NCI	**282.83**	271.59	278.23	**102.42**	103.84	108.11	**87.41**	89.12	90.99	**134.31**	142.70	128.48

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Summarised Statement of Profit and Loss	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
	₹ crores	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores
Revenue	**365.22**	352.45	**158.09**	143.02	**1.14**	0.93	**311.78**	321.55
Profit/(Loss) for the year	**16.19**	32.00	**(3.76)**	(11.69)	**(12.02)**	(13.05)	**47.55**	38.19
Other Comprehensive Income	**23.04**	(9.09)	**(0.08)**	0.06	**-**	-	-	-
Total Comprehensive Income	**39.23**	22.91	**(3.84)**	(11.63)	**(12.02)**	(13.05)	**47.55**	38.19
Total Comprehensive Income allocated to NCI	**(3.32)**	19.90	**(1.36)**	(4.32)	**(1.72)**	(1.86)	**34.35**	27.59
Dividend paid to NCI	**7.38**	14.76	**-**	-	**-**	-	**-**	-

Summarised Statement of Cash flows	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
	₹ crores	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores
Cash Flows from Operating Activities	**36.53**	42.13	**23.93**	17.72	**(2.08)**	(0.89)	**75.66**	75.83
Cash Flows from Investing Activities	**(38.19)**	(3.73)	**(43.28)**	(29.34)	**1.98**	0.96	**(19.53)**	(13.10)
Cash Flows from Financing Activities	**(2.53)**	(36.63)	**17.50**	13.93	**-**	-	**(31.03)**	(40.79)
Net Increase / (Decrease) in Cash & cash Equivalents	**(4.19)**	1.77	**(1.85)**	2.31	**(0.10)**	0.07	**25.10**	21.94

ii) Individually immaterial non-controlling interest:

	March 31, 2017 ₹ Crores	March 31, 2016 ₹ Crores	April 1, 2015 ₹ Crores
Aggregate carrying amount of individually immaterial	**130.86**	135.69	139.20

	March 31, 2017 ₹ Crores	March 31, 2016 ₹ Crores
Aggregate amount of the group's share of profits/loss	**12.37**	7.93
Aggregate amount of the group's share of other comprehensive Income	**(0.54)**	1.14
Aggregate amount of the group's share of total comprehensive Income	**11.83**	9.07

Notes to Consolidated Financial Statements for the year ended March 31, 2017

c) Interests in associates and joint ventures

i) Details of the associates and joint ventures of the group as at March 31, 2017 are set out below. The entities below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business. The Group follows equity method of accounting for the measuring its investments/interests in associates and joint ventures, the details of which are as below:

	Country of Incorporation	Effective Holding	Carrying amount			Quoted fair value		
			March 31, 2017	March 31, 2016	April 1, 2015	**March 31, 2017**	March 31, 2016	April 1, 2015
		%	**₹ crores**	₹ crores	₹crores	₹ crores	₹crores	₹crores
Joint Ventures								
Taj SATS Air Catering Ltd.	India	51.00	**48.52**	41.51	36.83	*	*	*
Taj Madras Flight Kitchen Private Ltd.	India	50.00	**23.76**	22.74	22.06	*	*	*
Taj Karnataka Hotels & Resorts Ltd.	India	44.27	**-**	-	-	*	*	*
Taj Kerala Hotels & Resorts Ltd.	India	28.30	**16.70**	16.51	16.47	*	*	*
Taj GVK Hotels & Resorts Ltd.	India	25.52	**110.41**	110.14	109.23	**247.13**	115.28	115.04
Taj Safaris Ltd.	India	28.96	**1.02**	1.37	1.49	*	*	*
Kaveri Retreat & Resorts Ltd.	India	50.00	**38.14**	27.37	23.85	*	*	*
TAL Hotels & Resorts Ltd.	Hong Kong	27.49	**118.86**	114.79	106.16	*	*	*
IHMS Hotels (SA)(Pty) Ltd.	South Africa	50.00	**-**	-	-	*	*	*
			357.41	334.43	316.09	**247.13**	115.28	115.04
Associates								
Oriental Hotels Ltd.	India	35.67	**196.72**	199.31	203.89	**234.23**	136.96	132.00
Taj Madurai Ltd.	India	26.00	**4.81**	4.19	4.27	*	*	*
Taida Trading and Industries Ltd.	India	34.76	**-**	-	-	*	*	*
BJets Pte Ltd	Singapore	45.69	**-**	-	-	*	*	*
Lanka Island Resorts Ltd	Sri Lanka	24.66	**33.32**	32.90	31.47	*	*	*
TAL Lanka Hotels PLC	Sri Lanka	24.62	**15.55**	15.12	17.36	**32.77**	37.67	41.36
			250.40	251.52	256.99	**267.00**	174.63	173.36
Total			**607.81**	585.95	573.08	**514.13**	289.91	288.40

*Unlisted entity – no quoted price available

ii) Commitments and contingent liabilities in respect of associates and joint ventures

	March 31, 2017 ₹ **crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Commitment to provide funding for joint ventures capital commitments, if called	**122.31**	131.11	-
Capital Commitment for joint ventures and associate	**7.04**	5.33	6.23
Guarantees given by joint ventures and associates	**1.44**	1.27	1.52
Share of contingent liabilities in joint ventures and associates	**22.39**	35.29	46.61

iii) Summarised financial information for associates and joint ventures

The summarised financial information for those joint ventures and associates that are material to the Group are set out below. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not of the Group's share of those amount. They have amended to reflect adjustments made when using equity method for the differences in accounting policies.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Summarised Balance Sheet	Taj GVK Hotels & Resorts Limited			Taj SATS Air Catering Limited			TAL Hotels and Resorts Ltd			Oriental Hotels Ltd		
	As At March 31 2017 ₹ crores	As At March 31 2016 crores	As At April 1 2015 crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 crores	As At April 1 2015 crores	As At March 31 2017 **₹ crores**	As At March 31 2016 crores	As At April 1 2015 crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 crores	As At April 1 2015 crores
Current assets												
Cash and cash equivalents	**3.20**	0.70	0.27	**17.90**	3.71	2.83	**67.21**	49.73	44.28	**12.13**	5.47	2.47
Other assets	**46.78**	35.31	32.50	**128.62**	115.38	101.87	**50.81**	47.74	48.63	**76.00**	76.69	45.54
	49.98	36.01	32.77	**146.52**	119.09	104.70	**118.02**	97.47	92.91	**88.13**	82.16	48.01
Non-current assets	**682.44**	672.74	678.80	**199.38**	202.01	199.77	**453.87**	488.04	511.39	**721.16**	737.18	762.52
Total assets	**732.42**	708.75	711.57	**345.90**	321.10	304.47	**571.89**	585.51	604.30	**809.29**	819.34	810.53
Current liabilities												
Financial liabilities (excluding trade payables)	**32.81**	25.10	25.36	**13.19**	8.34	9.72	**27.86**	39.34	74.27	**43.47**	111.85	84.32
Other liabilities	**60.78**	46.43	41.08	**63.23**	57.37	49.12	**35.93**	36.93	42.10	**45.10**	44.82	39.41
	93.59	71.53	66.44	**76.42**	65.71	58.84	**63.79**	76.27	116.37	**88.57**	156.67	123.73
Non-current Liabilities												
Financial liabilities (excluding trade payables)	**228.30**	252.29	268.19	**-**	-	-	**82.04**	99.29	104.84	**303.72**	238.18	249.33
Other liabilities	**59.00**	34.46	30.06	**30.27**	29.92	29.33	**39.55**	38.30	41.26	**4.70**	4.92	5.07
	287.30	286.75	298.25	**30.27**	29.92	29.33	**121.59**	137.59	146.10	**308.42**	243.10	254.40
Total liabilities	**380.89**	358.28	364.69	**106.69**	95.63	88.17	**185.38**	213.86	262.47	**396.99**	399.77	378.13
Net assets	**351.53**	350.47	346.88	**239.21**	225.47	216.30	**386.51**	371.65	341.83	**412.30**	419.57	432.40

iv) Reconciliation of carrying amounts

	Taj GVK Hotels & Resorts Limited			Taj SATS Air Catering Limited			TAL Hotels and Resorts Ltd			Oriental Hotels Limited		
	As At March 31 2017 ₹ crores	As At March 31 2016 ₹ crores	As At April 1 2015 ₹ crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 ₹ crores	As At April 1 2015 ₹ crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 ₹ crores	As At April 1 2015 ₹ crores	**As At March 31 2017 ₹ crores**	As At March 31 2016 ₹ crores	As At April 1 2015 ₹ crores
Net Assets	**351.53**	350.47	346.88	**239.21**	225.47	216.30	**386.51**	371.65	341.83	**412.30**	419.57	432.40
Group's Share	**25.52%**	25.52%	25.52%	**51.00%**	51.00%	51.00%	**27.49%**	27.49%	27.49%	**35.67%**	35.67%	35.67%
Share of Net assets	**89.71**	89.44	88.53	**122.00**	114.99	110.31	**106.24**	102.17	93.97	**147.06**	149.65	154.23
Goodwill	**20.70**	20.70	20.70	**-**	-	-	**12.62**	12.62	12.19	**49.66**	49.66	49.66
Unrealized Gain	**-**	-	-	**(73.48)***	(73.48)*	(73.48)*	**-**	-	-	**-**	-	-
Carrying Amount	**110.41**	110.14	109.23	**48.52**	41.51	36.83	**118.86**	114.79	106.16	**196.72**	199.31	203.89

*Unrealised gain represents profit on sale of air catering business by the Group to Taj SATS on a slump sale basis on October 1, 2001.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

v) Summary Statement of Profit and Loss

Summarised statement of profit and loss	Taj GVK Hotels & Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
	As At March 31 2017	As At March 31 2016	**As At March 31 2017**	As At March 31 2016	**As At March 31 2017**	As At March 31 2016	**As At March 31 2017**	As At March 31 2016
	₹ crores	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores
Revenue	**269.77**	272.00	**350.48**	322.16	**329.52**	332.22	**339.74**	314.41
Depreciation	**18.13**	18.47	**10.36**	10.84	**42.22**	41.61	**24.98**	23.94
Interest Income	**1.29**	0.20	**4.05**	0.57	**0.15**	0.10	**2.20**	2.05
Interest Expense	**29.07**	31.33	**0.21**	0.19	**7.27**	9.02	**32.19**	31.56
Income Tax Expense	**8.26**	7.03	**6.73**	2.15	**3.04**	3.17	**0.45**	-8.14
Profit/(Loss) for the year	**4.23**	3.60	**14.09**	10.06	**32.38**	24.77	**4.98**	(12.34)
Other Comprehensive Income for the year	**0.15**	-	**0.35**	0.89	**-**	-	**8.63**	(7.48)
Total Comprehensive Income for the year	**4.08**	3.60	**13.74**	9.17	**32.38**	24.77	**(3.65)**	(4.85)
Dividend Received	**0.64**	-	-	-	**3.31**	-	**1.32**	2.65

vi) Individually immaterial joint ventures and associates

	March 31, 2017 ₹ Crores	March 31, 2016 ₹ Crores	April 1, 2015 ₹ Crores
Aggregate carrying amount of individually immaterial	**133.50**	120.19	117.67

	March 31, 2017 ₹ Crores	March 31, 2016 ₹ Crores
Aggregate amount of the group's share of profit/loss	**18.61**	(29.87)
Aggregate amount of the group's share of other comprehensive Income	**(0.58)**	0.15
Aggregate amount of the group's share of total comprehensive Income	**19.20**	(30.01)

Footnote:

The financial statements of joint ventures and associates consolidated are drawn upto the same reporting date as of the company except in case of an Associate company where the financial statements have been drawn upto December 31, 2016.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 35 : Financial Instruments measurements and disclosures

a) Financial instruments by category:

As at March 31, 2017

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote below):				
Equity shares	-	545.10	-	**545.10**
Mutual fund units	90.80	-	-	**90.80**
Total	90.80	545.10	-	**635.90**
Not measured at fair value				
Trade receivables	-	-	272.06	**272.06**
Cash and cash equivalents	-	-	141.31	**141.31**
Other balances with banks	-	-	105.75	**105.75**
Loans	-	-	64.11	**64.11**
Other financial assets	-	-	180.28	**180.28**
	-	-	763.51	**763.51**
Total	90.80	545.10	763.51	**1,399.41**
Financial liabilities:				
Measured at fair value				
Derivative instruments	258.38	-	-	**258.38**
Not measured at fair value				
Borrowings	-	-	3,382.98	**3,382.98**
Trade payables including for capital expenditure	-	-	293.06	**293.06**
Other financial liabilities	-	-	588.95	**588.95**
Total	258.38	-	4,264.99	**4,523.37**

Footnotes:

a. The above excludes investments in joint ventures and associates amounting to ₹ 607.81 crores which are accounted as per equity method.

b. FVTPL = Fair Value Through Profit and Loss and FVOCI = Fair Value Through Other Comprehensive Income.

As at March 31, 2016

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote below):				
Equity shares	-	758.68	-	**758.68**
Mutual fund units	170.61	-	-	**170.61**
Total	170.61	758.68	-	**929.29**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Not measured at fair value				
Trade receivables	-	-	241.98	**241.98**
Cash and cash equivalents	-	-	139.83	**139.83**
Other balances with banks	-	-	42.72	**42.72**
Loans	-	-	97.74	**97.74**
Other financial assets	-	-	184.03	**184.03**
	-	-	706.30	**706.30**
Total	170.61	758.68	706.30	**1635.59**
Financial liabilities:				
Measured at fair value				
Derivative instruments	362.81	-	-	**362.81**
Not measured at fair value				
Borrowings	-	-	4,526.09	**4,526.09**
Trade payables including for capital expenditure	-	-	287.28	**287.28**
Other financial liabilities	-	-	489.58	**489.58**
Total	362.81	-	5,302.95	**5,665.76**

Footnote:

The above excludes investments in joint ventures and associates amounting to ₹ 585.95 crores which are accounted as per equity method.

As at April 1, 2015

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Financial assets:				
Measured at fair value				
Investments (Refer Footnote below):				
Equity shares	-	941.39	-	**941.39**
Mutual fund units	521.45	-	-	**521.45**
Total	521.45	941.39	-	**1,462.84**
Not measured at fair value				
Trade receivables	-	-	223.50	**223.50**
Cash and cash equivalents	-	-	376.68	**376.68**
Other balances with banks	-	-	109.05	**109.05**
Loans	-	-	172.18	**172.18**
Other financial assets	-	-	187.30	**187.30**
	-	-	1,068.71	**1,068.71**
Total	521.45	941.39	1,068.71	**2,531.55**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	FVTPL ₹ crores	FVOCI ₹ crores	Amortised cost ₹ crores	Total carrying value ₹ crores
Financial liabilities:				
Measured at fair value				
Derivative instruments	357.83	-	-	**357.83**
Not measured at fair value				
Borrowings	-	-	4,983.03	**4,983.03**
Trade payables including for capital expenditure	-	-	248.19	**248.19**
Other financial liabilities	-	-	581.28	**581.28**
Total	357.83	-	5,812.50	**6,170.33**

Footnote:

The above excludes investments in joint ventures and associates amounting to ₹ 573.08 crores which are accounted as per equity method.

b) Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis, it also includes the financial instruments which are measured at amortised cost for which fair values are disclosed.

As on March 31, 2017

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	364.70	-	180.40	**545.10**
Mutual fund units	90.80	-	-	**90.80**
Total	455.50	-	180.40	**635.90**
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	258.38	-	**258.38**
Not measured at fair value (Refer Footnotes below)				
Borrowings				
Non-convertible debentures	-	1,848.50	-	**1,848.50**
Term loan from banks	-	832.85	-	**832.85**
Term loan from others	-	748.45	-	**748.45**
Total	-	3,688.18	-	**3,688.18**

Footnotes:

a. The Company has not disclosed the fair value of certain short term financial instruments such as trade receivables, trade payables, short term loans, deposits etc. as their carrying amounts are a reasonable approximation of fair value.

b. The carrying amounts of the borrowings excluding non-convertible debentures that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

c. The Investments measured at fair value and falling under fair value hierarchy level 3 are valued based on valuation reports provided by external valuers with the exception of two investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The investments other than those whose fair values approximate cost are individually immaterial.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

As on March 31, 2016

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	568.16	-	190.52	758.68
Mutual fund units	170.61	-	-	170.61
Total	738.77	-	190.52	929.29
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	362.81	-	362.81
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non-convertible debentures	-	1,641.99	-	1,641.99
Term loan from banks	-	2,080.11	-	2,080.11
Term loan from others	-	747.89	-	747.89
Total	-	4,832.80	-	4,832.80

Footnotes:

a. The Company has not disclosed the fair value of certain short term financial instruments such as trade receivables, trade payables, short term loans, deposits etc. as their carrying amounts are a reasonable approximation of fair value.

b. The carrying amounts of the borrowings excluding non-convertible debentures that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

c. The Investments measured at fair value and falling under fair value hierarchy level 3 are valued on the basis of based on valuation reports provided by external valuers with the exception of two investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The investments other than those whose fair values approximate cost are individually immaterial.

As on April 1, 2015

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	694.17	-	247.22	**941.39**
Mutual fund units	521.45	-	-	**521.45**
Total	1215.62	-	247.22	**1462.84**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	Level 1 ₹ crores	Level 2 ₹ crores	Level 3 ₹ crores	Total ₹ crores
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	357.83	-	**357.83**
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non-convertible debentures	-	2,368.16	-	**2,368.16**
Term loan from banks	-	2,154.15	-	**2,154.15**
Term loan from others	-	506.66	-	**506.66**
Total	-	5,386.80	-	**5,386.80**

Footnote:

a. The Company has not disclosed the fair value of certain short term financial instruments such as trade receivables, trade payables, short term loans, deposits etc. as their carrying amounts are a reasonable approximation of fair value.

b. The carrying amounts of the borrowings excluding non-convertible debentures that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

c. The Investments measured at fair value and falling under fair value hierarchy level 3 are valued on the basis of valuation reports provided by external valuers with the exception of two investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The investments other than those whose fair values approximate cost are individually immaterial.

c) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

a. **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This included listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

b. **Level 2:** Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

c. **Level 3:** If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

d) Inter level transfers:

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

e) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for the equity instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of non-convertible debentures is valued using FIMMDA guidelines
- the fair value for the cross currency swaps/principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of certain unlisted shares are determined based on the income approach or the comparable market approach. For these unquoted investment categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

f) Reconciliations of level 3 fair values

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

	Equity instruments ₹ crores
Balance as at April 1, 2015	247.22
Sale of Shares	(56.70)
Balance as at March 31, 2016	**190.52**
Net change in fair value (unrealised)	(10.12)
Balance as at March 31, 2017	**180.40**

Note 36 : Financial risk management

Risk management framework

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal audit team. The Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

a) Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Group's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Expiring within one year:			
Bank overdraft	**178.09**	94.20	160.65
Bank Loans	**100.00**	125.00	-
Expiring beyond one year	**-**	-	-
Total	**278.09**	219.20	160.65

The bank overdraft facilities may be drawn at any time by the respective companies in the Group. The bank loan facilities are available upto July 31, 2017 and will have a maturity of 18 months from drawdown (March 31, 2016 - the bank loan facilities were available upto May 31, 2016 and had a maturity of 18 months from drawdown).

ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross, undiscounted and exclude future contractual interest payments.

March 31, 2017	Due in 1st year ₹ crores	Due in 2nd year ₹ crores	Due in 3rd to 5th year ₹ crores	Due after 5th year ₹ crores	Total ₹ crores
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	584.54	792.75	1,542.97	567.50	3,487.76
Other Financial liabilities	489.46	99.62	-	-	589.08
Trade and other payables	293.06	-	-	-	293.06
Financial guarantee contract	6.02	8.02	28.33	-	42.37
Total	**1,373.08**	**900.39**	**1,571.30**	**567.50**	**4,412.27**
Derivative instruments	**1.17**	**12.83**	**244.38**	**-**	**258.38**
Total financial liabilities	**1,374.25**	**913.22**	**1,815.68**	**567.50**	**4,670.65**

March 31, 2016	Due in 1st year ₹ crores	Due in 2nd year ₹ crores	Due in 3rd to 5th year ₹ crores	Due after 5th year ₹ crores	Total ₹ crores
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	1,049.44	671.66	1,791.07	1,138.67	4,650.84
Other Financial liabilities	464.93	11.96	12.84	-	489.73
Trade and other payables	287.28	-	-	-	287.28
Financial guarantee contract	4.10	8.19	29.66	-	41.95
Total	**1,805.75**	**691.81**	**1,833.57**	**1,138.67**	**5,469.80**
Derivative instruments	49.05	25.35	134.85	153.56	362.81
Total financial liabilities	1,854.80	717.16	1,968.42	1,292.23	5,832.61

April 1, 2015	Due in 1st year ₹ crores	Due in 2nd year ₹ crores	Due in 3rd to 5th year ₹ crores	Due after 5th year ₹ crores	Total ₹ crores
Non-derivative financial liabilities:					
Borrowings (including redemption remium)	1,572.27	1,008.64	1,072.33	1,650.35	5,303.59
Other Financial liabilities	577.59	4.01	-	-	581.60
Trade and other payables	248.19	-	-	-	248.19
Financial guarantee contract	**-**	**-**	**-**	**-**	**-**
Total	**2,398.05**	**1,012.65**	**1,072.33**	**1,650.35**	**6,133.38**
Derivative instruments	**41.58**	**64.48**	**118.50**	**133.27**	**357.83**
Total financial liabilities	**2,439.63**	**1,077.13**	**1,190.83**	**1,783.62**	**6,491.21**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

The Group management periodically monitors its Interest Service Cover Ratio to manage the liquidity risk towards the repayment of the interest liability. The interest cover ratio for the Group for the year ending March 31, 2017 and March 31, 2016 was 2.09 and 1.59 respectively.

The formula used for the calculation of Interest Service Cover ratio (which has been computed on a trailing twelve-month basis) is as below:

Interest Service Coverage Ratio = (Profit before tax + Interest (Net) + Provision for diminution in long term investment + Depreciation)/Interest (Net)

iii) Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and current investment.

Particulars	Note	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Borrowings	17	**3,382.98**	4,526.09	4,983.03
Less: Cash and cash equivalents	13	**141.31**	139.83	376.68
Less: Current investments	6(c)	**90.80**	170.61	521.45
Net debt		**3,150.87**	4,215.65	4,084.90
Equity	15/16	**3,255.51**	3,323.18	3,520.05
Gearing ratio %		**0.97**	1.27	1.61

c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

i) Foreign Currency risk

The predominant currency of the Group's revenue and operating cash flows is Indian Rupees (INR). The Company's reported debt has an exposure to borrowings held in US dollars. Movements in foreign exchange rates can affect the Company's reported profits and net assets.

The Group uses forward exchange contracts, interest rate swaps, currency swaps and options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:-

Derivative Instruments outstanding:

Nature of Derivative	Currency	**March 31, 2017**		March 31, 2016		April 1, 2015	
		Currency million	**Fair values ₹ crores**	Currency million	Fair values ₹ crores	Currency million	Fair values ₹ crores
Cross currency swap	US$	**108.42**	**244.38**	130.53	336.79	143.80	316.10
Interest Rate Swap	US$	**21.11**	**(0.11)**	42.23	1.31	63.34	2.56
Libor Cap	GBP	**-**	**-**	-	-	20.00	36.24
Interest Rate Swap	GBP	**30.00**	**14.11**	30.00	24.71	30.00	2.93
Total			**258.38**		362.81		357.83

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Sensitivity

For the year ended March 31, 2017 and March 31, 2016, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall reduce/(increase) the Group's profit/(loss) before tax by approximately 126% and (28)% respectively and every 3% increase in the interest rate shall reduce the Group's profit/(loss) before tax by approximately 50% and 4% respectively.

For the year ended March 31, 2017 and March 31, 2016, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall increase/(reduce) the Group's profit/(loss) before tax by approximately 34% and (38)% respectively and every 3% decrease in the interest rate shall reduce the Group's profit/(loss) before tax by approximately 42% and 6% respectively.

The above relates to the Company and foreign currency risk in respect of other components is insignificant.

Un-Hedged Foreign currency exposure payable:

Currency	**March 31, 2017**	March 31, 2016	April 1, 2015
United States Dollar (Million)	**31.67**	63.33	95.00

Sensitivity

For the year ended March 31, 2017 and March 31, 2016, every 3% depreciation/appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the Group's profit before tax by approximately 20.15 % and 13.81 % respectively.

ii) Interest rate risk

The Group adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

The total borrowing at variable rate was ₹ 832.85 crores as at March 31, 2017 (March 31, 2016 - ₹ 2,080.11 crores, April 1, 2015 - ₹ 2,154.14 crores). The carrying value of the long term debt approximates fair value since the current interest rate approximates the market rate.

iii) Other market price risks

The Group's exposure to equity securities' price risk arises from investments held by the Group and classified in the balance sheet as fair value through Other Comprehensive Income. If the equity prices of quoted investments are 3% higher/ lower, the equity for the year ended March 31, 2017 would increase/ decrease by ₹ 10.94 crores (for the year ended March 31, 2016: increase/ decrease by ₹ 6.44 crores).

Note 37 : Operating Leases

The Group has taken certain vehicles, land and immovable properties on operating lease. The lease of hotel properties are generally long term in nature with varying terms, escalation clauses and renewal rights expiring within five to one hundred and ninety eight years. On renewal, the terms of the leases are renegotiated. The total expenses recognised in the statement of profit and loss on lease rent paid is included under Rent and Licence Fees forming part of Other Expenses (Refer Note 26 (b)).

The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Not later than one year	**125.48**	117.18	105.12
Later than one year but not later than five years	**460.19**	439.20	421.68
Later than five years	**3,316.50**	2,631.14	2,628.29

In addition, in certain circumstances the Group is committed to pay additional lease rentals that are contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Expenses recognised in the Statement of Profit and Loss:

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
For Parent		
Minimum Lease Payments/ Fixed Rentals	39.19	37.14
Contingent rents *	88.69	89.50
For Other components	33.65	28.68
	161.53	155.32

*contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased.

Note 38 : Income Tax Disclosure

i) Income Tax recognised in the Statement Profit and Loss:

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores
Current Tax		
In respect of the current year	**128.26**	80.40
In respect of earlier years	**(2.50)**	(2.75)
	125.76	77.65
Deferred Tax		
In respect of the current year		
MAT credit	**(0.07)**	(52.12)
Other items	**(11.95)**	65.10
	(12.02)	12.98
Total tax expense recognised in the current year	**113.74**	90.63

ii) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below:

Particulars	**March 31, 2017 ₹ crores**	March 31, 2016 ₹ crores
Profit/(Loss) before tax (a)	**30.58**	(91.17)
Income tax rate as applicable in India (b)	**34.61%**	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	**10.58**	(31.56)
Permanent tax differences due to:		
Effect of income that is exempt from taxation	**(2.03)**	(17.24)
Income considered to be capital in nature under tax and tax provisions	**(1.98)**	(2.84)
Effect of expenses that are not deductible in determining taxable profit	**38.08**	55.57
Expense considered to be capital in nature under tax and tax provisions	**6.42**	32.83

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Deferred tax asset not recognised in Statement of Profit and Loss	**116.94**	80.87
Effect on deferred tax balances due to the change in income tax rate	**3.49**	11.16
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	**(33.40)**	(31.32)
Difference in tax rates between the company and components/ Jurisdiction	**(32.77)**	(20.21)
Others	**10.91**	16.12
	116.24	93.38
Prior year taxes as shown above	**(2.50)**	(2.75)
Income tax expense recognised in the Statement of Profit and Loss	**113.74**	90.63

iii) Income tax recognised in other comprehensive income:

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Current Tax		
Tax impact on profit on sale of investment in equity shares at fair value through Other Comprehensive Income	**-**	4.04
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at fair value through Other Comprehensive Income	**(2.54)**	-
Remeasurement of defined benefit obligation	**2.98**	(2.23)
Reversal of Deferred Tax Liability on account of a investment fair valued through other comprehensive income	**-**	(12.99)
Reversal of Deferred Tax Assets on Unused Tax Losses	**-**	8.95
	0.44	(6.27)
Total income tax recognised in other comprehensive income	**0.44**	(2.23)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	**0.44**	(2.23)
	0.44	(2.23)

iv) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Deferred Tax assets (net)	**35.21**	18.00	6.81
Deferred Tax liabilities (net)	**(317.25)**	(256.22)	(238.09)
Net Deferred Tax Liability	**(282.04)**	(238.22)	(231.28)

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

March 31, 2017	Opening Balance as at April 1, 2016	Recognised in the statement of profit and loss	Recognised in other comprehensive income	MAT credit utilised	Exchange difference	Closing balance
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Deferred tax (liabilities)/ assets:						
Property, Plant and equipment & Intangible Assets	(474.15)	15.80	-	-	0.17	(458.18)
Unamortised borrowing cost	(0.90)	0.57	-	-	-	(0.33)
Provision for Employee Benefits	25.04	5.84	(2.98)	-	-	27.90
Fair valuation changes of derivative contracts	(0.21)	(15.73)	-	-	-	(15.94)
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(6.24)	-	2.54	-	-	(3.70)
MAT Credit Entitlement	129.57	0.07	-	(51.61)	-	78.03
Unused tax losses (Business)	39.00	(0.86)			(3.96)	34.18
Allowance for doubtful debts	4.14	0.31	-	-	-	4.45
Reward Points	19.25	(1.35)				17.90
Provision for Contingencies	18.60	2.52				21.12
Others	7.68	4.85	-	-	-	12.53
Total Deferred Tax Liability	**(238.22)**	**12.02**	**(0.44)**	**(51.61)**	**(3.79)**	**(282.04)**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

March 31, 2016	Opening Balance as at April 1, 2015	Recognised in the statement of profit and loss	Recognised in other comprehensive income	MAT credit utilised	Exchange difference	Closing balance
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Deferred tax (liabilities)/ assets:						
Property, Plant and equipment & Intangible Assets	(419.01)	(55.14)	-	-	-	(474.15)
Unamortised borrowing cost	(1.20)	0.30	-	-	-	(0.90)
Provision for Employee Benefits	15.85	6.96	2.23	-	-	25.04
Fair valuation changes of derivative contracts	0.91	(1.12)	-	-	-	(0.21)
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(19.23)	-	12.99	-	-	(6.24)
MAT Credit Entitlement	74.75	54.82	-	-	-	129.57
Unused tax losses (Business)	76.37	(37.14)		-	(0.23)	39.00
Unused tax losses (Capital)	8.95	-	(8.95)	-	-	-
Allowance for doubtful debts	2.80	1.34	-	-	-	4.14
Reward Points	10.94	8.31	-	-	-	19.25
Provision for Contingencies	12.20	6.40	-	-	-	18.60
Others	5.39	2.29	-	-	-	7.68
Total Deferred Tax Liability	**(231.28)**	**(12.98)**	**6.27**	**-**	**(0.23)**	**(238.22)**

Notes to Consolidated Financial Statements for the year ended March 31, 2017

v) Deferred tax asset amounting to ₹ 971.90 crores and ₹ 932.68 crores as at March 31, 2017 and March 31, 2016 respectively in respect of unused tax losses have not been recognised by the Group. The tax loss carry-forwards of ₹ 2,571.57 crores and ₹ 2,498.17 crores as at March 31, 2017 and March 31, 2016, respectively, relates to certain subsidiaries on which deferred tax asset has not been recognised by the Group, because there is a lack of reasonable certainty that these subsidiaries may generate future taxable profits. Approximately, ₹ 397.95 crores and ₹ 517.62 crores as at March 31, 2017 and March 31, 2016 respectively of these tax losses has carry-forwards is not currently subject to expiration dates. The remaining tax loss carry-forwards of approximately ₹ 2,173.62 crores and ₹ 1,980.56 crores as at March 31, 2017 and March 31, 2016 respectively, expires in various years through fiscal 2036. Deferred tax assets on unused tax losses has been recognised by certain subsidiaries to the extent of profits arising from the reversal of existing taxable temporary differences.

vi) Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries amounting to ₹ 1,463 crores and ₹ 1999.41 crores as at March 31, 2017 and March 31, 2016, respectively has been not recognised. Further, it is not practicable to estimate the amount of the unrecognized deferred tax liabilities for these undistributed earnings.

Note 39 : Employee Benefits

(a) The Group has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores
Provident Fund	**30.39**	30.97
Superannuation Fund	**5.27**	4.38
Total	**35.66**	35.35

Multi-Employer Benefit Plans

One of the international subsidiaries, United Overseas Holding Inc., along with its LLP's namely "the New York LLC" is a party to the Industrywide Collective Bargaining Agreement between the New York Hotel Trades Council ("NYC Union") and the Hotel Association of New York City, Inc. The Boston LLC, along with certain other hotel operators and owners in Boston, Massachusetts, was a party to the Collective Bargaining Agreement with UNITE HERE Local 26 ("Boston Union"). As part of the Sale, the new owner of the Boston Hotel assumed the obligations for the Boston Union, accordingly, the Company is no longer a party to the Boston Union. The respective collective bargaining agreements provide for union sponsored multi-employer defined benefit plans (the "Plans") to which the New York LLC makes and the Boston LLC made contributions for the benefit of their employees covered by the collective bargaining agreements. The New York LLC has not received information from the Plans' administrators to determine their share of unfunded benefit obligations, if any. The New York LLC has not undertaken to terminate, withdraw or partially withdraw from the Plans. The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects:

(i) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

(ii) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

(iii) If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

The New York LLC's and the Boston LLC's participation in the Plans for 2017 and 2016 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). The most recent Pension Protection Act (PPA) zone status available is for the Plans' year-end at December 31, 2016 and 2015.The zone status is based on information that the New York LLC and the Boston LLC received from the Plans and is certified by the actuaries of the Plans. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's and the Boston LLC's contributions to its respective Plans did not exceed more than 5% of the total contributions to the Plans by all participating employers. The following is a summary of the Plans to which the New York LLC and the Boston LLC make contributions for the benefit of their employees covered by the collective bargaining agreements.

			Pension Protection Act Zone Status			**Contribution by the Company for the year ended**	
Plans	EIN Number	Plan Number	**2016**	2015	FIP/RP Status Pending/ Implemented	**December 31, 2016 US $**	December 31, 2015 US $
New York LLC							
Pension Fund (i)	13-1764242	001	**Green**	Green	Yes	**870,777**	2,221,268
Health Benefits Fund (ii)	13-6126923	501	**NA**	NA	Yes	**8,956,793**	7,019,951
Prepaid Legal Services Fund (iii)	13-3418414	508	**NA**	NA	Yes	**71,278**	109,977
Total - New York LLC						**9,898,848**	9,351,196
Boston LLC							
Pension Fund (iv)	45-4227067	001	**NA**	Green	Yes	***124,432**	418,085
Health Benefits Fund (v)	04-6048964	501	**NA**	NA	Yes	***838,919**	3,082,512
Other Fund						***133,289**	133,289
Total - Boston LLC						**1,096,640**	3,633,886
						10,995,488	12,985,082

*- up to the sale.

(i) New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund

(ii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund

(iii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund

(iv) Unite Here Local 26 Workers & Hospitality Employers VDB Pension Trust

(v) Greater Boston Hotel Employees Local 26 Health and Welfare Plan

(vi) As part of the Sale, the Company is no longer a party to the Boston Union.

Defined Contribution 401(k) Plans

United Overseas Holding Inc. and its LLC's, wholly owned subsidiaries in the United States of America, have defined contribution plans for the benefit of their eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plans require employer contributions of 3% of each eligible participant's plan compensation for each year. The employer may also make a profit sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined. The employer contributions charged to the Company's and the Subsidiaries' operations for the years ended March 31, 2017 and 2016 are as follows:

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	March 31, 2016 US $	March 31, 2015 US $
San Francisco LLC	**120,817**	116,062
Boston	**55,356**	224,701
New York LLC	**167,627**	145,381
Company	**26,400**	29,684
Total Employer Contributions	**370,200**	515,828

(b) **The Group operates post retirement defined benefit plans as follows :-**

(i) Funded :

- Post Retirement Gratuity
- Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

(ii) Unfunded :

- Post Retirement Gratuity
- Pension to Executive Directors and Employees – Post retirement minimum guaranteed pension scheme for select existing and retired executive directors and certain categories of employees, which is unfunded.
- Post Employment Medical Benefits to qualifying employees

(c) **Pension Scheme for Employees:**

The Group has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(d) The above defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

a. Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has a relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the Fund.

b. Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

c. Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

d. Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(e) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2017 :-

(i) Amount to be recognised in Balance Sheet and movement in net liability

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Present Value of Funded Obligations	**185.47**	-	-	-	**7.15**
	184.31	-	-	-	*6.49*
	178.41	-	-	-	*5.92*
Present Value of Unfunded Obligations	**0.98**	**5.55**	**4.25**	**15.33**	-
	0.79	*4.75*	*4.64*	*12.98*	-
	0.87	*3.09*	*4.95*	*2.82*	-
Fair Value of Plan Assets	**(188.61)**	-	-	-	**(8.95)**
	(177.26)	-	-	-	*(8.37)*
	(171.80)	-	-	-	*(7.78)*
Amount not recognised due to asset limit	-	-	-	-	**0.61**
	-	-	-	-	0.64
	-	-	-	-	0.63
Net (Asset) / Liability	**(2.16)**	**5.55**	**4.25**	**15.33**	**(1.19)**
	7.84	*4.75*	*4.64*	*12.98*	*(1.24)*
	7.48	*3.09*	*4.95*	*2.82*	*(1.23)*

(ii) Expenses recognised in the Statement of Profit & Loss

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Current Service Cost	**10.44**	**0.10**	**0.32**	**0.33**	**0.14**
	10.20	*1.92*	*0.38*	*11.19*	*0.12*
Past service Cost	-	-	-	-	-
	-	-	-	-	*0.76*
Interest Cost	**0.36**	**0.35**	**0.33**	**0.97**	**(0.09)**
	0.55	*0.24*	*0.37*	*0.21*	(0.09)
Total	**10.80**	**0.45**	**0.65**	**1.30**	**0.05**
	10.75	*2.16*	*0.75*	*11.40*	*0.79*

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(iii) Expenses recognised in Other Comprehensive Income (OCI)

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	**3.38**	**0.14**	**0.19**	**0.39**	**0.15**
	(2.66)	*0.08*	*(0.08)*	*0.04*	*0.15*
Experience adjustments	**(1.39)**	**0.53**	**(0.13)**	**1.01**	**0.21**
	6.46	*(0.40)*	*0.49*	*(1.00)*	*(0.04)*
Actual return on plan assets less interest on plan assets	**(11.89)**	**-**	**-**	**-**	**(0.33)**
	3.20	*-*	*-*	*-*	*(0.12)*
Adjustment to recognise the effect of asset ceiling	-	-	-	-	**(0.08)**
	-	-	-	-	*(0.04)*
Total	**(9.90)**	**0.67**	**0.06**	**1.40**	**(0.05)**
	7.00	*(0.32)*	*0.41*	*(0.96)*	*(0.05)*

(iv) Reconciliation of Defined Benefit Obligation

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Opening Defined Benefit Obligation	**185.11**	**4.75**	**4.64**	**12.98**	**6.49**
	179.28	*3.09*	*4.95*	*2.82*	*5.92*
Current Service Cost	**10.44**	**0.10**	**0.32**	**0.33**	**0.14**
	10.20	*1.92*	*0.38*	*11.19*	*0.12*
Interest Cost	**12.94**	**0.35**	**0.33**	**0.97**	**0.48**
	13.46	*0.24*	*0.37*	*0.21*	*0.47*
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	**3.38**	**0.14**	**0.19**	**0.39**	**0.15**
	(2.66)	*0.08*	*(0.08)*	*0.05*	*0.15*
Changes in demographic assumptions	-	-	-	-	-
	-	-	-	-	-
Experience adjustments	**(1.39)**	**0.53**	**(0.13)**	**1.01**	**0.21**
	6.46	*(0.40)*	*0.49*	*(1.00)*	*(0.04)*
Benefits Paid	**(24.03)**	**(0.32)**	**(1.10)**	**(0.35)**	**(0.32)**
	(21.63)	*(0.18)*	*(1.47)*	*(0.29)*	*(0.13)*
Closing Defined Benefit Obligation	**186.45**	**5.55**	**4.25**	**15.33**	**7.15**
	185.11	*4.75*	*4.64*	*12.98*	*6.49*

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(v) Reconciliation of Fair Value of Plan Assets

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Opening Fair Value of Plan Assets	**177.26**	**-**	**-**	**-**	**8.37**
	171.80	-	-	-	*7.78*
Interest on Plan Assets	**12.57**	**-**	**-**	**-**	**0.62**
	12.91	-	-	-	*0.60*
Remeasurements due to:					
Actual return on plan assets less interest on plan assets	**11.89**	**-**	**-**	**-**	**0.33**
	(3.20)	-	-	-	*0.12*
Contribution by Employer	**10.92**	**0.32**	**1.10**	**0.35**	**(0.05)**
	17.38	*0.18*	*1.47*	*0.29*	-
Benefits Paid	**(24.03)**	**(0.32)**	**(1.10)**	**(0.35)**	**(0.32)**
	(21.63)	*(0.18)*	*(1.47)*	*(0.29)*	*(0.13)*
Closing Fair Value of Plan Assets	**188.61**	**-**	**-**	**-**	**8.95**
	177.26	-	-	-	*8.37*
Expected Employer's contribution/ outflow next year	**16.55**	**-**	**-**	**-**	**-**
	6.16	-	-	-	-

(vi) Actuarial Assumptions

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.) in %	**7.20-7.30%**	**7.30%**	**7.30%**	**7.30%**	**7.30%**
	7.55-8.04%	*7.55%*	*7.55%*	*7.55%*	*7.55%*
Salary Escalation Rate (p.a.) in %	**3.00-7.00%**	-	**4.00%**	**10.00%**	-
	3.00-7.00%	-	*4.00%*	*10.00%*	-
Pension Escalation Rate (p.a.) in %	-	-	-	**4.00%**	-
	-	-	-	*4.00%*	-
Annual increase in healthcare costs (p.a.) in %	-	**6.00%**	-	-	-
	-	*6.00%*	-	-	-
Mortality Table *					
Mortality table in service(LIC)	**Table 1**	**Table 1**	**Table 1**	**NA**	**NA**
	Table 1	*Table 1*	*Table 1*	*NA*	*NA*
Mortality table in retirement(LIC)	**NA**	**Table 2**	**Table 2**	**Table 2**	**Table 2**
	NA	*Table 2*	*Table 2*	*Table 2*	*Table 2*

*Table 1 – Indian Assured Lives Mortality (2006-08) Ult table

Table 2 – UK Published PA (90) annuity rated down by 4 years

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(vii) Disaggregation of Plan Assets (Managed by an Insurance Company)

a) Gratuity Funded

	March 31, 2017				March 31, 2016			
	Quoted ₹ crores	**Unquoted ₹ crores**	**Total ₹ crores**	**%**	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%
Government Debt Instruments	**34.00**	**-**	**34.00**	**18%**	70.60	-	70.60	40%
Other Debt Instruments	**68.65**	**0.09**	**68.74**	**36%**	51.75	-	51.75	29%
Other Equity Instruments	**31.24**	**-**	**31.24**	**17%**	23.34	-	23.34	13%
Insurer managed funds	**-**	**18.24**	**18.24**	**10%**	-	19.45	19.45	11%
Others	**33.88**	**2.51**	**36.39**	**19%**	10.56	1.56	12.12	7%
Total	**167.77**	**20.84**	**188.61**	**100%**	156.25	21.01	177.26	100%

b) Pension Staff Funded

	March 31, 2017				March 31, 2016			
	Quoted ₹ crores	**Unquoted ₹ crores**	**Total ₹ crores**	**%**	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%
Government Debt Instruments	**3.72**	**-**	**3.72**	**42%**	3.47	-	3.47	41%
Other Debt Instruments	**4.96**	**-**	**4.96**	**55%**	4.71	-	4.71	56%
Other Equity Instruments	**0.14**	**-**	**0.14**	**2%**	0.13	-	0.13	2%
Others	**-**	**0.13**	**0.13**	**1%**	-	0.06	0.06	1%
Total	**8.82**	**0.13**	**8.95**	**100%**	8.31	0.06	8.37	100%

(viii) Sensitivity Analysis (for each defined benefit plan)

March 31, 2017	**Gratuity**		**Pension Top up**		**Pension Staff Funded**		
	March 31, 2017		**March 31, 2017**		**March 31, 2017**		
	Discount rate (%)	**Salary Escalation rate (%)**	**Discount rate (%)**	**Life Expectancy (%)**	**Discount rate (%)**	**Life Expectancy (%)**	**Pension rate (%)**
Impact of increase in 50 bps on DBO	(3.37)	3.68	(5.32)		(4.20)		
Impact of decrease in 50 bps on DBO	3.60	(3.47)	5.81		4.50		
Impact of life expectancy 1 year decrease				(1.80)		-	
Impact of life expectancy 1 year Increase				1.77		-	

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	Post- Employment Medical Benefits Unfunded			Pension Director Unfunded		
	March 31, 2017			March 31, 2017		
	Discount rate (%)	Life Expectancy (%)	Health care Cost (%)	Discount rate (%)	Life Expectancy (%)	Pension rate (%)
Impact of increase in 50 bps on DBO	(5.05)			(4.96)		
Impact of decrease in 50 bps on DBO	5.53			5.42		
Impact of life expectancy 1 year decrease		(3.24)			(2.70)	
Impact of life expectancy 1 year Increase		3.06			2.62	
Defined benefit obligation on pension increase rate minus 100 bps						(9.55)
Defined benefit obligation on pension increase rate plus 100 bps						11.21
Defined benefit obligation on healthcare costs rate minus 100 bps			(6.06)			
Defined benefit obligation on healthcare costs rate plus 100 bps			7.27			

(ix) Sensitivity Analysis (for each defined benefit plan)

March 31, 2016	Gratuity		Pension Top up		Pension Staff Funded		
	March 31, 2016		March 31, 2016		March 31, 2016		
	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(3.35)	3.66	(5.43)		(4.53)		
Impact of decrease in 50 bps on DBO	3.57	(3.46)	6.03		4.74		
Impact of life expectancy 1 year decrease				(1.71)			
Impact of life expectancy 1 year Increase				1.78			

	Post- Employment Medical Benefits Unfunded			Pension Director Unfunded		
	March 31, 2016			March 31, 2016		
	Discount rate %	Life Expectancy (%)	Health care Cost (%)	Discount rate %	Life Expectancy (%)	Pension rate (%)
Impact of increase in 50 bps on DBO	(5.29)			(5.92)		
Impact of decrease in 50 bps on DBO	5.80			6.51		
Impact of life expectancy 1 year decrease		(3.52)			(3.66)	
Impact of life expectancy 1 year Increase		3.30			3.51	
Defined benefit obligation on pension increase rate minus 100 bps						(8.70)
Defined benefit obligation on pension increase rate plus 100 bps						10.08
Defined benefit obligation on healthcare costs rate minus 100 bps			(6.06)			
Defined benefit obligation on healthcare costs rate plus 100 bps			7.31			

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(x) Movement in Asset Ceiling

	March 31, 2017 ₹ **crores**	March 31, 2016 ₹ crores
Opening Value of asset ceiling	**0.64**	0.63
Interest on Opening balance of asset ceiling	**0.05**	0.05
Remeasurement due to:		
change in Surplus/deficit	**(0.08)**	(0.04)
closing value of asset ceiling	**0.61**	0.64

Footnote: Figures in italics under (i) to (vi) are of the previous year.

(xi) Expected future benefit payments:

	Gratuity ₹ **crores**	**Post Employment Medical Benefits Unfunded** ₹ **crores**	**Pension Top-up Unfunded** ₹ **crores**	**Pension Director Unfunded** ₹ **crores**	**Pension Staff funded** ₹ **crores**
Within one year	**30.96**	**0.28**	**0.98**	**0.62**	**0.45**
	28.25	*0.21*	*0.55*	*0.16*	*0.37*
Between one and five years	**78.34**	**1.49**	**2.52**	**4.29**	**1.93**
	79.57	*1.11*	*3.16*	*1.94*	*1.63*
After five years	**247.16**	**13.87**	**2.16**	**36.71**	**12.98**
	253.89	*13.21*	*2.74*	*41.44*	*13.13*
Weighted average duration of the Defined Benefit Obligation (in years)	**6.96**	**10.57**	**11.26**	**10.05**	**8.21**
	6.91	*11.06*	*11.68*	*12.76*	*8.89*

Due to the restrictions in the type of investments that can be held by the gratuity and pension fund as per the prevalent regulations, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Note 40 : Specified Bank Notes disclosure

During the year, the Group (parent and its subsidiaries) had specified bank notes (SBNs) or other denomination notes (ODNs) as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the 'details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016', the denomination wise SBNs and other notes as per the notification is given below:

Particulars	**SBNs** ₹ **crores**	**ODNs** ₹ **crores**	**Total** ₹ **crores**
Closing cash on hand as on November 8, 2016	3.50	0.54	4.04
Add: Non Permitted receipts*	0.19	-	0.19
Less: Non Permitted payments	(0.02)	-	(0.02)
Add: Permitted receipts	-	15.30	15.30
Less: Permitted payments	-	(3.47)	(3.47)
Less: Amounts Deposited in Banks	(3.67)	(9.51)	(13.18)
Closing Cash on hand as on December 30, 2016	**-**	**2.86**	**2.86**

*collected due to business exigencies.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 41 : Other Regulatory Matters

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to period prior to 1998. Arising out of such disclosures, the company received show cause notices. The Company has replied to the notices and is waiting for the directorate to return its files, after which it will complete the replies. Adjudication proceedings are in progress.

Note 42 : Related Party Disclosures

(a) The names of related parties of the Group are as under:

(i) Company having substantial interest

Tata Sons Ltd. (including its subsidiaries and joint ventures)

(ii) Associates and Joint Ventures

The names of all the associates and joint ventures are given in Note 34 (c)

(iii) Key Management Personnel

Key managerial personnel comprise the whole-time directors of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Following are the Key Management Personnel:	Relation
Rakesh Sarna	Managing Director & CEO
Anil P Goel*	Executive Director & CFO
Mehernosh S Kapadia	Executive Director - Corporate Affairs
Abhijit Mukerji ^	Executive Director - Hotel Operation

* for part of the year upto October 15, 2016 (Post which, Giridhar Sanjeevi was appointed as Chief Financial Officer of the company with effect from May 4, 2017)

^for part of the year upto April 13, 2015

(iv) Post Employment benefit plans

The Indian Hotels Company Ltd. Employees Provident Fund

The Indian Hotels Company Ltd. Superannuation Scheme

The Indian Hotels Employees Gratuity Trust

Taj Residency Employees Provident fund Trust (Bangalore unit)

Piem Hotel Employees Gratuity Trust

Taj Residency Hotel Employees Gratuity Trust

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(b) The details of related party transactions during the year ended March 31, 2017 and March 31, 2016 are as follows:

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
	₹ crores	₹ crores	₹ crores	₹ crores
Interest expense	-	-	0.55	-
	-	-	-	-
Interest income	**3.49**	-	**4.79**	-
	1.84	-	*5.54*	-
Dividend Paid	**8.78**	-	**0.08**	-
	-	-	*0.03*	-
Dividend income	**0.12**	-	**5.93**	-
	10.88	-	*2.82*	-
Operating/ License Fees expenses	**0.37**	-	-	-
	0.37	-	-	-
Operating fees income	**4.19**	-	**65.34**	-
	4.29	-	*61.18*	-
Purchase of goods and services	**56.32**	**-**	**0.98**	-
	54.58	-	*1.19*	-
Sale of goods and services	**35.43**	**-**	**0.64**	-
	26.02	*0.01*	*0.82*	-
Subscription in rights issue	-	-	**10.00**	-
	-	-	-	-
Deputed staff reimbursements	-	-	**8.95**	-
	0.09	-	*6.99*	-
Deputed staff out	**0.42**	**-**	**32.55**	-
	0.39	-	*33.50*	-
Other cost reimbursements	**0.14**	**-**	**1.23**	-
	0.05	-	*2.90*	-
Loyalty expense (Net of redemption credit)	**0.12**	**-**	**7.98**	-
	-	-	*5.24*	-
Contribution to funds	-	-	-	**25.49**
	-	-	-	*31.54*
Inter Corporate Deposit ("ICD") Raised	-	-	**7.00**	-
	-	-	-	-
ICD Placed	**24.30**	**-**	**7.50**	**-**
	23.90	-	*27.40*	-

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
	₹ crores	₹ crores	₹ crores	₹ crores
ICD Encashed	**17.06**	**-**	**48.43**	-
	13.50	-	*66.00*	-
Remuneration paid / payable	-	**19.32**	-	-
(Refer Footnote ii)	-	*21.70*	-	-

The details of amounts due to or from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
	₹ crores	₹ crores	₹ crores	₹ crores
Trade receivables (Refer Note 12)	**6.31**	**-**	**47.04**	-
	5.72	-	*27.99*	-
	5.69	-	*29.02*	-
Trade payables(Refer Note 18)	**8.87**	**-**	**1.04**	**-**
	12.03	-	*0.19*	-
	6.99	-	*0.04*	-
Other Receivables/ (Other Payable)	**0.36**	**-**	**55.54**	**-**
(Refer Note 8)	*0.62*	-	*67.60*	-
and Note 19)	-	-	*61.34*	-
Interest Receivable	**0.51**	**-**	**1.89**	-
(Refer Note 8)	*0.52*	-	*1.62*	-
	0.12	-	*3.17*	-
Loan Receivable	**40.27**	**-**	**162.73**	-
(Refer Note 7)	*24.28*	-	*214.53*	-
	15.28	-	*230.44*	-
Allowance for doubtful loan	-	-	**139.85**	-
(Refer Note 7)	-	-	*151.10*	-
	-	-	*142.24*	-
Option Deposit	**71.10**	**-**	**-**	**-**
(Refer Note 19)	*71.10*	-	-	-
	71.10	-	-	-
Deposits Payable	**-**	**-**	**7.00**	**-**
(Refer Note 17)	-	-	-	-
	-	-	-	-
Deposits Receivable	**1.32**	**-**	**-**	**-**
(Refer Note 8)	*1.32*	-	-	-
	1.23	-	-	-

* Including its subsidiaries and joint ventures

\# Including its subsidiaries

Footnotes:

(i) Figures in italics are of the previous periods.

(ii) Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation of the Company's liability to all its employees.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(c) Statement of Material Transactions

Company Name	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Company having substantial interest and its subsidiaries and joint ventures			
Tata Sons Limited			
Dividend paid	**8.31**	-	-
Dividend income	**-**	10.80	-
Trade payables	**3.37**	3.07	-
Sale of goods and services	**5.84**	4.01	-
Tata Zambia Limited			
Operating / License fees expenses	**0.37**	0.37	-
Trade payables	**-**	-	1.19
Tata AIG General Insurance Company Limited			
Purchase of goods and services	**8.42**	7.35	-
Tata SIA Airlines Limited			
Sale of goods and services	**4.75**	-	-
Taj Air Limited			
Interest income	**3.49**	1.80	-
Loan receivable	**40.29**	24.28	-
Deposits receivable	**1.23**	1.23	1.23
Interest receivable	**0.51**	0.52	-
ICD encashed during the year	**13.06**	13.50	-
ICD placed during the year	**24.30**	22.50	-
ICD repaid during the year	**4.00**		-
Tata Consultancy Services Limited			
Purchase of goods and services	**34.23**	32.33	-
Sale of goods and services	**17.28**	15.84	-
Trade receivables	**-**	4.02	4.45
Trade payables	**5.04**	8.32	4.84
TC Travel and Services Limited			
Purchase of goods and services	**-**	5.90	-
Tata Realty and Infrastructure Limited			
Option Deposit	**71.10**	71.10	71.10
Remuneration to Key Management Personnel			
Mr. Rakesh Sarna	**12.57**	12.44	-
Mr. Anil P. Goel (upto October 15, 2016)	**2.92**	2.61	-
Mr. Mehernosh S. Kapadia	**2.32**	-	-
Mr. Abhijit Mukerji (upto April 13, 2015)	**-**	4.62	-
Associates			
Oriental Hotels Ltd.			
Dividend income	**1.29**	2.64	-
Dividend paid	**-**	0.03	-
Interest income	**1.22**	1.41	-
Operating fees income	**26.90**	25.03	-
Deputed staff reimbursement	**3.24**	3.56	-
Deputed staff out	**15.16**	16.32	-
Loyalty expense (Net of redemption credit)	**4.37**	2.60	-
Other cost reimbursements	**0.70**	2.63	-
Trade receivables	**8.61**	8.62	7.54
Loan receivable	**-**	25.25	-
ICD encashed during the year	**32.75**	-	-
ICD placed during the year	**7.50**	26.00	-

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Company Name	**March 31, 2017** ₹ **crores**	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Associates			
Taida Trading & Industries Ltd.			
Interest Receivable	**0.35**	0.33	1.38
Bjets Pte Limited, Singapore			
ICD encashed during the year	**-**	43.06	-
Loan receivable	**136.68**	147.80	178.10
Allowance for doubtful loan	**136.68**	147.80	139.07
TAL Lanka Hotels Plc			
Loyalty expense (Net of redemption credit)	**-**	0.78	-
Lanka Island Resorts Ltd.			
Loyalty expense (Net of redemption credit)	**0.91**	-	-
Joint Ventures			
Taj GVK Hotels & Resorts Ltd.			
Dividend income	**0.64**	-	-
Operating fees income	**14.17**	15.66	-
Deputed staff reimbursement	**3.77**	2.28	-
Deputed staff out	**8.63**	9.01	-
Other cost reimbursements	**0.18**	-	-
Loyalty expense (Net of redemption credit)	**-**	0.76	-
Trade Receivables	**28.03**	14.62	10.22
Taj Karnataka Hotels & Resorts Ltd.			
Interest Receivable	**0.59**	0.61	0.62
Kaveri Retreats and Resorts Ltd.			
Interest income	**0.83**	1.44	-
Subscription in rights issue	**10.00**	-	-
ICD encashed during the year	**13.00**	-	-
Interest Receivable	**-**	0.32	-
Taj SATS Air Catering Ltd.			
Interest expense	**0.55**	-	-
Deputed staff reimbursement	**1.12**	-	-
Deposits payable	**7.00**		
ICD raised during the year	**7.00**	-	-
TAL Hotels & Resorts Ltd.			
Dividend income	**3.31**	-	-
Interest income	**0.90**	-	-
Operating fees income	**10.26**	9.98	-
Loyalty expense (Net of redemption credit)	**1.91**	-	-
Other Receivables/ (Other Payable)	**(6.52)**	-	-
Interest Receivable	**0.88**	-	0.84
Trade Receivables	**-**	-	4.65
ICD encashed during the year	**-**	9.34	-

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Company Name	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
Taj Safaris Ltd.			
Interest income	**0.86**	0.96	-
IHMS Hotels (SA) (Proprietary) Ltd.			
Other Receivables/ (Other Payable)	**59.37**	60.01	58.37
Post-employment benefits plans			
Contribution to superannuation fund	**5.01**	5.41	-
Contribution to provident fund	**9.78**	10.00	-
Contribution to gratuity fund	**10.00**	13.50	-

Note 43 : Shareholders' Agreement of a subsidiary

As per the Share Subscription Agreement and Shareholders' Agreement dated March 16, 2011 entered into with Omega TC holding Pte Limited ("Investor") by a subsidiary company, read with addendum to Subscription Agreement dated March 25, 2014 and subject to the terms and conditions stated therein, the investor has an option but not the obligation to subscribe for further such number of Equity Shares as is equal to the aggregate consideration of upto ₹ 100 crores on or before December 31, 2017 or such other date as may be mutually agreed between parties, provided that the subsidiary company requires an amount equivalent to the consideration and such requirement is a part of business plan.

Note 44 : Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director and Chief Executive Officer of the Company who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker. From the internal organisation of the Group's activities and consistent with the internal reporting provided to the chief operating decision-maker and after considering the nature of its services, the ultimate customer availing those services and the methods used by its to provide those services, "Hotel Services" has been identified to be the Group's sole operating segment. Hotel Services include "Revenue from Operations" including Management and Operating Fees where hotels are not owned or leased by the Group. The organisation is largely managed separately by property based on centrally driven policies and the results and cash flows of the period, financial position as of each reporting date aggregated for the assessment by the Managing Director and Chief Executive Officer. The Group's management reporting and controlling systems principally use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under Ind AS. As the Group is engaged in a single operating segment, segment information that has been tabulated below is Group-wide:

Country	Revenue from Hotel Services by location of operations		Non-current assets (see footnote below)		
	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	March 31, 2017 ₹ crores	March 31, 2016 ₹ crores	April 1, 2015 ₹ crores
India	**2,945.37**	2,803.73	**4,179.25**	4,019.23	3,756.43
U.S.A.	**657.29**	797.21	**876.32**	1,858.99	1,797.70
U.K.	**385.15**	400.95	**821.97**	968.55	958.32
Other Overseas locations	**22.45**	21.13	**-**	0.02	3.35
Total	**4,010.26**	4,023.02	**5,877.54**	6,846.79	6,515.80

Footnote: Non-current assets exclude financial assets, deferred tax assets, post-employment benefit assets and rights under insurance contracts.

No single customer contributes more than 10% or more of the Group's total revenue for the years ended March 31, 2017 and March 31, 2016.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 45 : Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary / associates / joint ventures

Name of the entity of the Group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores
Parent								
The Indian Hotels Company Ltd.	75.09%	2,444.61	224.58%	141.94	(381.62)%	(132.44)	962.92%	274.38
Subsidiaries								
Indian								
Piem Hotels Ltd.	17.71%	576.40	25.61%	16.19	(66.39)%	(23.04)	137.67%	39.23
Benares Hotels Ltd.	1.88%	61.16	10.79%	6.82	0.48%	0.17	23.34%	6.65
United Hotels Ltd.	0.69%	22.59	3.64%	2.30	0.01%	0.00	8.08%	2.30
Roots Corporation Ltd.	8.56%	278.68	(5.99)%	(3.78)	0.23%	0.08	(13.56)%	(3.86)
TIFCO Holdings Ltd.	5.30%	172.57	14.84%	9.38	23.07%	8.01	4.82%	1.37
Inditravel Ltd.	0.34%	11.20	(0.97)%	(0.61)	0.05%	0.02	(2.21)%	(0.63)
Taj Trade & Transport Company Ltd.	0.40%	12.89	1.02%	0.65	0.19%	0.06	2.04%	0.58
KTC Hotels Ltd.	0.09%	2.95	0.66%	0.42	-	-	1.46%	0.42
Northern India Hotels Ltd.	0.75%	24.45	3.30%	2.08	-	-	7.31%	2.08
Taj Enterprises Ltd.	0.12%	3.97	0.40%	0.25	-	-	0.89%	0.25
Skydeck Properties and Developers Private Ltd.	(11.94)%	(388.66)	(121.62)%	(76.86)	-	-	(269.74)%	(76.86)
Sheena Investments Private Ltd.	0.08%	2.54	0.13%	0.08	-	-	0.00	0.08
ELEL Hotels and Investments Ltd.	18.80%	612.09	(19.03)%	(12.02)	-	-	(42.20)%	(12.02)
Luthria and Lalchandani Hotel and Properties Private Ltd.	0.00%	(0.02)	0.00%	(0.00)	-	-	(0.01)%	(0.00)
Foreign								
United Overseas Holdings Inc.	19.30%	628.23	(422.23)%	(266.85)	-	-	(936.48)%	(266.85)
St. James Court Hotel Ltd.	14.87%	484.02	75.24%	47.55	-	-	166.88%	47.55
Taj International Hotels Ltd.	0.80%	26.20	7.19%	4.54	-	-	15.95%	4.54
Taj International Hotels (H.K.) Ltd.	9.63%	313.50	(2,679.94)%	(1,693.75)	-	-	(5,944.02)%	(1,693.75)
Samsara Properties Ltd.	-	-	2,714.70%	1,715.72	(12.41)%	(4.31)	6,036.24%	1,720.03
Piem International (HK) Ltd.	5.55%	180.61	(1.02)%	(0.65)	-	-	(2.27)%	(0.65)
Apex Hotel Management Services (Pte) Ltd. (Refer Footnote i)	-	-	-	-	-	-	-	-
Chieftain Corporation NV. (Refer Footnote iii)	0.00%	0.05	(0.07)%	(0.04)	-	-	(0.15)%	(0.04)
IHOCO BV.	51.13%	1,664.41	13.09%	8.28	-	-	29.04%	8.28
Apex Hotel Management Services (Australia) Pty Ltd. (Refer Footnote ii)	-	-	0.09%	0.06	-	-	0.20%	0.06
Non-controlling interests in all subsidiaries		737.82		(17.60)		10.99		(6.61)

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Name of the entity of the Group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores
Associates (Investment as per the equity method)								
Indian								
Oriental Hotels Ltd.	6.04%	196.72	2.81%	1.78	4.37%	1.52	0.91%	0.26
Taj Madurai Ltd	0.15%	4.81	0.32%	0.20	(2.02)%	(0.70)	3.17%	0.90
Taida Trading & Industries Ltd (Refer Footnote iv)	-	-	-	-	-	-	-	-
Foreign								
Lanka Island Resorts Ltd.	1.02%	33.32	2.05%	1.29	-	-	4.54%	1.29
TAL Lanka Hotels Plc	0.48%	15.55	1.62%	1.03	-	-	3.60%	1.03
Bjets Pte Ltd. (Refer Footnote iv)	-	-	-	-	-	-	-	-
Joint Ventures (Investment as per the equity method)								
Indian								
Taj GVK Hotels and Resorts Ltd.	3.39%	110.41	1.71%	1.08	0.11%	0.04	3.65%	1.04
Taj Kerala Hotels and Resorts Ltd.	0.51%	16.70	0.41%	0.26	0.20%	0.07	0.67%	0.19
Taj SATS Air Catering Ltd.	1.49%	48.52	11.37%	7.19	0.51%	0.18	24.60%	7.01
Taj Karnataka Hotels and Resorts Ltd.	(0.08)%	(2.77)	0.12%	0.07	0.01%	0.00	0.24%	0.07
Taj Safaris Ltd.	0.03%	1.02	(0.52)%	(0.33)	0.06%	0.02	(1.24)%	(0.35)
Kaveri Retreat & Resorts Ltd	1.17%	38.14	1.20%	0.76	(0.02)%	(0.01)	2.70%	0.77
Taj Madras Flight Kitchen Pvt. Ltd.	0.73%	23.76	1.67%	1.05	0.09%	0.03	3.59%	1.02
Foreign								
IHMS Hotels (SA)(Pty) Ltd.	(2.37)%	(77.17)	22.59%	14.28	-	-	50.10%	14.28
TAL Hotels & Resorts Ltd.	3.65%	118.86	14.09%	8.90	-	-	31.24%	8.90
Consolidation Adjustments / Eliminations	(158.03)%	(5,144.61)	23.98%	15.16	301.42%	104.61	(391.07)%	(111.44)
TOTAL	**100.00%**	**3,255.51**	**100.00%**	**(63.20)**	**(100.00)%**	**(34.71)**	**100.00%**	**(28.50)**

Footnotes:

i) Apex Hotel Management Services (Pte) Ltd. is in the process of liquidation with effect from December 21, 2016.

ii) Apex Hotel Management Services (Australia) Pty Ltd. has been sold on March 31, 2017.

iii) Chieftain Corporation NV filed for liquidation during the year and dissolved on April 13, 2017.

iv) The carrying value of these investments in Associates has been reported as Nil, as the Group's share of losses exceeds the cost of investments.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Note 46 : Going Concern assumption

As at the year end, the Group's current liabilities have exceeded its current assets by ₹ 912.93 crores primarily on account of borrowings aggregating ₹ 574.96 crores which fall due within 12 months following the balance sheet date and certain provisions although classified as "Current" are unlikely to result in a cash outflow within that period. Management is confident of its ability to generate cash inflows from operations, liquidate certain non-current investments and raise cash from financing activities so that it would be able to meet its obligations on due dates as it has demonstrated in earlier years. On these considerations, these financial statements are prepared on a going concern basis.

Note 47 : Dividends

Dividends paid during the year ended March 31, 2017 out of General Reserve was ₹ 0.30 per equity share for the year ended March 31, 2016.

The dividends declared by the Company are based on the profits available for distribution as reported in the standalone financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2017, retained earnings not transferred to reserves available for distribution was ₹ 156.23 crores.

On May 26, 2017, the Board of Directors of the Company have proposed a final dividend of ₹ 0.35 per share in respect of the year ended March 31, 2017, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 41.67 crores, inclusive of dividend distribution tax of ₹ 7.05 crores.

Note 48 : Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'.

	March 31, 2017	March 31, 2016
Loss after tax (owner's share) – (₹ crores)	**(63.20)**	(231.08)
Weighted average number of Equity Shares	**98,92,74,015**	98,92,74,015
Earnings Per Share - Basic and Diluted - (₹)	**(0.64)**	(2.34)
Face Value per Equity Share (₹)	**1**	1

For and on behalf of the Board

N. Chandrasekaran	Chairman
Rakesh Sarna	Managing Director & CEO
Rajeev Newar	Vice President - Finance
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 26, 2017

Independent Auditor's Report

To the Board of Directors of
The Indian Hotels Company Limited

1. We have reviewed the accompanying Statement of standalone financial results and Statement of assets and liabilities ('financial information') of The Indian Hotels Company Limited ('the Company'), as of and for the quarter ended 30 June 2017. This financial information is the responsibility of the Company's management and has been prepared for the purpose of insertion in the Letter of Offer, pursuant to proposed issue of equity shares to the existing shareholders of the Company on a rights basis, after consideration by the Board of Directors. Management is responsible for the preparation of the financial information using the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. Our responsibility is to issue a report on the financial information based on our review.

Scope of Review

2. We conducted our review of the financial information in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

3. In our opinion and to the best of our information and according to the explanations given to us, nothing has come to our attention that causes us to believe that the accompanying financial information has not been prepared, in all material respects, in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

Other Matter

4. The financial information for the corresponding quarter ended 30 June 16 and for the year ended 31 March 2017 included in this financial information, are an extract of reviewed results / audited financial statements by predecessor auditors, whose limited review report dated 10 August 2016 and audit report dated 26 May 2017 expressed an unmodified opinion for the above mentioned period / year, respectively.

Independent Auditor's Report *(Continued)*

The Indian Hotels Company Limited

Other Matter *(Continued)*

5. The review report is intended solely for use by the Board of Directors of the Company for the purpose of insertion of financial information in the above mentioned Letter of Offer and should not be used, referred for any other purpose or distributed to parties other than the Company's shareholders without our prior written approval.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W /W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

14 September 2017
Mumbai

TAJ

HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

STATEMENT OF STANDALONE FINANCIAL RESULTS

FOR THE QUARTER ENDED JUNE 30, 2017

₹ crores

Particulars	**Quarter Ended 30.06.2017 (Reviewed)**	Quarter Ended 30.06.2016 (Reviewed)
Revenue		
Revenue from Operations	**523.85**	474.47
Other Income	**6.73**	16.77
Total Income	**530.58**	491.24
Expenses		
Food and Beverages Consumed	**50.09**	45.99
Employee Benefit expenses and Payment to Contractors	**161.47**	148.80
Finance Costs	**43.06**	47.26
Depreciation and Amortisation expense	**36.52**	34.13
Other Operating and General Expenses	**236.62**	226.62
Total Expenses	**527.76**	502.80
Profit/ (Loss) before exceptional items and tax	**2.82**	(11.56)
Exceptional items (Refer Note 4)	**10.79**	(2.15)
Profit/ (Loss) Before Tax	**13.61**	(13.71)
Tax Expense		
Current Tax	**1.48**	4.57
Deferred Tax	**5.27**	(9.28)
Total	**6.75**	(4.71)
Profit/ (Loss) for the period	**6.86**	(9.00)
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Change in fair value of equity instruments	**83.98**	0.03
Remeasurement of defined benefit obligation	**(7.16)**	4.77
Income tax expense/ (credit)	**(2.23)**	1.70
Items that will be reclassified subsequently to profit and loss	**-**	-
Other Comprehensive income for the period	**79.05**	3.10
Total Comprehensive Income	**85.91**	(5.90)
Paid-up Equity Share Capital (Face value per share - ₹ 1 each)	**98.93**	98.93
Earnings Per Share (Face value - ₹ 1 each)		
Basic and Diluted (* not annualised)	*** 0.07**	*(0.09)
See accompanying notes to the financial results		

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HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2017

₹ crores

Particulars	Standalone	
	As at Jun 30, 2017	As at Mar 31, 2017
Assets		
Non-current assets		
Property, plant and equipment	**2,170.94**	2,148.57
Capital work-in-progress	**125.48**	107.88
Intangible assets	**36.09**	38.12
Intangible assets under development	**0.82**	0.03
Financial assets		
Investments	**2,953.86**	2,875.09
Loans	**5.35**	37.78
Other financial assets	**59.92**	58.60
Advance income tax (net)	**84.51**	65.35
Other non-current assets	**249.94**	255.94
	5,686.91	5,587.36
Current assets		
Inventories	**60.24**	47.56
Financial assets		
Investments	**-**	53.10
Trade receivables	**205.86**	213.74
Cash and cash equivalents	**10.46**	14.07
Other Balances with Banks	**7.64**	7.63
Loans	**1.47**	1.47
Other financial assets	**133.65**	119.82
Other current assets	**61.12**	48.84
	480.44	506.23
Total Assets	**6,167.35**	6,093.59
Equity and Liabilities		
Equity		
Equity share capital	**98.93**	98.93
Other equity	**2,602.88**	2,516.97
	2,701.81	2,615.90
Non-current liabilities		
Financial liabilities		
Borrowings	**1,703.56**	1,494.54
Other financial liabilities	**237.04**	253.46
Provisions	**55.01**	48.78
Deferred tax liabilities (net)	**291.36**	288.32
	2,286.97	2,085.10
Current Liabilities		
Financial liabilities		
Borrowings	**62.82**	7.31
Trade payables	**177.60**	177.14
Other financial liabilities	**601.76**	883.13
Provisions	**87.79**	85.72
Other current liabilities	**248.60**	239.29
	1,178.57	1,392.59
Total Equity and Liabilities	**6,167.35**	6,093.59

Notes

1. These Standalone financial information comprising of the 'Statement of Standalone Financial Results' and "Statement of Assets & Liabilities" ("financial information") as of and for the quarter ended June 30, 2017, has been prepared solely for the purpose of insertion in the Letter of Offer, as required under the Part E of Schedule VIII, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the proposed issue of equity shares to the existing eligible shareholders on a rights basis.

2. These financial information has been prepared by the Management using the principles of recognition and measurement as laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.

3. In view of the seasonality of the sector, the financial results for the quarter are not indicative of the full year's expected performance.

4. Exceptional items for the quarter ended June 30, 2017 comprise of :
   - Gain on change in fair value on Cross Currency Swap derivative contracts ₹ 15.76 crores (Previous Period Loss ₹ 13.98 crores)
   - Exchange Gain on Long term Borrowings/Assets (Net) ₹ 0.47 crore (Previous Period Gain ₹ 11.83 crores)
   - Provision for impairment of investment in a subsidiary that incurred losses ₹ 5.44 crores

5. At a meeting held on May 26, 2017, the Board of Directors had approved the amalgamation of Tifco Holdings Limited, a wholly owned subsidiary ("Transferor Company") into the Company, by way of Scheme of Amalgamation between the Company and the Transferor Company as provided under sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, as applicable. The amalgamation is subject to the approvals of the shareholders, National Company Law Tribunal and other such approvals as may be required.

6. Disclosure of segment-wise information is not applicable, as hoteliering is the Company's only business segment.

7. The figures of previous period have been regrouped/reclassified wherever necessary to conform to the current period's classification.

For **THE INDIAN HOTELS COMPANY LIMITED**

MEHERNOSH S. KAPADIA
(Executive Director – Corporate Affairs)
DIN: 00050530

September 14, 2017

Registered Office:
Mandlik House, Mandlik Road, Mumbai 400 001.
CIN: L74999MH1902PLC000183
Email: investorrelations@tajhotels.com,
Website: www.tajhotels.com

In terms of our report attached.
For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/ W-100022)

Bhavesh Dhupelia
(Partner)
Membership No. 042070

Mumbai, September 14, 2017

Independent Auditor's Report

To the Board of Directors of The Indian Hotels Company Limited

1. We have reviewed the accompanying Statement of consolidated financial results and Statement of assets and liabilities ('financial information') of The Indian Hotels Company Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as the 'Group') and its joint ventures and associates, as of and for the quarter ended 30 June 2017. This financial information is the responsibility of the Company's management and has been prepared for the purpose of insertion in the Letter of Offer, pursuant to proposed issue of equity shares to the existing shareholders of the Company on a rights basis, after consideration by the Board of Directors. Management is responsible for the preparation of the financial information using the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. Our responsibility is to issue a report on the financial information based on our review.

Scope of Review

2. We conducted our review of the financial information in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. The financial information includes the following entities:

List of Subsidiaries

Name of the subsidiary
TIFCO Holdings Ltd.
KTC Hotels Ltd.
United Hotels Ltd.
Roots Corporation Ltd.
Taj Enterprises Ltd.
Taj Trade and Transport Co Ltd.
Benares Hotels Ltd.
Inditravel Ltd.
Piem Hotels Ltd.
Northern India Hotels Ltd.
Skydeck Properties and Developers Private Limited

List of Subsidiaries *(Continued)*

Name of the subsidiary
Sheena Investments Private Limited
ELEL Hotels & Investments Limited
Luthria & Lalchandani Hotel & Properties Pvt. Ltd
IHOCO BV
United Overseas Holding Inc. and its subsidiaries
St. James Court Hotel Ltd.
Taj International Hotels Ltd.
Taj International Hotels (H.K.) Ltd.
PIEM International (H.K.) Ltd.

Joint Ventures

Name of the Joint Venture
Taj Madras Flight Kitchen Pvt. Ltd.
Taj SATS Air Catering Ltd.
Taj Karnataka Hotels & Resorts Ltd.
Taj Kerala Hotels & Resorts Ltd.
Taj GVK Hotels & Resorts Ltd.
Taj Safaris Ltd
Kaveri Retreats and Resorts Ltd.
TAL Hotels & Resorts Ltd.
IHMS Hotels (SA) (Proprietary) Ltd.

List of Associates

Name of the Associates
Oriental Hotels Limited
Taj Madurai Limited
Taida Trading & Industries Ltd.
Lanka Island Resort Ltd.
TAL Lanka Hotels PLC
BJETS Pte Ltd.

Conclusion

4. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the management accounts referred to in paragraph 6 and based on the consideration of the reports of the other auditors referred to in paragraphs 7, nothing has come to our attention that causes us to believe that the accompanying financial information has not been prepared, in all material respects, in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

Independent Auditor's Report *(Continued)*

The Indian Hotels Company Limited

Other matters

5. The Statement of Consolidated financial results includes the financial information of thirteen subsidiaries which have not been reviewed by their auditors, whose financial information reflect total assets of ` 2,551.57 crores as at 30 June 2017, total revenue of ` 39.66 crores for the quarter ended 30 June 2017 and total profit after tax of ` 7.94 crores for the quarter ended 30 June 2017, as considered in the financial information. The financial information also includes the Group's share of profit after tax of ` 0.52 crores of seven joint ventures for quarter ended 30 June 2017 and total (loss) after tax of ` (2.27) crores of six associates for quarter ended 30 June 2017, based on their financial information which have not been reviewed/audited by their auditors. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

   Our report on the financial information is not modified in respect of our reliance on the financial results certified by the Management.

6. We did not review the financial information of six subsidiaries included in the Statement of unaudited consolidated financial results, whose financial information reflect total assets of ` 3,863.25 crores as at 30 June 2017, total revenues of ` 335.82 crores for the quarter ended 30 June 2017, and total (loss) after tax of ` (34.82) crores for the quarter ended 30 June 2017, as considered in the financial information. The financial information also includes the Group's share of profit after tax of ` 0.91 crores for the quarter ended 30 June 2017, as considered in the Statement of Consolidated financial results, in respect of one joint venture, whose financial information have not been reviewed by us. These financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the financial information, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors.

7. The financial information for the corresponding quarter ended 30 June 16 and for the year ended 31 March 2017 included in this financial information, are an extract of reviewed results / audited financial statements by predecessor auditors, whose limited review report dated 10 August 2016 and audit report dated 26 May 2017 expressed an unmodified opinion for the above mentioned period / year respectively.

8. The review report is intended solely for use by the Board of Directors of the Company for the purpose of insertion of financial information in the above mentioned Letter of Offer, and should not be used, referred for any other purpose or distributed to parties other than the Company's shareholders without our prior written approval.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W /W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

14 September 2017
Mumbai

HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS

FOR THE QUARTER ENDED JUNE 30, 2017

₹ crores

Particulars	Quarter Ended 30.06.2017 (Reviewed)	Quarter Ended 30.06.2016 (Reviewed)
Revenue		
Revenue from Operations	**907.30**	946.63
Other Income	**8.80**	13.35
Total Income	**916.10**	959.98
Expenses		
Food and Beverages Consumed	**83.87**	85.74
Employee Benefit expenses and Payment to Contractors	**339.59**	363.04
Finance Costs	**69.51**	89.57
Depreciation and Amortisation expense	**71.38**	73.71
Other Operating and General Expenses	**393.25**	403.62
Total Expenses	**957.60**	1015.68
Loss before exceptional items, tax and share of profit/(loss) of associates and joint ventures	**(41.50)**	(55.70)
Exceptional items (Refer Note 4)	**15.66**	(112.71)
Loss Before Tax	**(25.84)**	(168.41)
Tax Expense		
Current Tax	**2.14**	7.00
Deferred Tax	**1.73**	(8.84)
Total	**3.87**	(1.84)
Loss after tax before share of profit/(loss) of associates and joint ventures	**(29.71)**	(166.57)
Add : Share of profit/(loss) of associates and joint ventures	**1.27**	(1.46)
Loss for the period	**(28.44)**	(168.03)
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Change in fair value of equity instruments	**95.16**	16.28
Remeasurement of defined benefit obligation	**(7.03)**	4.99
Share of other comprehensive income of associates and joint ventures	**(0.03)**	(0.01)
Income tax expense/(credit)	**(2.18)**	1.69
Items that will not be reclassified subsequently to profit or loss	**90.28**	19.57
Items that will be reclassified subsequently to profit and loss		
Currency translation difference (net)	**15.79**	(6.22)
Share of other comprehensive income of associates and joint ventures	**(1.70)**	1.53
Income tax expense/(credit)	**-**	-
Items that will be reclassified subsequently to profit or loss	**14.09**	(4.69)
Other Comprehensive income for the period	**104.37**	14.88
Total Comprehensive Income for the period	**75.93**	(153.15)
Profit/(Loss) for the period attributable to:		
Owners of the company	**(24.96)**	(169.45)
Non-controlling interest	**(3.48)**	1.42
	(28.44)	(168.03)
Total comprehensive Income for the period attributable to:		
Owners of the company	**69.39**	(154.00)
Non-controlling interest	**6.54**	0.85
	75.93	(153.15)
Paid-up Equity Share Capital (Face value per share - ₹ 1 each)	**98.93**	98.93
Earnings Per Share (Face value - ₹ 1 each)		
Basic and Diluted (* not annualised)	***(0.25)**	*(1.71)
See accompanying notes to the financial results		

HOTELS · PALACES · RESORTS · SAFARIS

THE INDIAN HOTELS COMPANY LIMITED

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2017

₹ crores

Particulars	Consolidated	
	As at Jun 30, 2017	As at Mar 31, 2017
Assets		
Non-current assets		
Property, plant and equipment	**4,692.02**	4,618.48
Capital work-in-progress	**215.43**	222.25
Goodwill	**556.76**	555.56
Intangible assets	**635.47**	641.35
Intangible assets under development	**1.21**	0.42
Investments in associates and joint ventures	**608.54**	607.81
Financial assets		
Investments	**640.26**	545.10
Loans	**15.04**	15.09
Other financial assets	**73.41**	71.63
Deferred tax assets (net)	**36.44**	35.21
Advance income tax (net)	**102.90**	82.57
Other non-current assets	**307.97**	312.47
	7,885.45	7,707.94
Current assets		
Inventories	**87.44**	80.44
Financial assets		
Investments	**45.37**	90.80
Trade receivables	**277.62**	272.06
Cash and cash equivalents	**116.64**	141.31
Other Balances with Banks	**109.89**	105.75
Loans	**9.19**	49.02
Other financial assets	**117.07**	108.65
Other current assets	**101.87**	78.31
	865.09	926.34
Total Assets	**8,750.54**	8,634.28
Equity and Liabilities		
Equity		
Equity share capital	**98.93**	98.93
Other equity	**2,488.14**	2,418.76
Equity attributable to the owners of the company	**2,587.07**	2,517.69
Non-controlling interests	**744.36**	737.82
Total equity	**3,331.43**	3,255.51
Non-current liabilities		
Financial liabilities		
Borrowings	**3,007.71**	2,789.86
Other financial liabilities	**358.66**	356.83
Provisions	**82.40**	75.56
Deferred tax liabilities (net)	**316.92**	317.25
Other non-current liabilities	**-**	-
	3,765.69	3,539.50
Current Liabilities		
Financial liabilities		
Borrowings	**95.68**	18.16
Trade payables	**297.52**	293.06
Other financial liabilities	**789.57**	1,065.46
Provisions	**137.24**	135.21
Current income tax liabilities (net)	**0.28**	0.25
Other current liabilities	**333.13**	327.13
	1,653.42	1,839.27
Total Equity and Liabilities	**8,750.54**	8,634.28

1. These consolidated financial information comprising of the 'Statement of Consolidated Financial Results' and "Statement of Assets & Liabilities" ("financial information") as of and for the quarter ended June 30, 2017, has been prepared solely for the purpose of insertion in the Letter of Offer, as required under the Part E of Schedule VIII, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the proposed issue of equity shares to the existing eligible shareholders on a rights basis.

2. These financial information has been prepared by the Management using the principles of recognition and measurement as laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The consolidated financial information is prepared in accordance with Ind AS 110 Consolidated Financial Statements, Ind AS 28 Investment in Associates and Joint Ventures as specified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.

3. In view of the seasonality of the sector, the financial results for the quarter are not indicative of the full year's expected performance.

4. Exceptional Item – Others for the quarter ended June 30, 2017 comprises of :

   - Exchange Gain on Long term Borrowings/Assets (Net) ₹ 0.47 crores (previous quarter gain ₹ 8.08 crores).
   - Gain on change in fair value on Cross Currency Swap derivative contracts ₹ 15.76 crores (previous quarter loss ₹ 13.98 crores).
   - Amount written off by an international subsidiary amounting to ₹ 0.57 crores (previous quarter ₹ 5.02 crores) for investments/advance given to certain companies.
   - Exceptional item in the previous year also include loss of ₹ 101.79 crores arising out of sale of Taj Boston.

5. Disclosure of segment-wise information is not applicable, as hoteliering is the Company's only business segment.

6. The figures of previous period have been regrouped/reclassified wherever necessary to conform to the current period's classification.

For **THE INDIAN HOTELS COMPANY LIMITED**

MEHERNOSH S. KAPADIA
(Executive Director – Corporate Affairs)
DIN: 00050530

September 14, 2017

Registered Office:
Mandlik House, Mandlik Road, Mumbai 400 001.
CIN: L74999MH1902PLC000183
Email: investorrelations@tajhotels.com,
Website: www.tajhotels.com

In terms of our report attached.
For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No. 101248W/ W-100022)

Bhavesh Dhupelia
(Partner)
Membership No. 042070

Mumbai, September 14, 2017

WORKING RESULTS

In accordance with circular no.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, our working results on a standalone basis for the period from April 1, 2017 to August 31, 2017 are set out in the table below:

Particulars	(₹ in crores)
Sales/ Turnover	860.88
Other Income	12.05
Total Income	872.93
Estimated Gross Profit/ Loss (excluding depreciation, interest and taxes)	59.68
Provision for depreciation	59.92
Provision for taxes (net)	(0.08)
Estimated Net Profit/ (Loss)	(0.16)

Material changes and commitments, if any, affecting our financial position

For further details in relation to material changes affecting the financial position of the Company, please see the section entitled "Material Developments" on page [●].

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2017 which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

1. Tifco Holdings Limited ("**Tifco**"), a wholly owned subsidiary of the Company has entered into a scheme of amalgamation ('**Scheme**") with the Company. The Scheme is conditional on, and subject to, requisite approvals under applicable law.

2. Resignation by Rakesh Kumar Sarna as the as Managing Director and Chief Executive Officer of the Company for personal reasons, which will be effective from close of business hours on September 30, 2017.The Board, at its meeting held on August 29, 2017, approved the appointment of Puneet Chhatwal as the Managing Director and Chief Executive Officer of the Company for five years, from the date of his joining, being, on or before January 1, 2018. For further details, please see the section entitled "Our Management" on page [●].

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

The following tables present certain accounting and other ratios computed on the basis of the Financial Statements included in the section entitled "Financial Statements" on page [●]:

Accounting Ratios

Particulars	Consolidated		Standalone	
	As at and for the three month period ended June 30, 2017 (1)*	**As at and for the Fiscal 2017(1)**	**As at and for the three month period ended June 30, 2017 (1)***	**As at and for the Fiscal 2017(1)**
Basic and Diluted EPS (₹)	(0.25)	(0.64)	0.07	1.43
Return on Net-Worth (%) (2)	(0.86)	(1.39)	0.26	5.69
Net Asset Value per Equity Share (₹)	33.67	32.91	27.31	26.44

(1) Based on Audited Consolidated Financial Statements.
*(2) Annualised return on Net-Worth computed as (net profit after tax for the period/ average Net-Worth for the period)*2*
** Not annualised*

The ratios have been computed as below:

Ratios	Computation
Return on Net Worth (%)	Net Profit / (Loss) after tax and share of profits of associates and joint ventures / Average Networth for the year/period
Net Asset Value per Share	Networth or Total Equity at the end of year/period / Total number of fully paid-up Equity Shares at the end of the year/period
Networth or Total Equity	Paid-up equity share capital + reserves and surplus + OCI reserve + non-controlling interest

Standalone Capitalization Statement

₹ in crores

Particulars	As at June 30, 2017	As at March 31, 2017	As adjusted for the Issue*
Equity Share Capital	98.93	98.93	1,598.93
Reserves and Surplus	2,602.88	2,516.97	2,602.88
Total Equity	**2,701.81**	**2,615.90**	**4,201.81**
Short Term Borrowings	316.88	554.44	316.88
Long Term Borrowings	1,703.56	1,494.54	1,703.56
Total Debt	**2,020.44**	**2,048.98**	**2,020.44**
Debt : Equity Ratio	**0.75**	**0.78**	**0.48**

**Assuming full subscription to the Issue*

STOCK MARKET DATA FOR EQUITY SHARES OF THE COMPANY

The Equity Shares are listed on the BSE and the NSE. The Equity Shares have not been listed earlier and will be listed on the Stock Exchanges pursuant to this Issue. For further details, please see section entitled "Terms of the Issue" on page [●]. We have received in-principle approvals for listing of the Equity Shares to be issued pursuant to this Issue from the BSE and the NSE by letters dated September [●], 2017 and September [●], 2017, respectively.

For the purpose of this section:

- Year is a calendar year;
- Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

The high, low and average market prices of the Equity Shares recorded on the BSE and the NSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
2016	July 14, 2016	143.00	5,82,892	November 21, 2016	88.80	87,709	114.88
2015	February 5, 2015	126.95	72,776	September 7, 2015	80.75	55,624	101.71
2014	December 5, 2014	127.25	2,09,485	February 10, 2014	56.00	29,799	87.96

Source: www.bseindia.com

NSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
2016	July 14, 2016	143.00	36,51,225	July 29, 2016	133.30	46,07,897	114.25
2015	January 2, 2015	126.90	3,62,101	January 1, 2015	122.05	6,87,628	97.92
2014	December 5, 2014	127.50	8,85,141	December 31, 2014	123.50	11,45,321	90.01

Source: www.nseindia.com

Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of this Letter of Offer are as stated below:

BSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
August, 2017	August 17, 2017	134.30	16,46,049	August 22, 2017	108.35	1,31,733	121.73
July, 2017	July 3, 2017	133.00	17,880	July 31, 2017	121.30	30,041	125.67
June, 2017	June 8, 2017	139.50	65,588	June 19, 2017	124.75	59,901	130.71
May, 2017	May 18, 2017	145.65	72,859	May 29, 2017	125.00	46,898	134.46

BSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
April, 2017	April 18, 2017	131.80	1,02,198	April 20, 2017	123.80	1,30,421	127.77
March, 2017	March 31, 2017	128.80	55,498	March 6, 2017	118.00	31979	122.80

Source: www.bseindia.com

NSE							
Month	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Date of Low**	**Low (₹)**	**Volume on date of Low (No. of Equity Shares)**	**Average (₹)**
August, 2017	August 8, 2017	131.35	2,74,075	August 8, 2017	126.60	2,74,075	121.92
July, 2017	July 3, 2017	135.00	1,70,546	July 3, 2017	130.10	1,70,546	125.83
June, 2017	June 8, 2017	140.00	4,78,790	June 8, 2017	135.60	478,790	130.95
May, 2017	May 18, 2017	145.50	6,96,700	May 22, 2017	139.60	22,43,946	134.84
April, 2017	April 18, 2017	132.00	6,55,944	April 5, 2017	129.00	6,49,330	128.00
March, 2017	March 31, 2017	128.65	3,57,326	March 31, 2017	125.50	3,57,326	123.00

Source: www.nseindia.com

Week end prices of Equity Shares along with the highest and lowest closing prices on the Stock Exchanges for the last four weeks preceding the date of filing of this Letter of Offer is as stated below:

BSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
September 15, 2017	115.90	126.60	115.00
September 8, 2017	114.80	121.00	114.10
September 1, 2017	117.65	119.85	111.10
August 25, 2017	110.85	125.60	108.35

Source: www.bseindia.com

NSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
September 15, 2017	116.00	127.00	119.00
September 8, 2017	115.10	121.45	119.00
September 1, 2017	118.00	120.00	117.90
August 25, 2017	110.90	126.50	118.95
August 18, 2017	123.95	129.00	126.15

Source: www.nseindia.com

The closing market price of the Equity Shares of the Company as on one day prior to the date of this Letter of Offer was ₹ [●] on the BSE and ₹ [●] on the NSE.

The Issue Price of ₹ [●] per Equity Share has been arrived at in consultation between the Company and the Lead Manager.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed below, there is no outstanding litigation against the Company and its Subsidiaries including, suits, criminal or civil prosecutions and taxation related proceedings that would have a material adverse effect on our operations or financial position.

Further, except as disclosed below, there is no outstanding litigation against the Company and its subsidiaries involving issues of moral turpitude, criminal liability, material violations of statutory regulations or economic offences and no such litigation had arisen against the Company in the preceding ten years.

A summary of litigation and disputes involving potential financial liability of one per cent or more of the consolidated revenue of the Company in the Fiscal 2017 for outstanding litigation and certain other litigation which we consider material is as follows:

Litigation involving our Company

Litigation against our Company

Criminal Proceedings

1. The Inspector, Weights and Measures, Jodhpur (the "**Inspector**"), has filed a criminal complaint before the Court of Judicial Magistrate, Jodhpur, against Mahipal Singh, the then General Manager, Vivanta by Taj, Hari Mahal Palace, Jodhpur, for alleged violation of Standards of Weights and Measures Act, 1976 and Rule 23(2) of the Standards of Weights and Measures (Packaged Commodities) Rules, 1977. Vivanta by Taj, Hari Mahal Palace, Jodhpur and Mahipal Singh were issued a notice by the Inspector pursuant to an inspection, for allegedly selling mineral water bottles at a price higher than the retail price and for indicating peg measures incorrectly. Mahipal Singh has filed his reply before the Additional Judicial Magistrate, Jodhpur stating that certain provisions of the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 were challenged in a writ petition before the Delhi High Court filed by the Federation of Hotel and Restaurants Association of India ("**FHRAI**"), of which Taj Hari Mahal Palace, Jodhpur, was also a member. The Delhi High Court had passed an order allowing the writ petition filed by FHRAI permitting hotels and restaurants to sell their products over and above the market price on the ground that service is also involved while serving the guests with the products. The order has been taken on record by the Judicial Magistrate at Jodhpur and the matter is pending for final order. The matter is currently pending.

2. The Additional Chief Judicial Magistrate, First Class, Gautam Buddha Nagar, Noida has issued two summons to Naveen Tomar, the then nominee under the Prevention of Food Adulteration Act, 1954, Skywok Restaurant and Ved Prakash, Chef, Skywok Restaurant, Noida respectively, in relation to adulterated samples of curd collected from Skywok Restaurant, Noida. Summons are yet to be served to Naveen Tomar and Ved Prakash. The matters are currently pending.

3. The Food Safety Officer, Department of Food Safety, Government of NCT of Delhi (the "**FSO**") has filed a criminal complaint before the Additional District Magistrate, New Delhi District, Jamnagar House, New Delhi against the Company, Neville Pimento, the erstwhile Food & Beverage Manager and nominee under the Prevention of Food Adulteration Act, 1954, of the Taj Palace Hotel, New Delhi, and others in relation to alleged misbranded sample of Shreebhog Rava Idli collected from Taj Palace Hotel, New Delhi and for violation of Section 26(2)(ii) of the Food Safety and Standards Act, 2006 and Regulation 2.3.2.1(a) of the Food Safety and Standard (Packaging and Labeling) Regulations, 2011. Neville Pimento and the Company have submitted their written statements to the Additional District Magistrate, New Delhi District, Jamnagar House, New Delhi ("**Court**") and the FSO has submitted its reply to the same. Consequently, the Court passed an order imposing an aggregate penalty of ₹ 0.2 lakhs on the Company and Neville Pimento (the "**Order**"). Subsequently, the Company filed an appeal against the Order before the District and Sessions Judge wherein a stay was granted against the said Order. The matter is currently pending.

4. The Food Safety Officer, Kamrup Metro, Guwahati, ("**FSO**") has filed a criminal complaint before the Chief Judicial Magistrate, Kamrup Metro, Guwahati ("**Court**"), Vivanta by Taj, Guwahati (the "**Hotel**"), Ranju Bhatacharjee, Purchase Manager of the Hotel, and others, in relation to a sample of dried salted black beans

collected from the Hotel, allegedly found to contain preservatives prohibited under provisions of the Food Safety and Standards Act, 2006 and the Food Safety and Standards (Food Products Standards and Additives) Regulations, 2011. Subsequently, pursuant to order dated June 23, 2017, Ranju Bhattacharjee has been allowed bail. The matter is currently pending.

5. The Wildlife Crime Control Bureau (the "**WCCB**") has filed a criminal complaint before the Additional Chief Metropolitan Magistrate Court, Delhi (the "**ACMM**"), against Digvijay Singh, the then General Manager, House of Ming, Taj Mahal Hotel, New Delhi (the "**TM Hotel**"), and other executives of the Company (the **Defendants**") in relation to sea cucumber found in possession of TM Hotel and which was also mentioned in the menu card provided of the House of Ming, Taj Mahal Hotel, New Delhi. Since the sea cucumber was a scheduled animal under the Wildlife (Protection) Act, 1972, a violation of Sections 40(2), 49 and 49B of the Wildlife (Protection) Act, 1972 was alleged against the Defendants. The ACMM had issued summons to the Defendants and had also issued process against TM Hotel and Digvijay Singh. Digvijay Singh has filed an application for revision before the Court of District and Sessions Judge, New Delhi (the "**Sessions Court**") for removal of his name from the array of Defendants on grounds that he cannot be held vicariously liable. The Sessions Court allowed the application for revision and quashed the summons issued in the name of Digvijay Singh. Consequently, WCCB has also filed an appeal before the Delhi High Court challenging the order of the Sessions Court for removal of Digvijay Singh's name. No notice has been issued to the Company in this regard. Meanwhile, WCCB made an application before the ACMM for substituting the Company as a party in place of TM Hotel and the ACMM allowed the application. TM Hotel has filed a petition before the Delhi High Court challenging the same. The ACMM has commenced trial and the matters are currently pending.

6. The Health Department, State of Rajasthan has filed a criminal complaint before the Additional Chief Judicial Magistrate, First Class, Udaipur, against the Taj Lake Palace Hotel, Udaipur (the "**Hotel**"), and other executives of the Company in relation to an inferior sample of "paneer" used at the Taj Lake Palace Hotel, Udaipur The Hotel has received summons in the name of the executives nominated under the Prevention of Food Adulteration Act, 1954. The Health Department, State of Rajasthan, also issued a notice to the Hotel, Udaipur to provide a valid permit from the local municipal body or to close the restaurant serving the alleged inferior sample of "paneer". Taj Lake Palace Hotel, Udaipur has filed an application before the Additional Chief Judicial Magistrate, First Class, Udaipur to expedite the process of getting the report on the sample of "paneer" from the concerned department. The matter is currently pending.

7. The Municipal Corporation of Greater Mumbai ("**MCGM**") has filed a criminal complaint before the Additional Chief Metropolitan Magistrate 39th Court, Mumbai against the Company, Rafiq Sayyed, General Manager, Administration and other executives of the Company, for allegedly endangering the lives of the occupants of Dayalashram building, Mumbai due to non-maintenance of the Dayalashram building. The Company had received a notice from the MCGM to carry out repair and other civil work to the Dayalashram building on grounds that the Dayalashram building required extensive repairs. The MCGM has filed an application for initiating process against the Company on grounds of non-compliance with its notice. The matter is currently pending.

8. MCGM has filed two criminal complaints before the Metropolitan Magistrate, 41st Court, Mumbai (the "**Metropolitan Magistrate**") against P.R.P. Ramakrishnan, the then Chief Engineer of Taj Mahal Palace, Mumbai (the "**TMP Hotel**") for using machines for carpentry work of a certain mechanical power without prior written permission from MCGM under Section 390 of the Mumbai Municipal Corporation Act, 1888 (the "**MMC Act**") in the basement of TMP Hotel and for using motive power for electrical equipment at TMP Hotel without obtaining the license allowing for such usage under Section 390 of the MMC Act (the "**Factory License**"). Pursuant to inspections by the Inspecting Officer, MCGM, notices were issued to P.R.P. Ramakrishnan which stated that the carpentry workshop license had been taken for the premises of TMP Hotel in relation to an earlier basement of the old premises, and the carpentry workshop license had not been renewed by TMP Hotel for the new premises. The Company filed its reply to the notices with a request to renew the carpentry workshop license. The TMP Hotel also renewed the Factory License under protest. The Metropolitan Magistrate issued process against P.R.P. Ramakrishnan, pursuant to applications made by the MCGM. In relation to the electrical equipment, the TMP Hotel's stand was that the same was an integral part of the hotel activities and no independent commercial activity was being undertaken. P.R.P. Ramakrishnan filed a criminal revision applications before the Sessions Court challenging both notices by the Metropolitan Magistrate. Meanwhile, TMP Hotel applied for renewal of the workshop license by paying the amount demanded by MCGM under protest. The Sessions Court, Mumbai, passed two orders rejecting

the criminal revision application and the appeal filed by the Company and remanded the matter to the Metropolitan Magistrate for trial. P.R.P. Ramakrishnan has filed a criminal writ petition before the Bombay High Court against MCGM challenging one of the orders passed by the Sessions Court, in relation to the latter matter. The Bombay High Court has granted a stay on the proceedings at the Metropolitan Magistrate until further orders. The matters are currently pending.

9. The MCGM has filed a criminal complaint before the Metropolitan Magistrate, 39th Court, Mumbai, against the Company and Nilesh Mahajan, Chief Engineer, Taj Lands End Hotel, Mumbai ("**Taj Lands End**") and Marshall Dias, Human Resources Executive, Taj Lands End for operating electrical equipment in the bakery, confectionary and laundry at Taj Lands End, Mumbai without obtaining a valid license in terms of Section 390 of the MMC Act. Pursuant to a report based on an inspection conducted by the Assistant Engineer, Building and Factory Department, summons was issued to Taj Lands End and the executives. The Company replied to the report requesting the MCGM not to take any action in the matter as similar issues were raised in a criminal writ petition before the Bombay High Court. The MCGM has filed an application for process before the Metropolitan Magistrate, 39th Court. The matter is currently pending.

10. Phonographic Performance Limited (the "**PPL**") has filed a criminal complaint before the Metropolitan Magistrate, Patiala House Court, New Delhi (the "**MM**") against the Company, Raymond N. Bickson, erstwhile Managing Director of the Company and Arvind Bhargava, General Manager (Legal) of the Company for infringement of copyright by not obtaining valid public performance licenses for events held on Christmas eve and New Year's eve at the premises of Taj Palace Hotel, New Delhi. PPL has also sought that a first information report be filed against the Company, Raymond N. Bickson, erstwhile Managing Director of our Company, and Arvind Bhargava. The MM has directed the Investigation Officer, Chanakyapuri Police Station, New Delhi (the "**Investigation Officer**") to file an action taken report before the MM. The Investigation Officer has issued a notice to Taj Palace Hotel, New Delhi for joining the investigation. Taj Palace Hotel, New Delhi has filed its reply before the Investigation Officer and an action taken report has been filed by the Investigation Officer before the MM. The matter is currently pending.

11. The Chief Enforcement Officer, in the Enforcement Directorate, Reserve Bank of India ("**RBI**"), Mumbai (the "**ED**"), has filed five criminal complaints before the Metropolitan Magistrate, Esplanade, against the Company and others, alleging, certain exchange control violations, including utilization of funds for purposes without obtaining the requisite RBI approval and the failure to repatriate dues within a prescribed time period, under the erstwhile Foreign Exchange Regulation Act, 1973 read with the Foreign Exchange Management Act, 1999. The matters are currently pending.

Civil Proceedings

1. Sonia Raj Sood, (the "Petitioner") has filed a public interest litigation before the Bombay High Court against the Company and others, in relation to a proposed convention centre-cum-hotel on a plot of land at Bandstand, Bandra, Mumbai, which was acquired by the Company by way of purchase of shares in the sub-lessee company, ELEL Hotels and Investments Limited ("ELEL"). In 1979, ELEL had constructed Hotel Sea Rock on the leased land which was subsequently demolished in 2009. The Ministry of Environment and Forests (the "MoEF") approved reconstruction of the hotel with FSI of 2.49. Subsequently, the Government of Maharashtra approved sanction of additional FSI of 3.00 to the Company for reconstruction of the hotel under the Development Control Rules, 1991, subject to environmental clearance from the MoEF. The Petitioner has, inter alia, alleged that the project is situated on an ecologically sensitive area as the land on which Hotel Sea Rock is to be constructed falls on Coastal Regulation Zone 1, various approvals granted were illegal, non-payment of proper stamp duty on transfer of sub-lease and that FSI had been sanctioned under two different statutes namely, Development Control Rules, 1967 and Development Control Rules, 1991.

   The Bombay High Court has passed an interim order recording the statement of the Company that it shall not commence work on the site till the application pending with the MoEF is decided. If the MoEF grants clearance to the said project, in that case, a four weeks' notice is to be given to the Petitioner, prior to the commencement of the work. Similarly, in case commencement certificate is to be issued, three weeks' notice is to be given to the Petitioner. The matter is currently pending.

Notices

1. Taj Palace Hotel, New Delhi, has received a notice from the New Delhi Municipal Council ("**NDMC**") under Section 72 of the New Delhi Municipal Council Act, 1994 (the "**Notice**") for payment of revised property tax. The Company has been paying property tax to the NDMC on the basis of the cost of construction method for the period from 1983-84 to 1998-99 and created a demand of ₹ 42.54 crores. From the year 1983 onwards, the Company has received demands from the NDMC for payment of property tax in accordance with chapter V of the Delhi Rent Control Act, 1958. The Company had objected to the method of assessment of property tax, revision in the rateable value and the notice issued by NDMC.

   In 1996, the Company had filed a writ petition before the Delhi High Court challenging the assessment of property tax by the NDMC. The Delhi High Court had set aside the demand for property tax and remanded the matter to the NDMC for reassessment. Subsequently, in 1999, the NDMC passed an assessment order partly allowing the objections filed by the Company and revising the property tax rate demanded from the Company for the years 1998-99 and 1999-2000. Several cases had also been filed against the NDMC by others challenging the assessment of property tax by the NDMC and all the assessments by NDMC were quashed by various courts and matters were remanded to the NDMC for reassessment of property tax.

   Meanwhile, new bye-laws were notified under the New Delhi Municipal Council Act, 1994 in relation to property tax which came into effect on April 1, 2009. There are four notices pending against the Company, pursuant to which, the annual rateable value of the Taj Palace Hotel, New Delhi was proposed to be revised by the NDMC. The Company has filed objections against each of these notices, and the matters are currently being heard by the NDMC.

2. The Enforcement Directorate, Mumbai (the "ED"), had issued 47 show cause notices under the erstwhile Foreign Exchange Regulation Act, 1973 to the Company and others in respect of certain alleged exchange control violations including but not limited to irregular reporting; utilization of fund for other purposes without obtaining general and/or special permission of the Reserve Bank of India ("RBI"); failure to repatriate dues within the prescribed time period; misutilization of funds borrowed and/or accrued from overseas operations into second and third generation companies created without obtaining RBI permission; diversion of overseas loans raised by the Company without RBI approval, for the period prior to 1998. Out of the above 47 show cause notice, the office of Special Director of Enforcement, Enforcement Directorate has passed an order dated September 5, 2017 in seven show causes notices and imposed a penalty of ₹ 10.89 crores on the Company. All other show cause notices are pending hearing and disposal.

Litigation by our Company

Criminal Proceedings

1. Sanjeev Kadian, Security Officer of Taj Mahal Hotel, New Delhi (the "**Hotel**"), in his capacity as a representative of our Company, has registered an FIR with the Tughlaq Road Police Station, New Delhi, against Kunwar Pradeep Thukral (the "**Accused**") for alleged trespass and unauthorised presence at a private function being held at the Hotel. Subsequently, criminal proceedings were initiated before the Metropolitan Magistrate, Patiala House, New Delhi (the "**Court**"), and pursuant to an order passed by the Court, non-bailable warrants were issued against the Defendant. The matter is currently pending.

2. The Company has filed a case before the Court of the Metropolitan Magistrate, Girgaon, Mumbai ("Court"), against Simikumar Chawla (the "Accused"), a former Vice President, Internal Audit, of our Company alleging that certain properties given to the her in accordance with her letter of appointment, were wrongfully witheld upon termination of her employment with the Company. The matter is currently pending.

3. The Company, through one of its employees, Sunil Singh, has filed a first information report with the Police Station, Shahnagar, Jodhpur, against Raju Singh, a casual worker in Hari Mahal Hotel, Jodhpur in relation to alleged theft of various items, including a mobile phone. Subsequently, criminal proceedings were instituted before the Additional Chief Judicial Magistrate (Junior Division), Jodhpur and the matter is currently pending.

4. 21 cases under the Negotiable Instruments Act, 1881, in relation to matters of dishonor of cheque and cheque bounce due to insufficient funds have been filed by our Company and are pending before various

forums, including, Metropolitan Magistrate Andheri, Mumbai, Metropolitan Magistrate, Delhi, Metropolitan Magistrate, Thane, Magistrate Court, Panaji, District Court, Saket, District Court, Surat Magistrate Court, Alipore, Additional Chief Judicial Magistrate, Jodhpur and Metropolitan Magistrate, Udaipur. The aggregate amount demanded is approximately ₹1.66 crores, to the extent quantifiable. The matters are currently pending.

Civil Proceedings

1. The Company had been granted a plot for TMP Hotel by way of three long term leases executed with the trustees of the Mumbai Port Trust (the "**Mumbai Port Trust**") which expired in 1999 and 2001, respectively. The Company made applications to the Mumbai Port Trust requesting renewal of the terms of the lease deeds which should be made to run concurrently for a period of 99 years. Meanwhile, the Mumbai Port Trust had revised general rent rates for all its properties which were being challenged before the Bombay High Court and the Supreme Court by other tenants. Pending the approval of the revised rent by the courts, the Mumbai Port Trust renewed the lease of TMP Hotel for a term of 30 years on revised rates. The Company agreed to such renewal without prejudice to its right to get the leases renewed for a period of 99 years. In 2006, the Mumbai Port Trust further revised the rent, pursuant to its decision that all companies having a paid up capital exceeding ₹ 1 crore would be exempt from the Maharashtra Rent Control Act with effect from September 1, 2006.

   The Mumbai Port Trust by way of several letters alleged that the Company is liable for alleged unauthorised construction of mezzanine floors of TMP Hotel and arrear in the revised lease rental terms of 2006, in service tax and has consequently delayed renewal of the lease. The Company also received notices issued by the Mumbai Port Trust for termination of the lease of TMP Hotel under the provisions of the Public Premises (Eviction of Unauthorised Occupants) Act, 1971. Consequently, the Company filed a suit before the Bombay High Court challenging the said notices as illegal, arbitrary and unreasonable and notice of motion has also been filed for relief for stay of the said two notices of termination. The Mumbai Port Trust filed a statement before the Bombay High Court that it shall not give effect to its notice of termination during the pendency of the suit and the statement continues to be in force till date.

   Subsequently, the Mumbai Port Trust has filed a notice of motion with the Bombay High Court requesting expedition of the matter and vacation of the earlier order of interim relief. The matter is currently pending.

Litigation against our Subsidiaries

Criminal Proceedings

1. Pawan Kumar, Food Inspector, Nagar Nigam, Lucknow, filed a criminal complaint before the Chief Judicial Magistrate, First Class, Lucknow, against Ravi Prakash Saxena and Abhay Apte, in their capacity as representatives of one of our Subsidiaries, PIEM Hotels Limited, in relation to a sample of chocolate taken from the Taj Residency, Lucknow, found to be in contravention of the Prevention of Food Adulteration Act, 1954 and the rules thereunder. The matter is currently pending.

2. Three criminal complaints have been filed by the Food Inspector, Nagar Nigam, Varanasi before the District Courts, Varanasi against certain executives of one of our Subsidiaries, Benaras Hotels Limited, for violation of the provisions of the Prevention of Food Adulteration Act, 1954 and rules made thereunder in relation to misbranding of food items in two of such complaints and adulterated samples of food collected from Taj Ganges Hotel, Varanasi (now known as The Gateway Hotel Ganges, Varanasi), a unit of Benaras Hotels Limited in the third. Sunil Vig, one of the former executives of the Benaras Hotels Limited, against whom the complaint in respect of adulteration of food was filed, was discharged by an order of the First Additional Chief Judicial Magistrate, Varanasi, which in appeal before the High Court of Judicature, Allahabad, passed an order remanding the proceedings to a lower court for fresh trial. The matters are currently pending.

3. M. Bhuyan, Food Inspector, Kamprup (Metro) District, Guwahati, has filed a criminal complaint before the Additional Chief Judicial Magistrate, Kamrup, against one of our Subsidiaries, Roots Corporation Limited, in relation to a sample of paneer to be adulterated on inspection under the Prevention of Food Adulteration Act, 1954. The matter is currently pending.

4. Ramya Nair has filed a criminal complaint before the Metropolitan Magistrate, New Delhi, against Rajeev

Kumar Sharma, chef at Taj SATS Air Catering Limited, New Delhi, and other employees of a Costa Coffee outlet in Connaught Place, New Delhi in relation to a blade found in a sandwich which was, in turn, supplied by Taj SATS Air Catering Limited. A notice was issued to the Managing Director of Taj SATS Air Catering Limited, New Delhi, and Rajeev Kumar Sharma by the Station House Officer, Connaught Place, New Delhi. Bail has been granted to Rajeev Kumar Sharma. The matter is currently pending.

5. Adjudicating Officer, Directorate of Enforcement, Delhi Zonal Office, New Delhi has initiated adjudication proceedings against Taj Trade and Transport Company Limited, including, certain of its directors, on the grounds that they had failed to realize the proceeds from the export of certain goods by Taj Trade and Transport Company Limited, for a total amount of ₹ 0.07 crores. Pursuant to an order (the "**Order**"), penalty of ₹ 10.10 lakhs was imposed on Taj Trade Transport Company Limited and penalty of ₹ 0.03 lakhs was imposed on each of the directors. Against such Order, Taj Trade and Transport Company Limited, and the directors filed an appeal before the Appellate Tribunal for Foreign Exchange, New Delhi. The matter is currently pending.

Litigation by our Subsidiaries

Criminal Proceedings

1. Seven cases under the Negotiable Instruments Act, 1881, in relation to matters of dishonor of cheque and cheque bounce due to insufficiency funds have been filed by one of our Subsidiaries, PIEM Hotels Limited, and are pending before various forums, namely, Chief Metropolitan Magistrate Esplanade Courts, Mumbai, and the Additional Chief Judicial Magistrates Court, Lucknow. The aggregate amount demanded is approximately ₹0.11 crores, to the extent quantifiable. The matters are currently pending.

Action initiated by SEBI against the Entities operating in the Securities Market with which Directors are associated

There are no entities which operate in the securities market with which our Directors are associated.

GOVERNMENT AND OTHER APPROVALS

We are required to obtain approvals, registrations, permits and licenses under applicable law at various stages for the construction, management and operation of hotels and related assets which includes health licenses, environmental clearances, lodging house licences, no objection certificate from the chief fire officer, bar and liquor licences, permissions to use land for commercial purpose, approval for claiming income tax incentives. The requirement for such approvals for a particular hotel property may vary based on factors such as the legal requirement in the state in which the property is situated, the size of such hotels and the type of hotel or lodging service. Further, our obligation to obtain such approvals arises in the construction, management and operation of our hotels and related assets and applications for such approvals are made at the appropriate stage.

We have obtained necessary consents, licenses, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business.

In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we shall apply for their renewal.

We have set out below, details of certain approval relating to four of our key hotel properties, namely, Taj Mahal Palace, Mumbai, Taj Lands End, Mumbai, Taj Mahal Hotel, New Delhi and Taj Palace Hotel, New Delhi, which have expired and applications for renewal have been made:

Taj Mahal Palace, Mumbai

1. Application dated April 4, 2017 made to the Member Secretary, Mumbai Pollution Control Board for consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Municipal Solid Waste (Management and Handling) Rule 2000.

2. Application dated December 1, 2016 made to the Senior Inspector, Colaba Police Station, Colaba for renewal of the premises licenses for the years 2015-16 and 2016-17.

3. Application dated June 20, 2017 made to the Public Works Department, Mumbai for grant of permission to service electrical installations for the year 2017-18.

4. Application dated November 21, 2016 made to the Senior Inspector of Police, Colaba Police Station, Mumbai for the renewal of establishment license.

Taj Lands End, Mumbai

1. Application dated September 5, 2017 made to the Licensing Authority under the Food Safety and Standards Authority of India, 2006 for obtaining license regarding food business operations at Taj Lands End, Mumbai.

Taj Mahal Hotel, New Delhi

1. Application dated November 20, 2014 made to the Chairman, Hotel & Restaurant Approval & Classification Committee, Department of Tourism, New Delhi for re-reclassification of the Taj Mahal Hotel, New Delhi as a five star deluxe hotel.

2. Application dated March 2, 2017 made to the Deputy Labour Commissioner, the Registering Office (CD & NDD), Office of the Deputy Labour Commissioner, under the Contract Labour (Regulations and Abolition) Act, 1970 for renewal of the certificate of registration for the year 2017-18.

3. Application dated August 3, 2017 made to the Director, Fire Service for renewal of the no objection certificate granted to the Taj Mahal Hotel, New Delhi.

Taj Palace Hotel, New Delhi

1. Application dated March 16, 2017 made to the Medical Officer Health, Health Department – License, NDMC under the NDMC Act, 1994, for renewal of dhaba / trade license for Capital Kitchen, Masala Art, Spicy Duck Restaurant and Bar, Orient Express at the Taj Palace Hotel, New Delhi for the years 2017-18, 2018-

19 and 2019-20.

2. Application dated March 16, 2017 made the Medical Officer Health, Health Department – License, NDMC under the NDMC Act, 1994, for renewal of laundry license for the Taj Palace Hotel, New Delhi for the years 2017-18, 2018-19 and 2019-20.

3. Application dated March 16, 2017 made to the Medical Officer Health, Health Department – License, NDMC under the NDMC Act, 1994, for renewal of the lodging house license for the Taj Palace Hotel, New Delhi for the years 2017-18, 2018-19 and 2019-20.

4. Application dated March 10, 2017 made to the Joint Commissioner of Police (Licensing), New Delhi under the NDMC Act, for renewal of the lodging house license at the Taj Palace Hotel, New Delhi for the years 2017-18, 2018-19 and 2019-20.

5. Application dated March 10, 2017 made to the Joint Commissioner of Police (Licensing), New Delhi, under the NDMC Act, 1994 for renewal of eating house licenses for Capital Kitchen, Masala Art, Spicy Duck Restaurant and Bar, Orient Express at the Taj Palace Hotel, New Delhi for the years 2017-18, 2018-19 and 2019-20.

6. Application dated March 12, 2017 made to the Registering Officer (CD & NDD), Office of the Deputy Labour Commissioner, New Delhi under the Contract Labour (Regulation and Abolition) Act, 1970 for renewal of the certificate of registration for contract labour at the Taj Palace Hotel, New Delhi for the year 2017-18.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at its meeting held on August 21, 2017, pursuant to Section 62(1)(a) of the Companies Act. The Issue Price of ₹[●] for each Equity Share has been arrived at, in consultation with the Lead Manager.

The Company has received in-principle approvals from the BSE and the NSE for listing of the Equity Shares to be allotted in the Issue pursuant to letters dated September [●], 2017 and September [●], 2017, respectively.

RBI Letter with respect to renunciation

The Company has applied to the RBI, pursuant to the letter dated September 7, 2017, for obtaining its approval in relation to the renunciation of Rights Entitlement of the Equity Shares in the following manner:

(i) by the resident Equity Shareholder in India in favour of any person resident outside India (other than OCBs);

(ii) by the resident Equity Shareholder (other than OCBs) outside India in favour of any person resident in India. If the non-resident transferees include FPIs, the individual as well as overall limit should be complied with;

(iii) by the resident Equity Shareholder outside India to any other person resident outside India (other than OCBs).

In the above cases, the Company shall ensure that the Equity Shares will not be allotted at a price that is lower than the price at which Equity Shares are allotted/ issued to resident Indians.

Any renunciation: (i) from resident Indian Equity Shareholder(s) to non-resident(s); (ii) from non-resident Shareholder(s) to resident Indian(s); or (iii) from a non-resident Shareholder(s) to other non-resident(s), and subscription of Equity Shares by such renouncee are subject to the renouncer(s)/ renouncee(s) obtaining the requisite regulatory approvals and such requisite approvals should be attached to the CAF or SAF. In case of applications which are not accompanied by the aforesaid approvals, the Board reserves the right to reject such application.

Prohibition by SEBI or Other Governmental Authorities

The Company, the Promoter, the members of the Promoter Group, the Directors, the persons in control of the Company and persons in control of Promoter have not been prohibited from accessing or operating the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoter, the Directors or the persons in control of the Company are or were associated as promoters, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

No action has been initiated by SEBI against the entities operating in the securities market with which the Directors are associated.

Prohibition by RBI

None of the Company, the Promoter, the members of the Promoter Group or the Group Companies have been identified as Wilful Defaulters.

Eligibility for the Issue

The Company is a listed company and has been incorporated under the Indian Companies Act, 1882. The Equity Shares of the Company are presently listed on the Stock Exchanges. This Issue is being undertaken in terms of Chapter IV of the SEBI ICDR Regulations.

Compliance with Regulation 4(2) of the SEBI ICDR Regulations

The Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

Compliance with Regulation 10 of the SEBI ICDR Regulations

The Company is in compliance with Regulation 10 of the SEBI ICDR Regulations which is provided below, and accordingly eligible to undertake this Issue by way of a 'fast track issue'.

(i) the Equity Shares have been listed on the Stock Exhanges, each being a recognized stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

(ii) the average market capitalization of public shareholding of the Company is at least ₹ 250 crores;

(iii) the annualized trading turnover of the Equity Shares during the six calendar months immediately preceding the month of the date of filing this Letter of Offer with the designated stock exchange has been at least 2% of the weighted average number of equity shares available as free float during such six months' period;

(iv) the Company has redressed at least 95% of the complaints received from the investors till the end of the quarter immediately preceding the month of the date of filing this Letter of Offer with the designated stock exchange;

(v) the Company has been in compliance with the equity listing agreement and the provisions of the SEBI LODR Regulations, including with respect to the composition of the Board, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the designated stock exchange;

(vi) the impact of auditors' qualifications, if any, on the audited accounts of the Company in respect of those financial years for which such accounts are disclosed in the offer document does not exceed 5% of the net profit or loss after tax of the Company for the respective years;

(vii) no show-cause notices have been issued or prosecution proceedings initiated by SEBI or pending against the Company or its promoters or whole time directors, as on the date of filing the Letter of Offer with the designated stock exchange;

(viii) the Company or its promoters or members of its promoter group or its directors have not settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI during the three years immediately preceding the date of filing the Letter of Offer with the designated stock exchange;

(ix) the entire shareholding of the Promoter Group is held in dematerialised form, as on the date of filing this Letter of Offer with the designated stock exchange;

(x) the Promoter and the Promoter Group shall mandatorily subscribe to their rights entitlement and shall not renounce their rights, except to the extent of renunciation within the promoter group or for the purpose of complying with minimum public shareholding norms prescribed under Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended;

(xi) the Equity Shares have not been suspended from trading as a disciplinary measure during the last three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

(xii) the annualized delivery-based trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing this Letter of Offer with the designated stock exchange, has been at least 10% of the weighted average number of Equity Shares listed, during such six month period; and

(xiii) there is no conflict of interest between the Lead Manager and the Company or its group or associate companies, in accordance with applicable regulations.

Compliance with Part E of Schedule VIII of the SEBI ICDR Regulations

The Company is in compliance with the provisions specified in Clause (1) of Part E of Schedule VIII of the SEBI ICDR Regulations as explained below:

(a) The Company has been filing periodic reports, statements and information in compliance with the listing agreement for the last three years immediately preceding the date of filing of this Letter of Offer with the

Designated Stock Exchange.

(b) The reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE and the NSE or on a common e-filing platform specified by SEBI.

(c) The Company has an investor grievance mechanism which includes meeting of the Shareholders or Investors' Grievance Committee at frequent intervals, appropriate delegation of power by the Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As the Company satisfies the conditions specified in Clause (1) of Part E of Schedule VIII of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (5) of Part E of Schedule VIII of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE LEAD MANAGER, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE LETTER OF OFFER PERTAINING TO THE ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, TO THE EXTENT APPLICABLE, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE

REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.

(4) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATPORY AUTHORITY.

(5) WE CONFIRM THAT THE ISSUER IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 10 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION, BY THE ISSUER, HAS ALSO BEEN DISCLOSED IN THE LETTER OF OFFER.

(6) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFEREF THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH THE PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR THE OPENING AND CLOSING OF THE ISSUE HAVE BEEN GIVEN – COMPLIED WITH AND NOTED FOR COMPLIANCE.

(7) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.

(8) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER – NOT APPLICABLE

(9) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE LETTER OF OFFER – NOT APPLICABLE

(10) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE

(11) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM

OF ASSOCIATION.

(12) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - NOT APPLICABLE FOR A RIGHTS ISSUE. TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE SEBI ICDR REGULATIONS.

(13) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES, IN DEMAT OR PHYSICAL MODE.

(14) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(15) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

(16) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE.

(17) WE CONFIRM THAT THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE

(18) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR THE DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.

(19) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

(20) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

(21) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY LEAD MANAGER BELOW (WHO IS RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR DATED SEPTEMBER 27, 2011. NOT APPLICABLE

(22) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS LETTER OF OFFER.

(23) WE CERTIFY THA AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THIS LETTER OF OFFER – NOT APPLICABLE

The filing of this Letter of Offer does not, however, absolve the Company from any liabilities under Section 34 or Section 36 of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Manager any irregularities or lapses in this Letter of Offer.

Disclaimer clauses from the Company and the Lead Manager

The Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by the Company or by any other persons at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to the Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

The Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is [●].

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to the Company, post scrutiny shall be included in this Letter of Offer prior to filing of this Letter of Offer with the Stock Exchanges.

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to the Company, post scrutiny shall be included in this Letter of Offer prior to filing of this Letter of Offer with the Stock Exchanges.

Selling Restrictions

Each person who exercises Rights Entitlement and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlement or Equity Shares shall do so in accordance with the restrictions set out below.

The distribution of this Letter of Offer and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. The Company is making this Issue on a rights basis to the Eligible Equity Shareholders of the Company and will dispatch this Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to the Company. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other material relating to the Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI.

Accordingly, none of this Letter of Offer or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction outside India and the Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in the Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither the Company, nor any person acting on behalf of the Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who the Company, or any person acting on behalf

of the Company, has reason to believe is, in the United States of America when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer. The Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to the Company. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States of America when the buy order is made, and (ii) is authorized to acquire the Rights Entitlement and the Equity Shares in compliance with all applicable laws and regulations.

The Company, in consultation with the Lead Manager, reserves the right to treat as invalid any CAF which: (i) appears to the Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the CAF to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; (iii) where a registered Indian address is not provided; or (iv) where the Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and the Company shall not be bound to issue or allot any Equity Shares in respect of any such CAF.

Australia

This document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

Any offer of the Rights Entitlements or Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder (or a Lead Manager) under the Offer, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and Equity Shares should observe such Australian on-sale restrictions.

Bahrain

This document has been prepared for private information purposes of intended investors only who will be accredited investors. For this purpose, an "accredited investor" means: (i) an individual holding financial assets (either singly or jointly with a spouse) of US$1,000,000 or more; (ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than US$1,000,000; or (iii) a government, supranational organization, central bank or other national monetary authority or a state organization whose main activity is to invest in financial instruments (such as a state pension fund). This document is intended to be read by the addressee only.

No invitation has been made in or from the Kingdom of Bahrain and there will be no marketing or offering of the Rights Entitlements and Equity Shares to the public in Bahrain. All applications for investment should be received, and any allotments should be made, in each case outside of the Kingdom of Bahrain. None of the Central Bank of Bahrain, the Bahrain Stock Exchange or any other regulatory authority in Bahrain has reviewed, nor has it approved, this document or the marketing of Rights Entitlements and Equity Shares and takes no responsibility for the accuracy of the statements and information contained in this document, nor shall it have any liability to any person for any loss or damage resulting from reliance on any statements or information contained herein. This document is not subject to the regulations of the Central Bank of Bahrain that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain.

Canada

No offer or invitation to purchase Rights Entitlements or Equity Shares is being made in Canada.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented Directive 2003/71/EC (and any amendment thereto, including Directive 2010/73/EU, to the extent implemented in each relevant European Economic Area Member State) and any relevant implementing measure in each relevant European Economic Area Member State (the ''**Prospectus Directive**'') (each a ''**Relevant Member State**''), an offer to the public of any Rights Entitlements and Equity Shares in the Issue may not be made in that Relevant Member State, except if the Rights Entitlements and Equity Shares in the Issue are offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than a person that is a qualified investor as defined in the Prospectus Directive) subject to obtaining the prior consent of the International Selling Agents for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Rights Entitlements and Equity Shares in the Issue shall result in a requirement for the publication by the Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Rights Entitlements and Equity Shares in the Issue to the public" in relation to any of the Rights Entitlements and Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Rights Entitlements and Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Rights Entitlements and Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Rights Entitlements and Equity Shares under, the offers contemplated in this document will be deemed to have represented, warranted and agreed to and with the Company and the Lead Manager that:

(a) it is a qualified investor within the meaning of the law in that Relevant Member State which has implemented Article 2(1)(e) of the Prospectus Directive; and

(b) in the case of any Rights Entitlements and Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Rights Entitlements and Equity Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Company has been given to the offer or resale; or (ii) where the Rights Entitlements and Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Rights Entitlements and Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

Ghana

No offer or invitation to purchase Rights Entitlements or Equity Shares is being made in Ghana.

Hong Kong

The Rights Entitlements and Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to ''professional investors'' within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a ''prospectus'' within the

meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Rights Entitlements and Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to ''professional investors'' within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Indonesia

No offer or invitation to purchase Rights Entitlements or Equity Shares is being made in the Republic of Indonesia.

Japan

The Rights Entitlements and Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "FIEA") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and Equity Shares. No Rights Entitlements or Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("Japanese Resident") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "Qualified Institutional Investor"), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Equity Shares (the "QII Rights Entitlements and Equity Shares") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and Equity Shares other than to another Qualified Institutional Investor.

Kenya

No offer or invitation to purchase Rights Entitlements or Equity Shares is being made in Kenya.

Kuwait

No offer or invitation to purchase Rights Entitlements or Equity Shares is being made in Kuwait.

Malaysia

No approval of the Securities Commission of Malaysia has been or will be obtained in connection with the offer and sale of the Rights Entitlements or Equity Shares in Malaysia nor will any prospectus or other offering material or document in connection with the Issue be registered with the Securities Commission of Malaysia. Accordingly, the Rights Entitlements or Equity Shares may not be offered or sold, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia.

New Zealand

This Letter of Offer and the CAF are being distributed in New Zealand only to persons who certify that they are "wholesale investors" within the meaning of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 of New Zealand. By accepting the Letter of Offer, each investor represents and warrants that if they receive the Letter

of Offer in New Zealand they are a wholesale investor and they will not disclose the Letter of Offer or the CAF to any person who is not also a wholesale investor.

Sultanate of Oman

This document does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No.1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Rights Entitlements and Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this document is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this document or for the performance of the Company or the Rights Entitlements and Equity Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

People's Republic of China

The Offering Materials, may not be circulated or distributed in the People's Republic of China and Rights Entitlements and Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or resale directly or indirectly to any resident of the People's Republic of China except pursuant to applicable laws and regulations of the People's Republic of China. The Lead Manager has represented and agreed that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Rights Entitlements and Equity Shares in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) as part of the Issue. We do not represent that the Offering Materials may be lawfully distributed, or that any Rights Entitlements and Equity Shares may be lawfully offered, in compliance with any applicable registration or other requirements in the People's Republic of China, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us which would permit a public offering of any Rights Entitlements and Equity Shares or distribution of this document in the People's Republic of China. Accordingly, the Rights Entitlements and Equity Shares are not being offered or sold within the People's Republic of China by means of the Offering Materials or any other document. Neither the Offering Materials nor any advertisement or other offering material may be distributed or published in the People's Republic of China, except under circumstances that will result in compliance with any applicable laws and regulations.

Qatar (excluding the Qatar Financial Centre)

This document and the offering of the Rights Entitlements and Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorised, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Rights Entitlements and Equity Shares in the State of Qatar. Accordingly, the Rights Entitlements and Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Rights Entitlements and Equity Shares and distribution of this document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Rights Entitlements and Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "QFC"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. The Company and the Lead Manager have not been approved or licensed by or registered with any licensing authorities within the QFC.

Singapore

This Letter of Offer has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Letter of Offer and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Rights Entitlements and Equity Shares, whether directly or indirectly, is not issued or made to persons in Singapore other than (a) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Equity Shares are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor:

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the Securities and Futures Act except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the Securities and Futures Act; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

South Africa

No offer or invitation to purchase Rights Entitlements or Equity Shares is being made in South Africa.

Switzerland

The Rights Entitlements and Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in

Switzerland. Neither this document nor any other offering or marketing material relating to the Rights Entitlements and Equity Shares or the Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Rights Entitlements and Equity Shares or the Issue or the Company have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), and the Issue has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Rights Entitlements and Equity Shares.

The Rights Entitlements and Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Rights Entitlements and Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Rights Entitlements and Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Rights Entitlements and Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Thailand

No offer or invitation to purchase Rights Entitlements or Equity Shares is being made in Thailand.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the "UAE") or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of such securities. This Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Rights Entitlements and Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and

made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

United Kingdom

The Lead Manager has represented and warranted that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") in connection with the issue or sale of the Rights Entitlements and Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Rights Entitlements and Equity Shares in, from or otherwise involving the United Kingdom.

This Letter of Offer and any investment or investment activity to which this document relates is directed only at, available only to, and will be engaged in only with (i) persons who are outside the United Kingdom (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (iii) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iv) or persons to whom it can otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it or any of its contents.

United States of America

None of the Rights Entitlements or Equity Shares of the Company have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the US Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Filing

This Letter of Offer will be filed with the Designated Stock Exchange and submitted to SEBI

Issue Related Expenses

The expenses of the Issue payable by the Company include brokerage, fee and reimbursement to the Lead Manager, Legal Advisors to the Issue, Registrar, printing and distribution expenses, publicity, listing fee, stamp duty and other expenses and will be met out of the Issue Proceeds. For further details, please see the section entitled "Objects of the Issue" on page [●].

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the SAF, the Memorandum of Association and the Articles of Association of the Company, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of Listing Agreements entered into by the Company with the Stock Exchanges and terms and conditions as stipulated in the allotment advice or security certificate.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹200,000, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process.

Please note that in accordance with the provisions of the SEBI Circular CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 must mandatorily invest through the ASBA process (including the locations where the ASBA facility is available). All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process or apply through the non-ASBA process. Renouncees and Physical Shareholders are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the application amounts.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see section the section entitled "Terms of the Issue - Procedure for Application" on page [●].

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in the Issue and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights or obligations of the Eligible Equity Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors of the Company passed at their meeting held on August 21, 2017 pursuant to Section 62 of the Companies Act.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to the existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form and on the register of members of the Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Eligible Equity Shareholder of the Company in respect of the Equity Shares held in physical form as on the Record Date, being [●], you are entitled to the number of Equity Shares as set out in Part A of the CAF.

The Company is making this Issue on a rights basis to the Eligible Equity Shareholders of the Company and will dispatch this Letter of Offer, Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to the Company. The distribution of this Letter of Offer, Abridged Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with SEBI and the Stock Exchanges. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Letter of Offer. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, Abridged Letter of Offer and the CAFs, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be in any restricted jurisdiction.

PRINCIPAL TERMS OF THE ISSUE

Face Value

Each Equity Share will have the face value of ₹1.

Issue Price

Each Equity Share is being offered at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) in the Issue.

Rights Entitlement Ratio

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Equity Shares for every [●] Equity Shares held on the Record Date.

Terms of Payment

Full amount of ₹[●] per Equity Share is payable on application.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Shares for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement in the Rights Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given

preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the CAF shall be non-negotiable.

Ranking

The Equity Shares to be issued and allotted pursuant to the Rights Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company. The Equity Shares to be issued and allotted under this Issue shall rank *pari passu* with the existing Equity Shares of the Company, in all respects including dividends.

Listing and trading of the equity shares of the Company to be issued pursuant to the Issue

The existing Equity Shares of the Company are listed and traded on BSE (Scrip Code: 500850) and NSE (Scrip Code: INDHOTEL). The Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the BSE and the NSE subject to necessary approvals. All steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within 12 Working Days of the Issue Closing Date. The Company has received in-principle approval from the BSE through letter no. [●] dated [●] and from NSE through letter no. [●] dated [●].

The Company's existing Equity Shares are currently traded on the BSE under the ISIN INE053A01029. The Equity Shares which will be allotted pursuant to this Issue shall be listed for trading on the BSE and the NSE under the existing ISIN as fully paid Equity Shares of the Company.

The Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares shall be taken within seven working days of finalization of the Basis of Allotment.

The listing and trading of the Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

Subscription to the Issue by the Promoter and the Promoter Group

Our Promoter, Tata Sons Limited, intends to subscribe, on its own account, to the full extent of their rights entitlement in the Issue in accordance with Regulation 10(4)(a) of the Takeover Regulations. In addition, our Promoter intends to subscribe, on its own account, to (i) the full extent of any rights entitlement that may be renounced in its favour by any of the members of the Promoter Group including by Sir Dorabji Tata Trust, Lady Tata Memorial Trust and Sir Ratan Tata Trust (the "**Trusts**"); and (ii) any unsubscribed portion in the Issue to ensure subscription to the extent of 100% of the total Issue, in accordance with Regulation 10(4)(b) of the Takeover Regulations.

The Trusts, which are members of the Promoter Group, have undertaken to renounce their rights entitlement to the Promoter since subscription to rights entitlement in the Issue would not be covered under the category of eligible investments under the provisions of the Bombay Public Trusts Act, 1950, as amended.

The members of the Promoter Group (other than the Trusts), subject to approval of their respective Board of Directors or a committee thereof, may subscribe, on their own account, to the full extent of their rights entitlement in the Issue or renounce, any or all, of their rights entitlement in favour of our Promoter.

The Company is in compliance, and shall remain in compliance, with the minimum public shareholding requirements as prescribed under the SEBI LODR Regulations after the Issue.

Rights of Equity Shareholders of the Company

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declares;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;

- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, and the Memorandum of Association and the Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of the Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share. In case an Investor holds Equity Shares in the physical form, the Company would issue to the allottees one certificate for the Equity Share allotted to each folio (the "**Consolidated Certificate**"). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Investor.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

The nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Equity Shareholder or all of the joint Eligible Equity Shareholders, as the case may be, shall become entitled to the Equity Shares offered in the Issue. A person, being a nominee, becoming entitled to the Equity Shares by reason of death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered Eligible Equity Shareholder. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Shares, in the event of death of the said Eligible Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Equity Shares are held by more than one person jointly, the nominee shall become entitled to all rights in the Equity Shares only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of the Company or such other person at such addresses as may be notified by the Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act, or any other rules that may be prescribed under the Companies Act, any person who becomes a nominee shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitles, elects to be registered as holders of the Equity Shares himself, he shall deliver to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Equity Shareholder.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with the Company, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the Allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with respective DP of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by the Company shall be published in one English language national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation and/or, will be sent by post to the Indian address of the Eligible Equity Shareholders provided to the Company. However, the distribution of this Letter of Offer, Abridged Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Procedure for Application

The CAF for the Equity Shares offered as part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and Indian address. In case the signature of the Investor(s) does not match with the specimen registered with the Company, the application is liable to be rejected.

Please note that neither the Company nor the Registrar shall be responsible for delay in the receipt of the CAF or the duplicate CAF attributable to postal delays or if the CAF or the duplicate CAF are misplaced in the transit. Eligible Shareholders should note that those who are making an application in such duplicate CAF should not utilise

Please note that QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose application amount is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please also note that by virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required to obtain prior approval from RBI for applying to this Issue.

The CAF consists of four parts:

Part A: Form for accepting the Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Equity Shares;

Part B: Form for renunciation of Equity Shares;

Part C: Form for application of Equity Shares by Renouncee(s); and

Part D: Form for request for split application forms.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies for an investment in Equity Shares, then he can:

- Apply for his Rights Entitlement of Equity Shares in full;
- Apply for his Rights Entitlement of Equity Shares in part;
- Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares;
- Apply for his Rights Entitlement in full and apply for additional Equity Shares; and

- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Equity Shares, either in full or in part, by filling Part A of the CAFs and submit the same along with the application money payable to the Bankers to the Issue or any of the collection centres as mentioned on the reverse of the CAFs before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors in this regard. Investors at centres not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai or a demand draft payable at Mumbai to the Registrar by registered post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither the Company nor the Lead Manager or the Registrar shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in the transit. Such applications sent to anyone other than the Registrar are liable to be rejected. For further details on the mode of payment, please see the sections entitled "*Terms of the Issue - Mode of Payment for Resident Investors*" and "*Terms of the Issue - Mode of Payment for Non-Resident Investors*" on pages [●] and [●], respectively.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section entitled "*Terms of the Issue - Basis of Allotment*" on page [●].

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Where the number of additional Equity Shares applied for exceeds the number of Equity Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

The Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that the Company shall not Allot and/or register the Equity Shares in favour of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors; (iv) HUF; or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities or other laws. Eligible Equity Shareholders may also not renounce in favour of persons or entities in the United States.

RBI Letter with respect to renunciation

The Company has applied to the RBI, pursuant to the letter dated September 7, 2017, for obtaining its approval in relation to the renunciation of Rights Entitlement of the Equity Shares in the following manner:

(i) by the resident Equity Shareholder in India in favour of any person resident outside India (other than OCBs);

(ii) by the resident Equity Shareholder (other than OCBs) outside India in favour of any person resident in India. If the non-resident transferees include FPIs, the individual as well as overall limit should be complied with;

(iii) by the resident Equity Shareholder outside India to any other person resident outside India (other than OCBs).

In the above cases, the Company shall ensure that the Equity Shares will not be allotted at a price that is lower than the price at which Equity Shares are allotted/ issued to resident Indians.

Any renunciation: (i) from resident Indian Equity Shareholder(s) to non-resident(s); (ii) from non-resident Shareholder(s) to resident Indian(s); or (iii) from a non-resident Shareholder(s) to other non-resident(s), and subscription of Equity Shares by such renouncee are subject to the renouncer(s)/ renouncee(s) obtaining the requisite regulatory approvals and such requisite approvals should be attached to the CAF or SAF. In case of applications which are not accompanied by the aforesaid approvals, the Board reserves the right to reject such application.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, the Eligible Equity Shareholders of the Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of Renouncees shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has, however, clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 3, 2000 under the FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of the RBI if the investment is through the automatic route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be the conclusive evidence for the Company of the fact of renouncement to the person(s) applying for Equity Shares in Part 'C' of the CAF for the purpose of Allotment of such Equity Shares. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no right to further renounce any Equity Shares in favour of any other person.

Procedure for renunciation

To renounce all the Equity Shares offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF in the same order. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part or the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Equity Shares, does not match with the specimen registered with the Company or the Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the application money in full.

Change and/or introduction of additional holders

If you wish to apply for Equity Shares jointly with any other person(s), not more than three including you, who is or are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for

renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the CAF:

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A *(All joint holders must sign in the same sequence)*
Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares *(All joint holders must sign in the same sequence)*
Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement to all the Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D *(all joint holders must sign in the same sequence)* requesting for SAFs. Send the CAF to the Registrar so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. (i) For the Equity Shares you wish to accept, if any, fill in and sign Part A. (ii) For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Equity Shares accepted by them.
Renounce your Rights Entitlement in full to one person *(Joint Renouncees are considered as one)*.	Fill in and sign Part B *(all joint holders must sign in the same sequence)* indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C *(all joint Renouncees must sign)*
Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for each SAF should be made for a minimum of one Equity Share or, in each case, in multiples thereof and one SAF for the balance Equity Shares, if any.
- Request by the Investor for the SAFs should reach the Registrar on or before seven days from the Issue Closing Date.
- Only the Eligible Equity Shareholder to whom this Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Investor(s) by post at the Applicant's risk.
- Eligible Equity Shareholders may not renounce in favour of persons or entities who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part B of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Equity Shares in Part C of the CAF to receive Allotment of such Equity Shares.

- While applying for or renouncing their Rights Entitlement, all joint Eligible Equity Shareholders must sign the CAF and in the same order and as per specimen signatures recorded with the Company or the Depositories.

- *Non-resident Eligible Equity Shareholders*: Application(s) received from Non-Resident or NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares allotted as a part of this Issue shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or an NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

- Applicants must write their CAF number at the back of the cheque/ demand draft.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar will issue a duplicate CAF on the request of the Investor who should furnish the registered folio number or DP and Client ID number and his/ her full name and Indian address to the Registrar. Please note that the request for duplicate CAF should reach the Registrar at least seven days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received or found, as the case may be, subsequently. If the Investor violates such requirements, he/ she shall face the risk of rejection of either original CAF or both the applications. The Company or the Registrar to the Issue or the Lead Manager will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque/ demand draft, net of bank and postal charges payable at Mumbai and the Investor should send the same by registered post directly to the Registrar to the Issue. For details of the mode of payment, please see the section entitled "*Terms of the Issue - Modes of Payment*" on page [●]. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super scribed "The Indian Hotels Company Limited – Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with the Company or the Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

- Name of the Company, being The Indian Hotels Company Limited;

- Name and address of the Eligible Equity Shareholder including joint holders;

- Registered Folio Number/ DP and Client ID No.;

- Number of Equity Shares held as on Record Date;

- Share Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;

- Allotment option preferred - physical or demat form, if held in physical form;

- Number of Equity Shares entitled to;

- Number of Equity Shares applied for;

- Number of additional Equity Shares applied for, if any;

- Total number of Equity Shares applied for;

- Total amount paid at the rate of ₹[●] per Equity Share;

- Particulars of cheque/ demand draft;
- Savings or current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- If the payment is made by a draft purchased from NRE or FCNR or NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of the Company or the Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

  *"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

  I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

  I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

  I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. The Company shall refund such application amount to the Eligible Equity Shareholder without any interest thereon.

Last date for Application

The last date for submission of the duly filled in CAF or a plain paper application is [●]. The Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the CAF together with the amount payable is not received by the Banker to the Issue or the Registrar on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board or the Committee of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board or the Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under the section entitled "*Terms of the Issue - Basis of Allotment*" on page [●].

Modes of Payment

Mode of payment for Resident Investors

- All cheques / demand drafts accompanying the CAF should be drawn in favour of "The Indian Hotels Company Limited - Rights Issue" crossed 'A/c Payee only' and should be submitted along with the CAF to the Bankers to the Issue or the Collecting Bank or to the Registrar on or before the Issue Closing Date;

- Investors residing at places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their CAFs together with an account payee cheque/ demand draft for the full application amount, net of bank and postal charges drawn in favour of "The Indian Hotels Company Limited - Rights Issue", crossed 'A/c Payee only' and payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "The Indian Hotels Company Limited – Rights Issue". The Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

Mode of payment for Non-Resident Investors

As regards the application by non-resident Investor, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can obtain application forms from the following address:

  Link Intime India Private Limited
  C-101, 247 Park
  L B S Marg
  Vikhroli (West)
  Mumbai 400 083
  Tel: +91 22 4918 6200
  Fax: +91 22 4918 6195
  E-mail: indhotels.rights2017@linkintime.co.in
  Investor Grievance E-Mail: indhotels.rights2017@linkintime.co.in
  Website: www.linkintime.co.in
  Contact Person: Sumeet Deshpande
  SEBI Registration No.: INR000004058

- Applications will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.

- Non-resident investors applying from places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of "[●]", crossed 'A/c Payee only' payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "[●]". The Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

- Payment by non-residents must be made by demand draft payable at Mumbai/ cheque drawn on a bank account maintained with the Escrow Collection Banks or funds remitted from abroad in any of the following ways:

  Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);

- By cheque/draft drawn on an NRE or FCNR Account with Escrow Collection Banks;
- By Rupee draft purchased by debit to NRE or FCNR Account maintained elsewhere in India and payable at Mumbai;
- FIIs registered with SEBI must utilise funds from special non-resident rupee account;
- Non-resident investors with repatriation benefits should draw the cheques/ demand drafts in favour of "The Indian Hotels Company Limited - Rights Issue - NR", crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centres or to the Registrar;
- Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained with the Escrow Collection Banks or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
- Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of "The Indian Hotels Company Limited - Rights Issue - R", crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centres or to the Registrar;
- Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.
- An Eligible Equity Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of the Company and the Lead Manager.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.
- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Procedure for Application through the ASBA Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA

Process. The Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, the Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that pursuant to the applicability of the directions issued by SEBI through its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) investors whose application amount is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public or rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

Self Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Equity Shares in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of the Company on the Record Date and who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- are applying through a bank account maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of the Company in this regard.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above the number of Equity Shares that you are entitled to, provided that you are eligible to apply for Equity Shares under applicable law and you have applied for all the Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under the section entitled "*Terms of the Issue - Basis of Allotment*" on page [●].

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI Regulations, into a separate bank account maintained by the Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, the Company would have a right to reject the application only on technical grounds.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Investors is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Sr. No.	*Option Available*	*Action Required*
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF *(All joint holders must sign in the same sequence)*
2.	Accept your Rights Entitlement in full and apply for additional Equity Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares *(All joint holders must sign in the same sequence)*

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Option to receive Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Investors applying under the ASBA Process

(a) Please read the instructions printed on the respective CAF carefully.

(b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

(c) The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue or Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to the Company or the Registrar or the Lead Manager.

(d) All Applicants, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Equity Shares pursuant to the Issue shall be made into the accounts of such Investors**.

(e) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the CAF as per the specimen signature recorded with the Company or the Depositories.

(g) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company or the Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(h) All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the

name of the first/sole Applicant, folio numbers and CAF number.

(i) Only the person or persons to whom the Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

(j) Only persons outside the United States and other restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Equity Shares under applicable securities laws are eligible to participate.

(k) Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through the ASBA process.

(l) Eligible Equity Shareholders who have renounced their entitlement in part or in full are not entitled to apply using the ASBA process.

(m) Please note that pursuant to the applicability of the directions issued by SEBI through its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 200,000 complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 can participate in the Issue only through the ASBA process. QIBs, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 200,000 shall use the ASBA facility at various centres where the facility is made available. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) investors whose application amount is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public or rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

(n) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "Terms of the Issue - Application on Plain Paper" on page [●].

Do's:

(a) Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.

(b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.

(c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

(d) Ensure that there are sufficient funds (equal to {number of Equity Shares as the case may be applied for} X {Issue Price of Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

(g) Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the

officials appointed by the courts, each Applicant should mention their PAN allotted under the IT Act.

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(i) Ensure that the Demographic Details are updated, true and correct, in all respects.

(j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

(k) Investors are requested to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under applicable law.

Don'ts:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

(c) Do not pay the amount payable on application in cash, by money order, pay order or postal order.

(d) Do not send your physical CAFs to the Lead Manager, the Registrar, the Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or the Company; instead submit the same to a Designated Branch of the SCSB only.

(e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(f) Do not apply if the ASBA account has been used for five Applicants.

(g) Do not apply through the ASBA Process if you are not an ASBA Investor.

(h) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under section entitled "*Terms of Issue - Grounds for Technical Rejections for non-ASBA Investors*" on page [●], applications under the ABSA Process are liable to be rejected on the following grounds:

(a) Application on a SAF.

(b) Application for allotment of Rights Entitlements or additional Equity Shares which are in physical form.

(c) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

(d) Sending an ASBA application on plain paper to the Registrar.

(e) Sending CAF to Lead Manager, Registrar, Collecting Bank (assuming that such Collecting Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or the Company.

(f) Renouncee applying under the ASBA Process.

(g) Submission of more than five CAFs per ASBA Account.

(h) Insufficient funds are available with the SCSB for blocking the amount.

(i) Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

(j) Account holder not signing the CAF or declaration mentioned therein.

(k) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States or any other restricted jurisdiction and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.

(l) CAFs which have evidence of being executed in or dispatched from any restricted jurisdiction.

(m) QIBs, Non-Institutional Investors and other Eligible Equity Shareholders applying for Equity Shares in this Issue for value of more than ₹ 200,000 who hold Equity Shares in dematerialised form and is not a Renouncer or a Renouncee not applying through the ASBA process.

(n) Application by an Eligible Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 and has not done so through the ASBA process.

(o) Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

(p) Submitting the GIR instead of the PAN.

(q) An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

(r) Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

(s) ASBA Bids by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(t) Applications by Applicants ineligible to make applications through the ASBA process, made through the ASBA process.

(u) Non-Institutional Investors or Non Retail Individual Investors who have a bank account with an SCSB providing ASBA facility in the location of the Non-Institutional Investors or the Non Retail Individual Investors and the application by the Non-Institutional Investors or the Non Retail Individual Investors is not made through that SCSB providing ASBA facility in such location.

Depository account and bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF or the plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Investors such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the CAF would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Investors applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Investor. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of the Company, the SCSBs or the Lead Manager shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date:	**[●]**
Last date for receiving requests for SAFs:	**[●]**
Issue Closing Date:	**[●]**

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association of the Company and the approval of the Designated Stock Exchange, the Board will proceed to allot the Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

(b) Investors whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of the Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that the Board of Directors as it may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of the Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of regulation 3(1)(b) of the Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by the Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices or Refund Orders

The Company will issue and dispatch Allotment advice or share certificates or demat credit and/or letters of regret, as the case may be, along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, the Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("**NACH**") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and the Company issues letter of allotment, the corresponding share certificates will be kept ready within six months from the date of Allotment thereof under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's Indian address provided by the Eligible Equity Shareholders to the Company. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the case of non-resident Shareholders or Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-resident Shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. The Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The share certificate(s) will be sent by registered post or speed post to the Indian address of the Non Resident Shareholders or Investors as provided to the Company.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

2. National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to the Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by the Company.

4. RTGS – If the refund amount exceeds ₹ 200,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the CAF. In the event the same is not provided, refund shall be made through NACH

5. or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by the Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

6. For all other Investors the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and the Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE or FCNR or NRO cheques, refunds will be credited to NRE or FCNR or NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. The Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Share Certificates or Demat Credit

Allotment advice or share certificates or demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing

Date. In case the Company issues Allotment advice, the respective share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Equity Shares in Dematerialized Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. The Company has signed a bipartite agreement with NSDL on July 16, 2003 which enables the Investors to hold and trade in the securities issued by the Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. The Company has also signed a bipartite agreement with CDSL on May 6, 2003 which enables the Investors to hold and trade in the securities issued by the Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Allottees who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/or dematerialized form should be made. If such CAFs are made, the CAFs for physical Equity Shares he Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Equity Shares sought in demat and balance, if any, will be allotted in physical Equity Shares. Eligible Equity Shareholders of the Company holding Equity Shares in physical form may opt to receive Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of the Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of the Company). In case of Investors having various folios in the Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of the Company or the Depositories.

The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.

If incomplete or incorrect beneficiary account details are given in the CAF, the Investor will get Equity Shares in physical form.

The Equity Shares allotted to Applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

Non-transferable allotment advice/ refund orders will be directly sent to the Investors by the Registrar to the Issue.

Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

General instructions for non-ASBA Investors

(a) Please read the instructions printed on the CAF carefully.

(b) Applicants that are not QIBs or are not Non – Institutional Investor or those whose Application money does not exceed ₹ 200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Equity Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.

(c) Application should be made on the printed CAF, provided by the Company except as mentioned stated under the section entitled "*Terms of the Issue - Application on Plain Paper*" on page [●] and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's or husband's name must be filled in block letters.

The CAF together with the cheque or demand draft should be sent to the Bankers to the Issue or the Escrow Collection Bank or to the Registrar and not to the Company or the Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by the Company for collecting applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

Applications where separate cheques or demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stock invest are liable to be rejected.

(d) Except for applications on behalf of the Central and the State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.

(e) Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings or current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

(f) All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

(g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with the Company.

(h) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum of Association and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with the Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

(i) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company or the Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

(j) Application(s) received from NRs or NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of application money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, export of share certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and subsequent issue of equity shares of the Company upon conversion of Equity Shares may be restricted by applicable securities laws.

(k) All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and transfer agents of the Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.

(l) SAFs cannot be re-split.

(m) Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

(n) Investors must write their CAF number at the back of the cheque or demand draft.

(o) Only one mode of payment per application should be used. The payment must be by cheque or demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.

(p) A separate cheque or draft must accompany each CAF. Outstation cheques, demand drafts or post-dated cheques and postal or money orders will not be accepted and applications accompanied by such cheques, demand drafts, money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.

(q) No receipt will be issued for application money received. The Bankers to the Issue, the Escrow Collection Banks or the Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

(r) The distribution of this Letter of Offer and issue of Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Letter of Offer and not to attempt to subscribe for Equity Shares.

Do's for non-ASBA Investors:

(a) Check if you are eligible to apply i.e. you are an Eligible Equity Shareholder on the Record Date.

(b) Read all the instructions carefully and ensure that the cheque or draft option is selected in Part A of the CAF and necessary details are filled in.

(c) In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.

(d) Ensure that your Indian address is available to us and the Registrar and transfer agent, in case you hold the Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form.

(e) Ensure that the value of the cheque or draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF.

(f) Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form.

(g) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(i) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

(a) Do not apply if you are in the United States or any other restricted jurisdiction or are otherwise not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue.

(c) Do not pay the amount payable on application in cash, by money order or by postal order.

(d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(e) Do not submit Application accompanied with stock invest.

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable.
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar and transfer agent (in the case of physical holdings).
- Age of Investor(s) not given (in case of Renouncees).
- Except for CAFs on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value.
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted.
- If the signature of the Investor does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories.
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Letter of Offer.
- CAFs not duly signed by the sole or joint Investors.
- CAFs or SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue.
- CAFs accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.

- CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations.
- CAFs which have evidence of being executed in or dispatched from restricted jurisdictions.
- CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where an Indian address has not been provided.
- CAFs where the Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.
- In case the GIR number is submitted instead of the PAN.
- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, not through ASBA process.
- Application by an Eligible Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 200,000 but has applied separately through SAFs of less than ₹ 200,000 and has not been undertaken through the ASBA process.
- Renunciation involving a non-resident should only be on the floor of the Stock Exchanges. Application on renunciation forms where renunciation is not carried out on the floor of the Stock Exchanges, and without regulatory approvals, if any, are liable to be rejected.

Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Letter of Offer or the CAF.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of the Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of the Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of the Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Bids by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI through its circular bearing number CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000 shall mandatorily make use

of ASBA facility.

Bids by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI through its circular bearing number CIR/ CFD/ DIL/ 1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000 shall mandatorily make use of ASBA facility.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Section 447 of the Companies Act provides for punishment for fraud which, *inter alia*, states punishment of imprisonment for a terms which shall not be less than six months but which may extend to ten years and shall be liable to a fine which shall not be less than the amount involved in the fraud, but which shall extend to three times of the amount involved in the fraud.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by the Company. However, the Bankers to the Issue, the Registrar or the Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, the Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board of Directors declares that:

1. All monies received out of the Issue shall be transferred to a separate bank account;

2. Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and

3. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head

in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

Undertakings by the Company

The Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within seven working days of finalization of Basis of Allotment.

3. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by the Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. No further issue of securities affecting the Company's equity capital shall be made till the Equity Shares issued or offered in the Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.

6. Adequate arrangements shall be made to collect all ASBA applications and to consider then similar to non-ASBA applications while finalising the Basis of Allotment.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue and the sum payable on application is not received within a period of 30 days from the date of this Letter of Offer, the Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount within 15 days after the Issue Closing Date, the Directors who are "officers in default" shall jointly and severally refund that money along with interest at the rate of 15% per annum.

Important

- Please read this Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

- All enquiries in connection with this Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super scribed "The Indian Hotels Company Limited - Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

  Link Intime India Private Limited
  C-101, 247 Park
  L B S Marg
  Vikhroli (West)
  Mumbai 400 083
  Tel: +91 22 4918 6200
  Fax: +91 22 4918 6195
  E-mail: indhotels.rights2017@linkintime.co.in
  Investor Grievance E-Mail: indhotels.rights2017@linkintime.co.in
  Website: www.linkintime.co.in
  Contact Person: Sumeet Deshpande
  SEBI Registration No.: INR000004058

The Issue will remain open for a minimum 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by the Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated September [●], 2017 between the Company and the Lead Manager.
2. Registrar Agreement dated September [●], 2017 between the Company and the Registrar to the Issue.
3. Escrow Agreement dated [●], 2017 between the Company, the Lead Manager and the Bankers to the Issue.
4. Monitoring Agency Agreement dated [●], 2017 between the Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of the Company as amended.
2. Certificate of Incorporation of the Company.
3. Letter of Offer dated February 27, 2008 issued by the Company.
4. Letter of Offer dated July 16, 2014 issued by the Company.
5. Addendum to the Letter of Offer dated August 7, 2014 issued by the Company.
6. Consents of the Directors, Company Secretary and Compliance Officer, the Statutory Auditors, Lead Manager, Bankers to the Issue, Debenture Trustee, Legal Advisor to the Issue, the Registrar to the Issue and the Monitoring Agency for inclusion of their names in this Letter of Offer to act in their respective capacities.
7. Resolutions of our Board of Directors dated August 21, 2017 in relation to this Issue and other related matters.
8. The report of the Independent Auditors, being M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, dated May 26, 2017 on the consolidated financial statements for the year ended on March 31, 2017.
9. Annual Reports of the Company for the Fiscal Years 2017, 2016, 2015, 2014 and 2013.
10. Due Diligence Certificate dated [●], 2017 addressed to SEBI from the Lead Manager.
11. In principle listing approvals dated [●], 2017 and [●], 2017 issued by BSE and NSE respectively.
12. Bipartite Agreement dated July 16, 2003 between the Company and NSDL.
13. Bipartite Agreement dated May 6, 2003 between the Company and CDSL.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

_____

N. Chandrasekaran
Chairman

_____

Rakesh Kumar Sarna
Managing Director and Chief Executive Officer

_____

Deepak Parekh
Independent and Non-Executive Director

_____

Nadir B. Godrej
Independent and Non-Executive Director

_____

Ireena Vittal
Independent and Non-Executive Director

_____

Mehernosh S. Kapadia
Executive Director – Corporate Affairs

_____

Gautam Banerjee
Independent and Non-Executive Director

_____

Vibha Paul Rishi
Independent and Non-Executive Director

_____

Giridhar Sanjeevi
Chief Financial Officer

Date: _____
Place: Mumbai