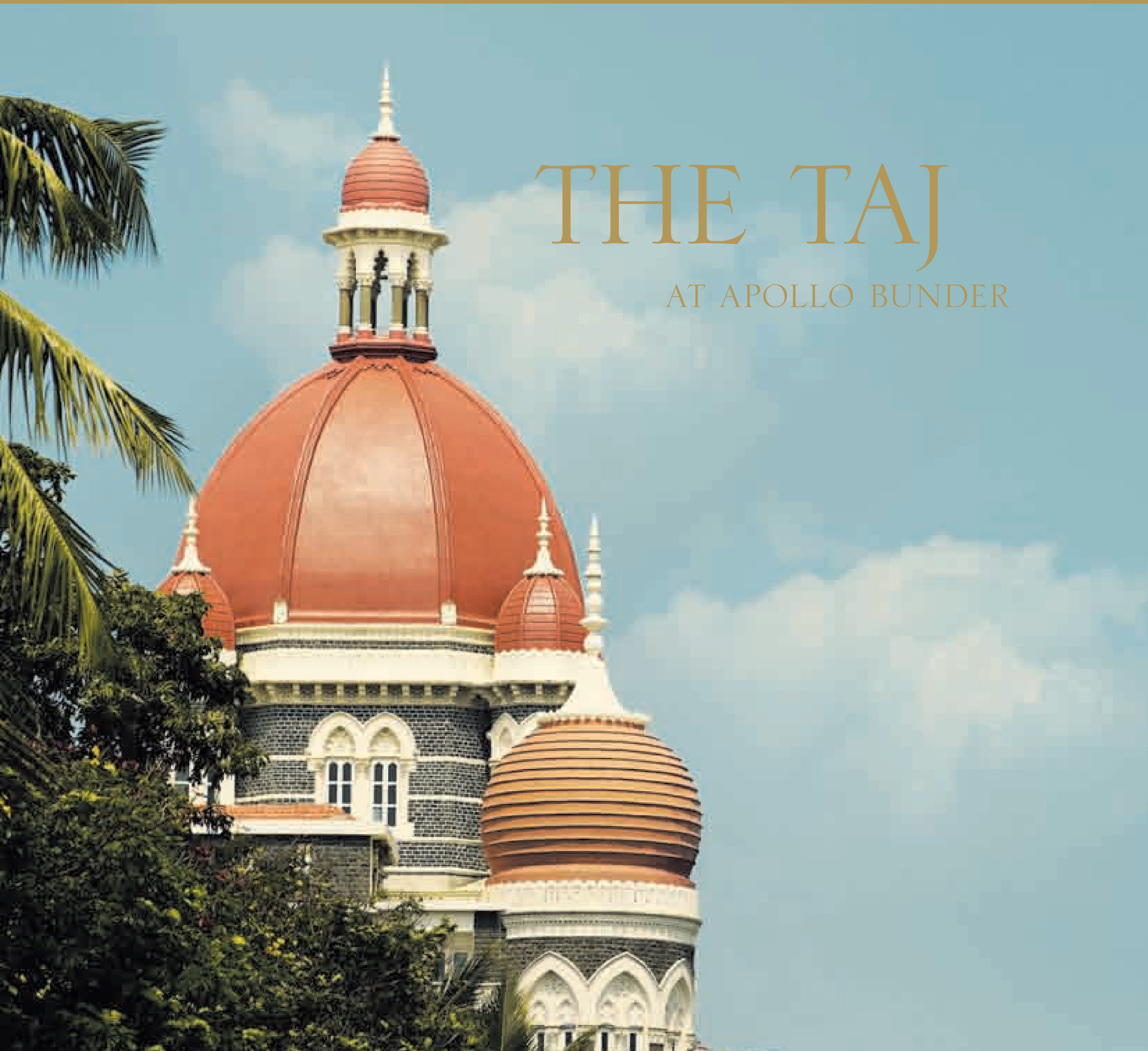
Hotels Resorts and Palaces

THE INDIAN HOTELS COMPANY LIMITED

A TATA Enterprise

111TH ANNUAL REPORT 2011 - 2012



THE TAJ

AT APOLLO BUNDER

THE TAJ AT APOLLO BUNDER

He had an intense pride and affection for the city of his birth, and when a friend protested against the intense discomforts of hotel life in Bombay he said: 'I will build one'.
"Where the young lions of my generation used to take a whiff of sea air, and in the fair season stroll down the harbour, he raised, at the cost of a quarter of a million pounds, the Taj Mahal Hotel and engaged a first class staff to manage it"
Sir Stanley Reed, The India I Know 1952.

Portrait in oil of Jamsetji Tata at the age of fifty, painted by Edwin Ward in 1889, from the Prince of Wales Museum.

AN ARCHITECTURAL MARVEL

W.A. Chambers' design for the modified dome.

Two tales often repeated about The Taj - that it was built back to front and that the French or Italian architect returning from holiday was so shocked that he plunged to his death from the fifth floor. Neither story is true! Jamsetji and his engineer, Sitaram Khanderao Vaidya positioned the U-shaped wings of the hotel to trap the westerly breeze with the majority of the guest rooms facing the harbour to the east.

Sitaram Khanderao Vaidya, chief architect of the Taj, seen here with F.W. Steven's son, Charles at extreme left (front row).

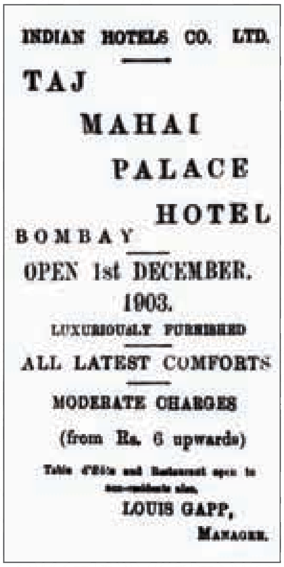
A ROYAL RENDEZVOUS

"The Taj made a delightful change from the formal life of a palace. Its informal atmosphere and its entertainment allowed one to escape from the cares of state."
Nawab of Palanpur: Lives of the Indian Princes, 1984

The aesthete and gourmet Nawab of Sachin, a regular at the Taj, and Secretary of the Princes' Standing Committee.

A banquet fit for a prince: a dinner given by a group of ruling princes of western India to honour a visiting dignitary, Sir Charles Latimer.

THE EARLY DAYS


INDIAN HOTELS CO. LTD.

TAJ
MAHAL
PALACE
HOTEL
BOMBAY

OPEN 1st DECEMBER, 1903.

LUXURIOUSLY FURNISHED

ALL LATEST COMFORTS

MODERATE CHARGES
(from Rs. 6 upwards)

Table d'Hôte and Restaurant open to non-residents also.

LOUIS GAPP,
Manager.

Advertisement inserted in the Times of India, 21 October 1903.

In the early years, whenever a passenger-ship was sighted pulling in alongside Ballard Pier, a brass ship's bell, bearing the inscription 'COLABA 1878', which was placed at the then entrance lobby, was rung as a kind of alarm, alerting hotel staff to prepare for the arrival of guests.

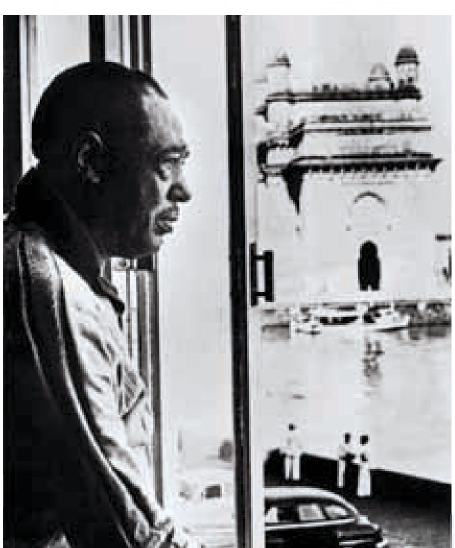
Vintage Luggage Label

THE TAJ AND SWARAJ

The speaker at a private dinner organised at the Taj amidst great secrecy by the young Europeans in June 1931 was Mahatma Gandhi. He slipped into the Taj clad only in a dhoti and chappals and, refusing to enter the lift, walked up to the room on the first floor where the meeting was being held. Considering it essential that the discussions remain confidential, Gandhi obtained a pledge from all those present that not a word of their deliberations - said to have been prolonged but friendly - should be made public.

Sarojini Naidu, poetess and nationalist, photographed in Bombay in 1919. She had a permanent suite of rooms in the Taj Mahal Hotel in Bombay in the 1920s and 1930s. The suite functioned like a Parisian literary salon, where she regularly held convivial soirées for freedom fighters, poets, writers, artists and friends.

IF WALLS COULD WHISPER



The visit in 1954, of one of Hollywood's post-war idols, Gregory Peck, was particularly memorable to the Taj's carpenters, because they had to be called out to extend the frame of his bed to accommodate his exceptional height!

The celebrated jazz musician Duke Ellington, standing at a first floor window overlooking the Gateway of India.

George Harrison of the Beatles at the Taj.

TAJ
Hotels Resorts and Palaces

CONTENTS

COMPANY INFORMATION

Board of Directors

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice Chairman
K. B. Dadiseth	
Deepak Parekh	
Jagdish Capoor	
Shapoor Mistry	
Nadir Godrej	
A. R. Aga *(resigned w.e.f. June 6,2012)*	
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director – Finance
Abhijit Mukerji	Executive Director – Hotel Operations
Mehernosh S. Kapadia *(w.e.f. August 10, 2011)*	Executive Director – Corporate Affairs

Management

Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director – Finance
Abhijit Mukerji	Executive Director – Hotel Operations
Mehernosh S. Kapadia	Executive Director – Corporate Affairs
Deepa Misra Harris	Sr. Vice President – Sales & Marketing
H. N. Shrinivas	Sr. Vice President – Human Resources
Yannick Poupon	Chief Operating Officer – Luxury Hotels (International)
Jyoti Narang	Chief Operating Officer – Luxury Hotels (India)
P. K. Mohankumar	Chief Operating Officer – Gateway Hotels
Veer Vijay Singh	Chief Operating Officer – Vivanta Hotels
Beejal Desai	Vice President – Legal & Company Secretary

Committees of the Board

Audit Committee

K. B. Dadiseth	Chairman
Deepak Parekh	
Jagdish Capoor	

Remuneration Committee

Jagdish Capoor	Chairman
Ratan N. Tata	
R. K. Krishna Kumar	

Shareholders' / Investor Grievance Committee

R. K. Krishna Kumar	Chairman
Raymond N. Bickson	
Abhijit Mukerji	

Registered Office

Mandlik House, Mandlik Road, Mumbai 400 001
Tel: 6639 5515
Fax: 2202 7442

Share Department

Mandlik House, Mandlik Road, Mumbai 400 001
Tel: 6639 5515
Fax: 2202 7442
Email: investorrelations@tajhotels.com

Website: www.tajhotels.com

Solicitors

Mulla & Mulla & Craigie Blunt & Caroe

Auditors

Deloitte Haskins & Sells
PKF Sridhar & Santhanam

Bankers

The Hongkong & Shanghai Banking Corporation Ltd.
Standard Chartered Bank
Citibank N.A
HDFC Bank Ltd.
ICICI Bank Ltd.

TAJ
Hotels Resorts
and Palaces

FINANCIAL HIGHLIGHTS

	2011-12 ₹ **crores**	2010-11 ₹ crores
Gross Revenue	**1,864.72**	1,737.14
Profit Before Tax	**229.92**	221.45
Profit After Tax	**145.35**	141.25
Dividend	**75.95**	75.95
Retained Earnings	**170.98**	161.38
Total Assets	**7,363.98**	6,720.24
Net Worth	**3,367.81**	3,228.91
Borrowings	**2,679.38**	2,341.44
Debt : Equity Ratio	**0.80:1**	0.73:1
Net Worth Per Ordinary Share of ₹ 1/- each - In Rupees *	**42.70**	40.88
Earnings Per Ordinary Share (Basic & Diluted) - In Rupees	**1.91**	1.93
Dividend Per Ordinary Share - In Rupees	**1.00**	1.00
Dividend	**100%**	100%

* Excludes Warrants of ₹ 124.37 crores

NOTICE

NOTICE is hereby given that the HUNDRED AND ELEVENTH ANNUAL GENERAL MEETING of THE INDIAN HOTELS COMPANY LIMITED will be held at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Friday, August 3, 2012, at 3.00 p.m. to transact the following business:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2012, and the Balance Sheet as at that date, together with the Report of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Ordinary Shares.
3. To appoint a Director in place of Mr. Jagdish Capoor, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. K. B. Dadiseth, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Nadir Godrej, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

7. Increase in number of Directors

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 258, 259 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company and subject to the approval of the Central Government, the total number of Directors of the Company be increased from 12 (twelve) to 16 (sixteen);

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary be and are hereby authorized severally to take all such steps as may be necessary, proper or expedient to give effect to the resolution".

8. Appointment of Mr. Mehernosh S. Kapadia as a Director of the Company

To appoint a Director in place of Mr. Mehernosh S. Kapadia, who was appointed as an Additional Director of the Company with effect from August 10, 2011, by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 (the Act), but who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Act along with the prescribed deposit from a Member of the Company proposing his candidature, for the office of the Director of the Company.

9. Appointment of Mr. Mehernosh S. Kapadia as a Whole-time Director of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and such other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII, the Company hereby approves the appointment and terms of remuneration of Mr. Mehernosh S. Kapadia, as a Whole-time Director of the Company for a period of five years with effect from August 10, 2011, upon the terms and conditions, including those relating to remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Mehernosh S. Kapadia, subject to such statutory approvals as may be necessary".

NOTES:

1. The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 7 to 9 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should however be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, July 20, 2012 to Friday, August 3, 2012, both days inclusive.

4. The Dividend on Ordinary Shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after August 4, 2012, to the Members whose names appear on the Company's Register of Members on August 3, 2012. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of the shares whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as at the close of business hours on July 19, 2012.

5. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.

6. Pursuant to Sections 205A and 205C of the Companies Act, 1956, all dividends remaining unclaimed for seven years from the date they first became due for payment are now required to be transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government under the amended provisions of the Companies Act, 1956. Members shall not be able to claim any unpaid dividend from the said Fund nor from the Company thereafter. It may be noted that unpaid dividend for the financial year ended March 31, 2005, is due for transfer to the IEPF on October 16, 2012.

7. To avoid loss of dividend warrants in transit and undue delay in the receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS). The NECS facility is available at locations identified by the Reserve Bank of India from time to time and covers most of the major cities and towns. Members holding shares in physical form and who are desirous of availing this facility are requested to contact the Company's Share Department at the Registered Office of the Company.

8. Members holding shares in physical form are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct addresses. Members holding shares in demat form are requested to notify their respective Depository Participant of any change in their addresses.

9. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment at the Meeting are annexed.

10. Members desiring any information as regards the Accounts are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the Meeting.

11. Members are requested to kindly bring their copies of the Annual Report to the Meeting.

12. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17 / 2011 & 18 / 2011 dated April 21, 2011 and April 29, 2011, respectively. A recent amendment to the Listing Agreement with the Stock Exchanges permits Companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering / updating their e-mail address for receiving electronic communications.

By Order of the Board of Directors

BEEJAL DESAI
Vice President – Legal and Company Secretary

Mumbai, June 7, 2012

Registered Office:
Mandlik House,
Mandlik Road,
Mumbai 400 001.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956 (the Act)

1. The following Explanatory Statement sets out the material facts relating to the business under Item Nos. 7, 8, and 9 mentioned in the accompanying Notice dated June 7, 2012.

Item No. 7

2. In view of the dynamic business environment and to meet new challenges, it is essential that the Company's Board be strengthened and broad based from time to time. The Company accordingly may be required to induct directors with appropriate qualifications, skills, experiences and diverse backgrounds in the near future.

3. In view of the above, it is proposed to increase the total number of directors for the time being in office from 12 to 16 which is within the maximum permissible limit fixed by the Articles of Association of the Company. Further, in terms of Section 259 of the Act, the aforesaid increase would require approval of Central Government after obtaining approval of the Members.

4. None of the Directors of the Company are in any way concerned or interested in the said resolution.

5. The Board commends the resolution at Item No. 7 of the accompanying Notice for acceptance by the Members.

Item Nos. 8 and 9

6. Mr. Mehernosh S. Kapadia was appointed as an Additional Director of the Company with effect from August 10, 2011 by the Board of Directors under Section 260 of the Act and Article 132 of the Articles of Association of the Company. In terms of Section 260 of the Act, Mr. Kapadia holds office only upto the date of the forthcoming Annual General Meeting of the Company but is eligible for appointment as Director. A Notice pursuant to Section 257 of the Act, has been received from a Member together with the requisite deposit signifying the intention to propose Mr. Kapadia as a Director. The Board had also appointed Mr. Kapadia as a Whole-time Director of the Company for a period of 5 years with effect from August 10, 2011, subject to the approval of the Members.

7. Mr. Mehernosh S. Kapadia has been with the Taj Group for more than 30 years and his last assignment was as Managing Director of Taj SATS Air Catering Limited. Mr. Kapadia holds a Diploma in Travel Management and has served the Taj Group of hotels in a variety of managerial positions. He also holds directorships in other Taj and Tata Group Companies.

8. The principal terms and conditions of re-appointment of Mr. Kapadia as a Whole-time Director are as under:

   i) **Period:** For a period of 5 years commencing from August 10, 2011 upto August 9, 2016.

   ii) **Nature of Duties:** Mr. Kapadia shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and / or the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Board from time to time, by serving on the boards of such associated companies and / subsidiaries or any other executive body or any committee of such a company.

   iii) (a) **Remuneration:** Basic Salary upto a maximum of ₹ 4,00,000/- per month with annual increments which will be effective 1st April each year as may be declared by the Board, based on merit and taking into account Company's performance; incentive remuneration, if any, and /or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances, as may be determined by the Board from time to time.

   (b) **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where, in any financial year during the currency of the tenure of Mr. Kapadia, the Company has no profits or its profits are inadequate, the Company will pay to Mr. Kapadia remuneration by way of basic salary, benefits, perquisites, allowances and incentive remuneration as above.

9. The Directors are of the view that the appointment of Mr. Kapadia as a Whole-time Director of the Company, will greatly benefit the operations of the Company and the remuneration payable to him is commensurate with his abilities and experience

   The terms and conditions of appointment of Mr. Kapadia (hereinafter referred to as 'the Appointee') also include the following principal clauses among others:

i) Adherence with the Tata Code of Conduct, no conflict of interest with the Company, intellectual property and maintenance of confidentiality.

ii) The Appointee shall not become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.

iii) This appointment may be terminated by either party by giving to the other party six month's notice of such termination or the Company paying six month's remuneration in lieu of the notice.

iv) The employment of the Appointee may be terminated by the Company without notice or payment in lieu of notice:

(a) If the Appointee is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which they are required by the Agreement to render services; or

(b) In the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Appointee of any of the stipulations contained in the Agreement to be executed between the Company and the Appointee; or

(c) In the event the Board expresses its loss of confidence in the Appointee.

v) In the event, the Appointee is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

vi) Upon the termination, by whatever means, of the Appointee's employment:

(a) The Appointee shall immediately tender his resignation from offices held by him in any subsidiaries and associated companies and other entities without claim for compensation for loss of office and in the event of his failure to do so, the Company would be irrevocably authorised to appoint some person in his name and on his behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associated companies, of which he is, at the material time, a Director or other officer.

(b) The Appointee shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.

vii) The Appointee is appointed as a Director, by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283(1)(l) of the Act.

viii) If and when the Agreement expires or is terminated for any reason, whatsoever, the Appointee will cease to be the Whole-time Director, and also cease to be a Director. If at any time, the Appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Whole-time Director and the Agreement shall forthwith terminate. If at any time, the Appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be the Director and Whole-time Director, of the Company, as the case may be.

10. The terms and conditions of the appointment may be altered or varied by the Board of Directors, as it may in its discretion deem fit, irrespective of the limits stipulated in Schedule XIII to the Act or any amendments made hereafter in this regard, subject to such approvals as may be required.

11. In compliance with the provisions of Sections 198, 269, 309, 311 and other applicable provisions of the Act read with Schedule XIII to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

12. Mr. Kapadia may be deemed to be concerned or interested in the Resolutions at Item Nos. 8 and 9 of the accompanying Notice related to his appointment.

13. The Board commends the Resolutions at Item Nos. 8 and 9 of the accompanying Notice for acceptance by the Members.

By Order of the Board of Directors

BEEJAL DESAI
Vice President – Legal and Company Secretary

Mumbai, June 7, 2012

Registered Office:
Mandlik House,
Mandlik Road,
Mumbai 400 001.

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company
(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

NAME OF DIRECTOR	Mr. Jagdish Capoor	Mr. K. B. Dadiseth	Mr. Nadir Godrej	Mr. Mehernosh S. Kapadia
Date of Birth	July 1, 1939	December 20, 1945	August 26, 1951	May 22, 1953
Date of Appointment	July 27, 2001	May 9, 2000	November 7, 2008	August 10, 2011
Expertise in specific functional areas	Banking	Finance & Management	Industrialist with rich business experience	Corporate Affairs
Qualification	M.Com., Certified Associate of Indian Institute of Bankers (CAIIB)	B. Com., Member, Institute of Chartered Accountants, England & Wales	B.Sc. Chemical Engineering - Massachusetts Institute of Technology (MIT) M.S.Chemical Engineering - Stanford University. MBA - Harvard Business School	Diploma in Travel Management
Details of shares held in the Company	5,000	-	-	50,280
List of Companies in which outside Directorships held as on March 31, 2012 **(excluding private & foreign companies)**	Assets Care & Reconstruction Enterprise Ltd. LIC Pension Fund Ltd. Manappuram General Finance and Leasing Ltd. Alankit Assignments Ltd. Vikas GlobalOne Ltd. Entegra Ltd. LIC Housing Finance Ltd.	Britannia Industries Ltd. ICICI Prudential Life Insurance Company Ltd. Piramal Healthcare Ltd. ICICI Prudential Trust Ltd. Siemens Ltd. Godrej Properties Ltd.	Godrej Industries Ltd. Godrej Agrovet Ltd. Godrej Tyson Foods Ltd. Godrej Oil Palm Ltd. Godrej & Boyce Mfg. Co. Ltd. Godrej Properties Ltd. Godrej Consumer Products Ltd. Mahindra & Mahindra Ltd. KarROX Technologies Ltd. Tata Teleservices (Maharashtra) Ltd. Cauvery Palm Oil Ltd.	Ewart Investments Ltd. Taj SATS Air Catering Ltd. Tata Realty and Infrastructure Ltd. Taj Air Ltd.
Chairman / Member of the *Committees of other Companies on which he is a Director as on March 31, 2012	**Audit Committee** LIC Pension Fund Ltd. Entegra Ltd.	**Audit Committee** Britannia Industries Ltd. ICICI Prudential Life Insurance Company Ltd. Piramal Healthcare Ltd. Siemens Ltd. Godrej Properties Ltd.	**Audit Committee** Mahindra & Mahindra Ltd.	**Audit Committee** Ewart Investments Ltd. Taj Air Ltd.
	Shareholders' & Investors' Grievance Committee NIL	**Share Transfer & Investors' Grievance Committee** ICICI Prudential Life Insurance Company Ltd.	**Shareholders' & Investors' Grievance Committee** Godrej Consumer Products Ltd.	**Shareholders' & Investors' Grievance Committee** NIL

*The Committees include the Audit Committee and the Shareholders' / Investors' Grievance Committee.

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the 111th Annual Report of the Company together with its Audited Statement of Profit and Loss for the year ended March 31, 2012 and the Balance Sheet as on that date:

FINANCIAL RESULTS

Particulars	2011-12 ₹ crores	2010-11 ₹ crores
Total Income	**1,864.72**	1,737.14
Profit before Depreciation, Finance Costs and Tax	**461.92**	482.13
Less: Depreciation	**113.90**	108.40
Less: Finance Costs	**111.99**	146.49
Profit before Tax & Exceptional Item	**236.03**	227.24
Less: Exceptional Items	**6.11**	5.79
Profit before Tax	**229.92**	221.45
Less: Provision for Tax	**118.19**	107.50
Add: MAT Credit	**33.62**	32.63
Less: Short Provision of Tax of earlier years (Net)	**-**	5.33
Profit after Tax	**145.35**	141.25
Add: Balance brought forward from the previous year	**380.13**	454.58
Amount available for Appropriation	**525.48**	595.83
APPROPRIATIONS		
(i) General Reserve	**14.54**	14.13
(ii) Dividend:		
A dividend of 100% i.e. ₹ 1/- per Ordinary Share was recommended by the Board of Directors on May 28, 2012		
(In respect of the previous year, a final dividend of 100% i.e. ₹ 1/- per Ordinary Share was declared and paid to the Members)	**75.95**	75.95
Tax on Dividend	**12.32**	12.32
(iii) Transfer to Debenture Redemption Reserve	**-**	113.30
(iv) Balance carried to Balance Sheet	**422.67**	380.13
	525.48	595.83

INCOME

The total income for the year ended March 31, 2012, at ₹ 1,864.72 crores was higher than that of the previous year by 7%. Room Income was higher than the previous year by 6%; Food & Beverage (F&B) income also increased by 11% over the previous year, enabled by a similar growth in banqueting income.

DEPRECIATION AND FINANCE COSTS

Depreciation for the year was higher due to incremental depreciation on the newly opened Vivanta by Taj - Yeshwantpur, Bengaluru, as also on account of Taj Falaknuma Palace, Hyderabad, being operational for the full year and the ongoing renovations at the hotels.

Finance Costs for the year ended March 31, 2012, net of currency swap gains at ₹ 111.99 crores were lower than the finance costs of the preceding year by ₹ 34.50 crores, resulting from interest rate restructuring and increase in capitalisation of interest on hotel projects under construction.

PROFITS

Profit before Tax at ₹ 229.92 crores was higher than the previous year by 4%, whereas Profit after Tax at ₹ 145.35 crores was higher by 3%.

CONSOLIDATED FINANCIAL RESULTS

The consolidated turnover of the Company for the year ended March 31, 2012 aggregated to ₹ 3,503.65 crores as against ₹ 2,932.20 crores for the previous year. Profit after Tax aggregated to ₹ 3.06 crores for the year as against the Loss after Tax of ₹ 87.26 crores for the previous year.

The consolidated turnover increased by 19% on account of launch of new hotels during the year by the Company, as also due to the change in status of certain companies from associates to subsidiaries. The Company, during the year, had increased its stake in Piem Hotels Limited, an associate; resultantly it has become a subsidiary with effect from May 25, 2011. The foregoing has also resulted in certain other companies' status being changed to subsidiary. Among the Company's domestic subsidiaries, Piem Hotels Limited and Roots Corporation Limited improved their turnover. The Company's subsidiary in the flight catering segment also reported growth in turnover as well. However, its profitability has been marginal due to the continued turbulence in the aviation sector and a highly competitive environment. The Company's US hotels have shown marginal improvement in occupancies and ARRs over the previous year, notwithstanding the continuing weakness in the US economy. The Company is putting all its endeavours to turnaround the US portfolio and make it profitable in the long term. The Company's UK subsidiary continued to register a good performance in line with the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend of 100% or ₹ 1/- per Ordinary Share for the year ended March 31, 2012. Dividend at the same rate is also recommended to be paid on those Ordinary Shares that may be allotted by the Company on conversion of Warrants issued by the Company upto July 20, 2012, being the commencement date of the closure of the Company's Register of Members and Share Transfer Books.

EQUITY SHARE CAPITAL

During the financial year 2010-11, the Company had allotted 3.60 crores Equity Shares (at a price of ₹ 103.64 per share) and 4.80 crores Warrants on preferential basis to Tata Sons Limited. Through the preferential allotment, the Company had raised ₹ 373.10 crores towards Equity issue and a further sum of ₹ 124.37 crores being 25% of the aggregate exercise price of the Warrants. The Company would further receive ₹ 373.10 crores, if the Warrants are exercised by Tata Sons Limited at any time before June 23, 2012.

BORROWINGS

The total borrowings stood at ₹ 2,679.38 crores as at March 31, 2012 as against ₹ 2,341.44 crores as on March 31, 2011 for the standalone entity. The increase in debt in the standalone entity was primarily on account of the need to retire foreign currency debt in some of the Company's off shore subsidiaries through the Parent Company.

As on March 31, 2012, the gross consolidated debt stood at ₹ 3,805.49 crores. This compared favourably to the consolidated gross debt of ₹ 4,243.01 crores as on March 31, 2011.

CAPITAL EXPENDITURE

During the year under review, the Company incurred ₹ 153.62 crores towards capital expenditure, most part of which was incurred on the Company's projects covering Vivanta by Taj Hotels at Dwarka and at Bengaluru as also due to the ongoing renovations.

BUSINESS OVERVIEW

Global economic recovery is losing traction due to continuing Euro zone debt crisis and the resultant austerity measures being taken by the Euro zone countries.

Domestically, the state of the economy is a matter of growing concern with slowing economy, persistently high inflation, uncertain political environment and depreciation of the Indian Rupee weakening the overall economic sentiment of the country.

The International tourists arrival worldwide has grown to 980 million in 2011, 4.4% above 2010 and is forecasted to grow at a moderate pace in 2012. Emerging economies of South Asia, South-East Asia and South America led the tourism growth with 12% increase in International tourists arrivals.

In the year 2011, the tourism sector in India witnessed a growth as compared to 2010. The Foreign Tourist Arrivals in India during 2011 were 6.29 million which translates to a 9% growth over the previous year. Foreign Exchange Earnings from tourism grew from ₹ 64,889 crores during 2010 to ₹ 77,591 crores in 2011, registering a growth of 19.6%. The domestic tourist traffic is also estimated to have increased by approximately 9% to 804 million during 2011.

The Taj Group launched 5 new Vivanta by Taj hotels during the year at Srinagar, Yeshwantpur - Bengaluru, Coimbatore, Begumpet - Hyderabad and Bekal - Kerala. Ginger Hotels currently has a portfolio of 24 hotels with a room inventory of approximately 2345 rooms. Projects for new Ginger hotels are at various stages of construction in Bengaluru, Noida, Jaipur, Faridabad, Greater Noida, Chandigarh and Amritsar. The inventory of the Taj Group of Hotels now stands at 112 hotels with 13,629 rooms.

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

SUBSIDIARIES

The Ministry of Corporate Affairs vide their letter no. 5/12/2007-CL-III dated February 8, 2011, has granted a general exemption under Section 212 (8) of the Companies Act, 1956, for publication of the accounts of subsidiary companies, subject to fulfilment of certain conditions. In view of the same, your company is also exempted from publication of the accounts of its subsidiaries under the provision of Section 212 of the Companies Act, 1956. The accounts of the subsidiary companies are not separately included in the Annual Report. However, the Consolidated Financial Statements of the Subsidiaries, Joint Ventures and Associates, in accordance with relevant Accounting Standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditor, forms part of the Annual Report and are reflected in the consolidated accounts.

During the year, the Company along with its wholly owned subsidiary TIFCO Holdings Limited had acquired an additional 5.36% stake in its associate company, Piem Hotels Limited (PHL) consolidating its total holdings to 51.57 %. Accordingly, PHL became a subsidiary of the Company, with effect from May 25, 2011. By virtue of this restructuring, additional 11 companies became subsidiaries (direct or indirect) of the Company.

The Financial Statements of the subsidiary companies and other detailed information will be made available to the investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be available for inspection at the Registered Office of the Company as well as the respective registered offices of subsidiary companies.

LISTING

The Ordinary Shares of your Company are listed on the BSE Limited and National Stock Exchange of India Limited. The Global Depository Shares (GDS) issued by the Company are listed on the London Stock Exchange.

DEBENTURES

The Company had issued the following Debentures listed on the National Stock Exchange of India Limited:

- 2,500 – 9.95% Secured Non-Convertible Debentures of the face value of ₹ 10,00,000/- each (Rupees Ten Lakhs only) issued on private placement basis on July 27, 2011 for an aggregate value of ₹ 250,00,00,000/- (Rupees Two Hundred and Fifty Crores) repayable at the end of ten years from the date of allotment.
- 3,000 – 10.10% Secured Non-Convertible Debentures of the face value of ₹ 10,00,000/- each (Rupees Ten Lakhs only) issued on private placement basis on November 18, 2011 for an aggregate value of ₹ 300,00,00,000/- (Rupees Three Hundred Crores) repayable at the end of ten years from the date of allotment.
- 1,360 – 9.90% Unsecured Non-Convertible Debentures of the face value of ₹ 10,00,000/- each (Rupees Ten Lakhs only) issued on private placement basis on February 24, 2012 for an aggregate value of ₹ 136,00,00,000/- (Rupees One Hundred and Thirty Six Crores) repayable at the end of five years from the date of allotment.

The Company had redeemed the following Debentures:

- 3,000 – 11.80% Secured Non-Convertible Debentures of the face value of ₹ 10,00,000/- each (Rupees Ten Lakhs only) issued on private placement basis, of which 50% of the face value was redeemed on December 18, 2011 for an aggregate value of ₹ 150,00,00,000/- (Rupees One Hundred and Fifty Crores).
- 2,500 – 9.5% Secured Non-Convertible Debentures of the face value of ₹ 10,00,000/- each (Rupees Ten Lakhs only) issued on private placement basis were redeemed on February 28, 2012 for an aggregate value of ₹ 250,00,00,000/- (Rupees Two Hundred and Fifty Crores).

FIXED DEPOSITS

The outstanding amount of Fixed Deposits placed with your Company amounted to ₹ 286.00 crores. (Previous year ₹ 354.18 crores) excluding ₹ 1.75 crores (previous year ₹ 0.28 crores), which remained unclaimed by depositors as on March 31, 2012. Your Company has stopped accepting/renewing deposits from the general public and shareholders.

DIRECTORS

Mr. Mehernosh S. Kapadia was appointed as an Additional Director and as a Whole-time Director of the Company for a period of five years with effect from August 10, 2011. He holds office upto the date of the forthcoming Annual General Meeting of the Company. Taking into consideration his knowledge and experience, the Board commends his appointment as Whole-time Director of the Company to the Members of the Company. Members' approval for his appointment as Director and Whole-time Director has been sought in the Notice convening the Annual General Meeting of the Company.

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, three of your Directors, viz., Mr. Jagdish Capoor, Mr. K. B. Dadiseth and Mr. Nadir Godrej retire by rotation, and are eligible for re-appointment.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Practising Company Secretary's Certificate regarding compliance of conditions of Corporate Governance, forms part of the Annual Report.

AUDITORS

At the Annual General Meeting, the Members will be requested to re-appoint M/s Deloitte Haskins & Sells, Chartered Accountants (Firm No. 117366W) and M/s. PKF Sridhar & Santhanam, Chartered Accountants (Firm No. 003990S) as the Joint Auditors of the Company for the current year and authorise the Board of Directors to fix their remuneration.

FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is given in Notes 38, 39 and 40 (Page 94) of the Notes to the financial statements.

STAFF

The particulars of employees required to be furnished under Section 217(2A) of the Companies Act, 1956, read with the Rules thereunder, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the reports and accounts are being sent to all the shareholders of the Company excluding the statement of particulars of employees. Any shareholder interested in obtaining a copy may write to the Company Secretary at the Registered Office of the Company.

The Directors express their appreciation for the contribution made by the employees to the significant improvement in the operations of the Company and for the support received from all other stakeholders, including shareholders, customers, suppliers and business partners.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors, based on the representations received from the Operating Management, hereby confirms that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

(ii) it has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for that period;

(iii) it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records; and

(iv) it has prepared the annual accounts on a going concern basis.

GLOBAL COMPACT

As part of the Tata Group, your Company had signed-up to promote the United Nations "Global Compact" which lays down ten key principles to specifically address issues in the areas of human rights, labour, corruption and the environment. Your Company continues to be an active member of the Global Compact. Your Company annually submits a 'Corporate Sustainability Report' detailing its economic, environmental and social performance.

On behalf of the Board of Directors

Ratan N. Tata
Chairman

Mumbai, May 28, 2012

Registered Office:
Mandlik House
Mandlik Road
Mumbai 400 001

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has been reporting consolidated results taking into account the results of its subsidiaries, joint ventures and associates (together referred to as "the Group"). This discussion, therefore, covers the financial results and other developments during April, 2011 to March, 2012, in respect of the Group. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated on account of various factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which your Company conducts its business, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints.

OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY

The international travel and tourism industry is currently on a growth path and is set to cross an all time high of more than 1 billion international travellers in 2012. As per World Travel and Tourism Council (WTTC) estimates, the travel and tourism sector's economic contribution, from both direct and indirect activities combined, was US$ 6.3 trillion in GDP, 255 million jobs, US $743 billion in investment and US $1.2 trillion in exports, which accounts for 9% of global GDP, 1 in 12 jobs, 5% of investment and 5% of exports. According to the United Nations World Tourism Barometer, international tourist arrivals globally were up by 4.4% from 935 million in 2010 to 980 million in 2011.

Emerging economies of South Asia, South-East Asia and South America led the tourism growth in 2011, with 12% increase in international tourist arrivals over 2010, much higher than the global average. In terms of regional performance in the hospitality sector, a healthy RevPAR (Revenue Per Available Room) growth was observed over 2010, across most regions in Asia Pacific (AsPac), Europe, America and Middle East by Smith Travel Research (STR) Global indicating a recovery from the impact of the financial and economic crisis of the last two years on tourism.

In India, the total direct and indirect economic impact of the industry is 6.4% of the GDP which is expected to grow at 7.8% for the next 10 years according to the WTTC Report. As per statistics updated by the Indian Ministry of Tourism, the foreign tourist arrivals in India for 2011, has been 6.29 million which is an 8.9% increase over 5.8 million tourists of 2010, the growth being higher than the global scenario but less than the overall AsPac region. Foreign Exchange Earnings from tourism increased to ₹ 77,591 crores in 2011, from ₹ 64,889 crores in 2010, with a growth rate in earnings of 19.6% over 2010. In terms of hospitality industry performance in India, data from STR reports indicate that the overall rates, occupancies and RevPAR have been stagnant owing to the impact of increased supply in the market and the general recessionary environment.

FUTURE PROSPECTS

The United Nations World Tourism Organisation (UNWTO) expects growth to continue for the tourism sector in 2012, although at a slower rate. It forecasts international tourist arrivals to grow in the range of 3% to 4% in 2012. WTTC indicates that this growth will be moderate as the bounce-back for tourism destinations that faced specific challenges last year, will be offset by a weaker performance in other countries. Travel & tourism in China, India, Japan (bounce-back), Latin America and Africa is expected to perform well in 2012. UNWTO, predicts that India will receive 25 million foreign tourists by the year 2015.

Despite the economic and political scenarios worldwide, demand for business travel has remained relatively robust. Companies are likely to increase spends and the multiplier effect of healthy salary increases will drive discretionary spending, especially on leisure travel. The affluent segments plan to spend more on travel in 2012, creating opportunities for the hospitality sector in the luxury space.

According to the STR Global Construction Pipeline Report, the AsPac hotel development pipeline comprises over 1,600 hotels and over 3.6 lakh rooms. India reported the largest expected room growth (+35 percent) if all 60,845 rooms in its total active pipeline are commissioned as per schedule. Among the Chain Scale segments, the Upper Upscale segment accounted for the largest portion of rooms in the total active pipeline with 26%, followed by the Upscale segment at 23% and the Luxury segment at 19%.

Taj Group has also planned its growth strategy in each of these segments over the next few years with its distinct brands 'Taj' in the Luxury segment, 'Vivanta by Taj' in the Upper Upscale segment and 'The Gateway Hotel' in the Upscale segment. The latest brand 'Vivanta by Taj' launched in 2010, has performed extremely well to establish market leadership across key locations. The customer feedback has been encouraging. Research indicates that the brand has performed higher than its competitive set and the distinct brand elements of the Vivanta are strongly endorsed. These early success signs of Vivanta by Taj and of The Gateway Hotels indicate that the multiple brand strategy followed by the Company to ride the growth wave in the Indian hospitality industry and to retain its domestic leadership, is working well.

NEW ADDITIONS

The past year witnessed 5 new properties opening under the Vivanta by Taj brand and 1 property under The Gateway Hotels brand. This included new markets for the Taj Group such as Srinagar in Jammu & Kashmir (J&K), Bekal in North Kerala and Coimbatore in Tamil Nadu and emerging & established business districts such as Yeshwantpur in Bengaluru and Begumpet in Hyderabad. These new hotels have added a total inventory of about 800 rooms to the Company's portfolio. The brief details of the new properties are as under:

Vivanta by Taj – Dal View, Srinagar

Inaugurated by the Honorable Chief Minister, Shri Omar Abdullah and Union Minister, Shri Farooq Abdullah at an event which was telecast and carried by all leading media and publications. The six acre property has 89 rooms; each room and suite provides breathtaking views of the valley. This hotel will generate employment and will have a downstream effect in bringing business to Kashmir. Launch of this hotel signifies your Company's commitment to promote tourism in the state of J&K and it has received a great amount of publicity and also has featured on the cover of the prestigious Condé Nast Traveller magazine. The hotel is located at possibly the most vantage point and a bird's perch atop the Kralsangri Hill provides uninterrupted views of the Zabarwan mountain range, the Dal Lake, Char Chinar and the Tulip Garden.

Vivanta by Taj – Bekal, Kerala

This resort and spa destination is our fifth Vivanta property in the state of Kerala. It offers unparalleled services along with the signature Vivanta hospitality and is a soul sanctuary for travellers seeking sentient and sensorial experiences. This sprawling 25-acre resort is located in the Kasargod district in Northern Kerala and our foray into this market has established the Bekal destination on the tourism map of the country. Nestled in the midst of a rustic environment, it is located on the meandering Kerala backwaters and Kappil river, in a stimulating natural environment with easy access to a pristine beach. It is home to the Jiva Grande Spa, spread over 165,000 sq feet. The soft launch was done by the Honorable Minister of Tourism, Mr. Subodh Kant Sahay. The formal launch was done in an innovative and unique format wherein key trade and media were taken through seven unique experiences at the resort, including a traditional Homam ceremony at the Jiva Grande Spa. It is your Company's first resort in North Kerala.

Vivanta by Taj – Surya, Coimbatore

The mix of work and play - a stylish urban oasis is what Vivanta by Taj – Surya, brings to the city of Coimbatore. Located on the elite Race Course Road, the 180 room hotel is the preferred address for stylish and contemporary hospitality in the Manchester of South India. The design ensemble is an ode to the warmth of Surya, the Sun. This cutting-edge business hotel, with state-of-the-art conferencing and fully-wired meeting facilities, was launched in the city of Coimbatore, with a major press and customers' event reaching out to more than 1000 influencers.

Vivanta by Taj – Yeshwantpur, Bengaluru

In the new and emerging business district of Yeshwantpur, this Vivanta hotel features 327 suites and rooms, signature restaurants and one of the largest conferencing and banqueting facilities in the city. It features dramatic suites, delightful dining options, relaxing recreational opportunities, mega corporate convention facilities and other enjoyable facilities. There was a screen to life innovation format at the launch, where the experience was brought to life through various Food and Beverages (F&B) and spa touch points as the customers and media were carried through the narration. Vivanta broke new ground and built a new destination district in the garden city of Bengaluru with its largest property at Yeshwantpur. Vivanta by Taj – Yeshwantpur, Bengaluru, is conveniently located close to the international airport, the city centre and right in the middle of the convention district of Bengaluru.

Vivanta by Taj – Begumpet, Hyderabad

Located at the intersection of Hyderabad and Secunderabad in close proximity to the city centre and the fast paced business district of the twin cities, spacious, contemporary and stylish, Vivanta by Taj - Begumpet, Hyderabad, has 181 rooms and suites that perfectly blend delightful comforts with smart technologies. The hotel is centrally situated, and is a short walk away from Hyderabad's central business districts, tourist attractions and shopping destinations. A convenient distance from the international airport and railway station, the hotel enjoys the unique advantage of servicing both the business and luxury traveller.

The Gateway Hotel - Gir Forest

The Gateway Hotel - Gir Forest was launched, with a successful press conference in Ahmedabad and a marketing campaign which included airport hoardings and features in the likes of the Travel & Leisure Weddings & Honeymoons Special and we also showcased the brand through the Gateway experience zone and the Active and Regional home-style cuisine platforms. Located at the edge of the world-renowned Gir Forest, The Gateway Hotel - Gir Forest, is the nature lover's ideal getaway. The 28 aesthetically designed rooms are equipped with convenient modern-day facilities. A multi-cuisine restaurant, GAD is the ideal hang-out option. Integral to the experience will be the jungle safari service offered by the hotel in open Gypsy vehicles. Our efforts to be environmentally responsible and least damaging to the ecosystem are on and our presence in this region creates fresh opportunities for local communities around us. It has been received very well by guests and trade partners alike and has shown a positive performance on operational and revenue parameters.

INTERNATIONAL AND DOMESTIC EXPANSIONS

International

In pursuit of a larger presence in China, your Company entered into a Memorandum of Co-operation for a Joint Venture with Yunnan Tourism Company Limited (A subsidiary of Yunnan Expo Tourism Holding Limited) to engage in development, construction, operation and management of two hotels in Kunming Expo Garden, situated in Yunnan province of south-west China.

The design planning of your Company's Management Contract project in Beijing, China, has been significantly completed and construction of mock-up of the standard room is underway. It is expected that full fledged construction of the hotel will commence around September, 2012. Design work on the Hainan Project has picked up momentum with the engagement of the master planner and architect for the project. Taj Palace - Marrakech, is expected to open around the middle of the year.

The other international projects under management contracts in the cities of Tangiers, Doha and Dubai continue to be on hold / witnessing slow progress on account of the economic slowdown.

Domestic

Luxury

For the Sea Rock project in Mumbai, design planning and process of obtaining approvals is underway.

Your Company, through one of its joint ventures, has been awarded a concession lease to fit out and operate a 275 key Luxury hotel at the Mumbai Domestic Airport by the Mumbai International Airport Private Limited.

Your Company also entered into a management contract for operating an exclusive 'Members Only' Club at the Imperial Residences in Mumbai.

Vivanta by Taj

The "Vivanta" brand will witness further growth with the execution of Memorandum of Understanding (MoUs) for a resort in Lonavala and a foray in the Serviced Apartments segment with a property planned in the vicinity of IT hubs in Chennai and Gurgaon.

Vivanta by Taj - Dwarka, is in advanced stages of construction with the commencement of work on interior fit outs of public areas & guestrooms and the façade. The project is targeting a phase-wise hand over towards the end of the current year. For the Vivanta by Taj - Guwahati project, the construction drawings are ready and piling works have been completed at site.

As for some of the projects being developed by your subsidiary / associate companies, the Vivanta by Taj - Amritsar, owned by Piem Hotels Limited, has received most of the pre-construction approvals and work has commenced on the site.

Vivanta by Taj – Gurgaon and Vivanta by Taj – Coorg are expected to be opened this year.

The Gateway Hotel

The Company continued its thrust on flagging properties under the "Gateway" brand in prominent leisure, economic, commercial and industrial centres of India by entering into MoUs for hotels in Kabini, Tirupati, Nagpur, Gurgaon, Gangtok and Bengaluru. Furthermore, the Company completed execution of the management contract for hotels in Faridabad, Chiplun, Hubli and Chennai, which are expected to be opened this year.

The Gateway Hotel - Bannerghatta, Bengaluru, under a joint venture development by Oriental Hotels Limited, saw the commencement of the scope of work last year with the masonry works.

RENOVATIONS

Your Company undertook renovation projects for certain key properties as per the ongoing product upgradation initiatives as under:

Luxury

International

After refurbishing 5 new suites at 51 Buckingham Gate and 27 rooms in St. James last year, we have completed additional 3 Suites in 51 Buckingham Gate and 26 rooms at St. James during the first half of 2011-12. One of the suites, done in collaboration with Jaguar Cars Limited and aptly named The Jaguar Suite, has received excellent reviews from the guests and media.

52 rooms at St. James and 11 suites at 51 Buckingham Gate have been refurbished together with soft refurbishment of 9 Falconers Suites well in time for the London Olympics in July, 2012. Refurbishment of the Lobby and Hampton's Bar was also completed in February, 2012.

Domestic

The Taj Palace Hotel, one of your Company's key hotels in New Delhi, completed renovation of 54 rooms and 4 suites on the fourth floor. These modern and upto date rooms have been well received. In addition, as the hotel caters to primarily a business clientele, the Business Centre and Function Hall have also been renovated to meet the changing demands of our well travelled and discerning guests.

At the Taj West End - Bengaluru, the Board Room and meeting spaces have been renovated and work on the Health Club, Salon & associated wet areas is currently underway. In keeping with the demands of the market, the hotel also renovated its banquet outlets in the garden city of Bengaluru.

After dazzling our customers with a new lobby last year, renovations at the Taj Coromandel - Chennai, continued this year with a completely new "Southern Spice", Chennai's favourite South Indian restaurant, which opened for its guests with a new contemporary look. In addition, keeping abreast with the trend for health and wellness, a new gymnasium and spa are under construction at the hotel.

The Rambagh Palace, Jaipur, also renovated two historical suites and ten palace rooms.

Vivanta by Taj

International

Your Company, through one of its associate companies, has also completed two mock-up rooms at Vivanta by Taj - Bentota, Sri Lanka and also commenced masterplan renovation works including rooms and key public areas such as the lobby, coffee shop, bar and the poolside.

Taj Samudra - Colombo, Sri Lanka, the flagship property of your associate company is also poised to undergo large scale renovations on the basis of a detailed market research, design planning for which work has already commenced.

Domestic

The Vivanta division has also experienced a spate of renovations and new introductions within existing properties so as to enhance guest experiences. At Vivanta by Taj - Blue Diamond, Pune, the landscape works to spruce up the entrance driveway and poolside, have concluded. The introduction of 'Grill at 11" and "Latitude' at the Vivanta by Taj – Blue Diamond, Pune & 'Saqi' at the Vivanta by Taj – Gomti Nagar, Lucknow, have helped boost the already impressive image of the division's F&B prowess. Vivanta by Taj - President in Mumbai, saw the launch of the spankingly new, state-of-the-art Business Centre Complex. Vivanta by Taj – Kumarakom, restored and re-launched the heritage part i.e. the Baker's Bungalow. Vivanta by Taj – Fisherman's Cove, Chennai, added a new wing of rooms, Convention Centre, Gym and Rhythm Lounge.

The Gateway Hotel

Work on the Lobby, Deli and Bar at The Gateway Hotel - Bengaluru, is in advanced stages of completion and is expected to be open to guests by July, 2012.

Ginger Hotels

Your Company's subsidiary under the "Ginger" brand has 24 operational hotels. One property has been added in Tirupur under management contract, while the Haridwar property was divested out of the portfolio effective November, 2011. Further projects are at various stages of construction in Faridabad, Bengaluru - Koramangala, Mumbai – Andheri East, Chennai – Vadapalani, Noida - Greater Noida, Jaipur, Chandigarh and Amritsar. Ginger Hotels had a year-end inventory of 22 owned / leased hotels (with a room inventory of approximately 2150 rooms) in addition to two hotels under management contract (with a room inventory of 195 rooms).

Keeping in view the changing profile of customers and anticipated degree of competition, Ginger Hotels has focused upon tying-up with specialized partners for F&B. Restaurants have been refurbished in Ahmedabad, Pantnagar, Nashik, Mangalore, Goa and East Delhi. 16 locations received Hazard Analysis and Critical Control Points (HACCP) certification, while all others completed Stage 1 of HACCP audit process. A new contract has been signed with Café Coffee Day.

Ginger has also upgraded its facilities to enhance the guest experience.

WILDLIFE LODGES

Your Company's Joint Venture, Taj Safaris Limited operates four lodges with a unique interpretative experience in the tiger state of India – Madhya Pradesh. The four lodges viz. Mahua Kothi at Bandhavgarh, Baghvan at Pench, Pashan Garh at Panna and Banjaar Tola at Kanha, continued to delight the guest and educate them about the fragile eco-landscapes of the country.

JIVA SPA

Jiva Spa is an eco-sensitive brand. All spa products are natural and contain Indian herbs, pure essential oils, lipids, clays, mud, salts and flower waters; all of a botanical source. Jiva Spa uses organic linen and eco-friendly toxin-free pottery.

The Jiva Spas based on various parameters, are broadly categorised as 'Jiva Grande', 'Jiva' and 'The Spa' across the Taj Group hotel properties. In the year 2011 – 12, two new Jiva Spas which are housed in the Vivanta brand of the Taj Hotels Resorts & Palaces at Yeshwantpur-Bengaluru and Bekal-Kerala, were launched.

The Jiva Spa at Vivanta by Taj – Yeshwantpur, Bengaluru, boasts of three generously sized single massage rooms, one couple massage suite, one room dedicated to beauty, hammam, sauna, experiential and chill showers, a gymnasium and a relaxation area.

Jiva Grande at Vivanta by Taj – Bekal, Kerala, spread over 165,000 sq feet, unfolds a refreshing idiom of spa design that creates beautiful spaces infused with energy, soothing harmony and restorative balance. The spa is equipped with single and double treatment suites, beauty treatment rooms, meditation pavilions and yoga studio, relaxation and vitality pools, dedicated wet area experiences and fully-equipped gym and beauty salon. All the treatment rooms have their own private courtyards for post-treatment relaxation; each courtyard is idyllically designed against a setting of serene water gardens and lush tropical landscaping.

Jiva Spa also offers in-room treatment at The Pierre, New York, where for the first time in USA, guests can experience traditional therapies rooted in ancient wellness heritage of India.

GUEST EXPERIENCE

Taj Luxury Hotels, International

Your hotels delight the guests by consistently meeting the bespoke Taj Luxury Experience standards. During the year, we have worked further on refining 8 key experiences, which along with a new Kids Programme are now ready to be rolled out. Our attention on delivering excellent anticipatory service and several product upgrades, contributed to enhancing the overall guest experience. The enhanced service levels are achieved through focussed training programmes based on guest feedback and audits (external & internal) conducted to check the performance against the standards. Further strengthening our drive for quality and excellence, Taj Luxury International hotels also participated in Tata Business Excellence Model (TBEM) assessment and 8 of our associates qualified as assessors during the year. We also launched the Brand Spirit books in order to help the employees understand the Taj value system and also the brand beliefs.

Taj Exotica Resort & Spa, Maldives, added 1 new Beach Villa Suite, 1 Lagoon Suite, Poolside Bar and Jetty extension in 2011. The Resort also has a New Dive and Water Sports Centre operational from June, 2011. The Water Sports Centre boasts many fun filled activities i.e. Jet Skis, Canoeing, Paddle Boats, Snorkelling, Windsurfing, Catamaran Sailing, Motorized sports (i.e. inflatable, wake boarding, water skiing and knee boarding), Parasailing, Seabob – Underwater propulsion device, Sea Doo – Underwater scooter. The team also has a Marine Biologist who does escorted snorkelling trips, coral regeneration programs and complimentary talks in the Equator Bar, all of which are very popular with our guests.

Your restaurant Quilon in London was closed for renovation in the last quarter of 2011-12 and is now open after an exciting refurbishment. The new design reflects Quilon's cultural origins as well as its position as one of the leading Michelin starred restaurants in London. Also unveiled is the new Q Bar at Quilon. The restaurant has retained Michelin Star for the 5th consecutive year.

This year we also introduced the TATA Suite at Taj Boston and Taj Campton Place, San Francisco.

Taj Luxury Hotels, India

The constant endeavour of your Company is to enhance the guest experience by continually raising the bar for guest satisfaction.

The Taj Lands End, your Company's Luxury hotel in North Mumbai, launched the brand new and contemporary Chambers exclusive for Business Club. The Club has been a welcome addition to an already vibrant hotel and we have received several requests for membership. With this addition, your Company completes the circuit of having Chambers in the key metro cities of Mumbai, New Delhi, Kolkata, Chennai and Hyderabad. Keeping in mind the growing commercial importance of North Mumbai, your Company has chosen to have two of these Business Clubs in the city to cater to both the geographic markets in the North and South of the city. The Taj Lands End also boasts a new high tech classroom which has been opened in collaboration with the prestigious Harvard Business School. Several training programs conducted by the faculty of the world renowned business schools and attended by high profile corporate houses have been held here.

The biannual hygiene audits have been completed for all your hotels. As your hotels have consistently improved on their already high levels of cleanliness and in view of the importance of hygiene and sanitation, the bar set for the testing procedures was raised. This has acted as a catalyst for your hotels to redouble their efforts and achieve even greater levels of cleanliness.

With the revival of the job market, a need was felt to focus on associate retention in two key customer facing areas, namely Butlers and Front Office. A Taj Hospitality Trainee program with enhanced compensation and well-defined career path was launched for these associates.

Vivanta by Taj

The Vivanta product and service experience is designed around the global, cosmopolitan, work-hard-play-hard traveller seeking a vivacious, reinvigorating hotel experience. "Vivanta by Taj" as a brand promises a sensorial journey for the new age urban sophisticate. It makes for a distinct brand experience which is gathering strong recall amongst the customers and pillared on inventive and imaginative brand experiences and destination hotels.

Your Company's one year old brand has attempted to create a new sensorial model which has not only broken the clutter, but also successfully married a legacy and parentage of more than 100 years. It has underlined behavioural targeting whereby the "bon vivant" or the urbané sophisticate and its various personas (Master of Corporate Theatre, 21st Century Princess, Exploding taste bud, Nocturnal animal) are being addressed as target audiences through its offerings.

The Vivanta Experience – An Idiom in its own right

More than being a brick and mortar collection of hotels and resorts, it signifies a zesty, chic and vibrant take on travel and lifestyle. It signifies a living philosophy.

The Vivanta brand experience cuts across possibly the entire sensory plane both - in function and form. These experiences can be broadly categorized into:

- The Vivanta Moments
- The Vivanta Motifs
- The Vivanta Avatars or the brand's distinct manifestation across select themes

Vivanta Moments

The Vivanta Moments, the brand's distinct and unique experiences that run across all Vivanta Hotels and Resorts with the style and spirit idiom – be it the distinct arrival experience, lobby experience, the dining experience across the All Day Diner and specialty restaurants, the pool side experience, the signature cocktails whose second edition is to be launched in 2012, the signature tune "Voice of Vivanta", the signature smell of Vivanta, the in-room dining experience, the visual idioms of the brand and its nomenclature and script, Vivanta Comfort food, non-fortified energy drinks with a twist, etc. continue to differentiate brand Vivanta.

Vivanta Motifs

The Vivanta Motifs comprise of experiences or rituals that are unique to each specific Vivanta Hotel or Resort or rather each Vivanta Hotel's or Resort's must dos and must sees. Jungle dining at Sawai Madhopur, Dal lake ride and Kehva experience at Vivanta Srinagar, Patting and feeding the Stingrays and Coral Propagation at Vivanta Maldives, the Spice Walk with Chef Rego at Vivanta Holiday Village, Goa, the Watch Tower dining and Olive Ridley conservation efforts at Vivanta Fisherman's Cove, the lamp lighting ritual at Vivanta Kumarakom, Dabbawalla experience at Vivanta President, the Pallakad ancestral house meal at Coimbatore, the Uduma Fishing village trip and the Thonikadavu farms trek at Bekal, etc – the list simply goes on with a cluster of unique, pleasantly whimsical experiences that stray away from the stayed road.

Vivanta Avatars

Vivanta Avatars are the brand's manifestation and take on 5-6 key themes that have become a part of its annual event calendar including Music, Cinema, Theatre, Art & Design, which demonstrate the brand's unique philosophy and also provide engaging rich content to its growing base of fans on social media as also eclectic entertainment to our patrons and guests across Vivanta cities thereby helping in building affinity for the brand. Vivanta by Taj also created and presented "The Barn Fest" at Goa at Vivanta, Holiday Village and Fort Aguada. This was a tribute to the spirit of a clean 'Woodstock' with a great destination, inventive bands, organic music, great location, great food and spirits.

Vivanta rounds off its constellation of experiences with its edge of the plate F&B. Vivanta's most powerful avatar is its F&B play, with its retinue of Master Chefs, headlining provincial cuisine (Pan Asian and the Silk Route, North Western Frontier Province, the land of Olives, the 'V' belt of coastal India, the Five River cuisine and of course regional cuisine across hotels), the All Day Dining 24 x 7 story - Find your Latitude, quintessentially whimsical pleasant surprises at Vivanta (Alternative Dining, Amuse Bouche, Motif Dining, Comfort Food, Kids Delight, TV Dinners and imaginative banqueting).

There has been tremendous focus on employee engagement and initiatives within the division as this directly contributes in creating unique experiences for the guest. Workshops which have helped re-enforce the brand behaviours and promise within individuals working at every level within the hotels. These associates are knowledgeable on the various brand specific services available and are far more responsive towards the needs of their guests, thus, taking the guest's stay experience to a whole new level.

The Gateway Hotel

Designed for the modern nomad, The Gateway Hotels provide consistent, courteous and crisp service for business and leisure travellers seeking contemporary and refreshing experiences. Keeping in mind those looking for comfort, familiarity and flexibility, the Hotels & Resorts are divided into 8 zones – Enter, Stay, Hangout, Meet, Work, Workout, Unwind and Explore. 24/7 services such as 24/7 Breakfast, 24/7 'Active Studio' and 24/7 Laundry are all designed to cater to guests round-the-clock.

The Hotels & Resorts are located in 22 cities and holiday destinations with plans to open in many more. We currently have 40 operating and signed up hotels and plan to take this number to at least 50 over the next few years.

During the course of the year, many of the common areas, restaurants and rooms across our Hotels and Resorts have been renovated or refurbished, with subsequently improved guest satisfaction. The Gateway team's focus on ensuring and enhancing guest satisfaction through product and service excellence, intensive engagement with guests and service recovery have resulted in a 25% increase over the previous year, raising Guests' "Excellent" ratings of overall satisfaction to 50%. Focussed initiatives in select parameters have also resulted in unprecedented increases in "Excellent" ratings in satisfaction across other parameters, such as Food from 37% to 51%, Cleanliness & Appearance from 41% to 53% and exceeded 60% in areas including referral and courtesy of staff.

Be it 24/7, the Gateway belief is that all key hotel services should be available round-the-clock, or menus that help you take advantage of what every day has to offer, the focus is always on creating sanctuaries that refresh, refuel and renew the modern day traveller. 'Active Food' – rich in antioxidants, high-fibre, low glycemic index and superfoods' for the health conscious; 'eat-in' - our refreshed in-room dining menu; 'wake up' - the buffet breakfast with a range of healthy & indulgent and gluten free innovative preparations all make up our unique F&B offerings. Our F&B offerings are a key differentiator in the market and our branded concepts of 'Active Food' and regional home-style cuisine have received great feedback and were widely covered by key national television channels like CNBC Awaz & BBC News, electronic & print media including front page coverage in leading dailies as well as key international media. The F&B offerings at The Gateway were further enhanced by new launches and re-launches of old favourites in new avatars including "Jhankar", the Indian speciality restaurant at The Gateway Hotel – Agra, with signature Mughal and Rajasthani dishes; "Bubble Café" at The Gateway Hotel – Ernakulam, with an accent on west coast seafood, Mediterranean specialities and regional home - style cuisine, "GAD", a multi – cuisine restaurant at The Gateway Hotel - Gir Forest, with popular Kathiawadi home - style food. The excitement and drive was driven internally by innovative initiatives like Red Hot Chef, with 400 commis participating in competitive skill-based learning activities with a focus on multi-skilling and defect-free high-quality food – videographed into an energetic and upbeat video that clocked record views on Youtube channel.

SALES & MARKETING INITIATIVES

Luxury

Preferred destination of Heads of States - Taj has had a legacy of welcoming world guests over 100 years. Taj hotels have historically played the perfect host to the world's eminent leaders, celebrities and royalty. The prestigious Fourth BRICS Summit, 2012, was also held at Taj Palace, New Delhi, in March, 2012. Some of the Heads of States that we played host to last year include:

- H.E. Dr. J G Zuma, President of South Africa – Taj Mahal, Delhi
- H.E. Ms. Dilma Rousseff, President of Brazil – Taj Palace, Delhi
- H.E. Mr. Yoshihiko Noda, Prime Minister of Japan – Taj Palace, Delhi
- Hillary Clinton, US Secretary of State – Taj Coromandel, Chennai
- The Right Hon, Mr. John Philip Key, Prime Minister of New Zealand – Taj Mahal Palace, Mumbai
- The Right Hon, Mr. Ralia Odinga, Prime Minister of Kenya – Taj Mahal Palace, Mumbai
- H.E. Truong Tan Sang, President of Vietnam – Taj Palace, Delhi
- H.E. Yingluck Shinawatra, Prime Minister of Thailand – Taj Palace, Delhi
- H.E. Excellency James Alix Michel, President of Seychelles – Taj Palace, Delhi
- H.E. Faustin-Archange Touadéra, Prime Minister of the Central African Republic – Taj Palace, Delhi

Vivanta by Taj

The newest brand in the Taj Group portfolio expanded its footprint to 24 hotels worldwide with 5 new hotel launches in 2011–12, unveiling new destinations to the world and supporting the Company's objective of achieving growth through domestic dominance. Designed to deliver vibrant experiences to its guests, Vivanta by Taj Hotels & Resorts, is a brand with a contemporary, energetic and vivacious twist. Each hotel launch was supported by an integrated sales and marketing approach to reach key customer segments to drive revenues and media with coverage across all online and offline channels for brand building.

- **Vivanta by Taj Avatars** – The Vivanta by Taj brand completed its first anniversary in September, 2011 and continuing our process to build the brands' individual identity, we launched the various Vivanta Avatars this quarter:
  - The Vivanta Avatar **"Divas of Rock"** (an initiative with Rolling Stone and Sony Music which celebrates the talented women of Rock in India) was organized across Vivanta by Taj hotels in Bengaluru, Chennai and Pune amidst extensive media coverage and social media engagement to build the brand persona.
  - Another Vivanta by Taj Avatar, contemporary fusion of cross cultural artists – **"urbanFOLK"** in association with Folktronic – travelled to Vivanta by Taj - Yeshwantpur and Whitefield in Bengaluru and later Taj Club House in Chennai.
  - At the end of the year, Vivanta created and test marketed a new calendar event at Goa in association with Blue Frog for Christmas called **"Barn Fest"** which resulted in impressive feedback amongst the resident guests at Vivanta by Taj - Holiday Village and Vivanta by Taj - Fort Aguada, Goa

The Gateway Hotel

The Gateway Hotels & Resorts communication campaign ran across leading dailies, magazines and hoardings as well as online channels and resulted in an increase in queries and bookings from key channels. Communication and advertising guidelines were rolled out along with a revised Visual Brand Driver™ which synergised the visual and verbal expression of our unique brand identity across hotels and resorts. Outdoor activity in Mumbai, the largest source market for our hotels and resorts included hoardings and kiosks at Marine Drive, Worli Seaface and the Airport. Our boarding card promotion partnership with Air India featured in leading dailies and hoardings at key areas like Nariman Point, Kemps Corner, Linking Road, Santa Cruz, Juhu Beach and electronic media. In addition to the brand campaign, focussed communication promoting banqueting in city hotels and holiday getaways at resort locations included advertising and editorial associations with the likes of The Hindu, Hindustan Times, Mint and in-flight publications and extended our communication to younger and diverse audiences. Taking forward our initiatives with sports and cricket, in particular from the earlier association with Indian Premiere League, we also piloted a mobile campaign with ESPN Cricinfo during the India - Australia - Sri Lanka Tri Series which had unprecedented success, delivering over 16 million impressions on Gateway advertising and driving over 60,000 visits to Gateway promotional package pages on our WAP site.

Ginger Hotels

The last part of 2011-12 has seen focus upon activities related to the corporate business. The Ginger Group (Ginger) has also focused on pre-sales activity for the four new hotels opening up in Mumbai, Bengaluru, Chennai and Faridabad to ensure a faster ramp up of occupancies post-opening. It has continued to enhance the engagement of its Sales & Marketing team with that of the Parent Company. Ginger is now live on GDS and new Online Travel Agents including Orbitz and Whotif have been signed up. Using Search Engine Marketing (SEM), Ginger has been able to maintain website visits at an average of 6000 per day while the cost of booking has been gradually decreasing.

Re-launch of Surprises Campaign

Based on the success of the 'Surprises' campaign in the last 2 years, we re-launched the 'Surprises' campaign for the period May – July, 2011, with an objective to drive SpendPAR during the low demand period and reward loyalty. The various initiatives undertaken for this campaign are:

- Stay A Bit Longer
- Suite Celebrations
- Business Edge

After the success of the 'Surprises' campaign in the summers, we extended the same into the winter season. The main programs run were 'Suite Celebrations' and 'Stay A Bit Longer' promotions.

Website

The new Corporate and Luxury websites are far more experiential, with large images showcasing the properties and their facilities, enhanced content, both in quantity and quality, with in-depth information on experiences, services and facilities. The Corporate and Luxury websites reflect the new brand architecture, by showcasing the 3 brands under the Corporate website and placing the 25 luxury properties into 5 distinct clusters, namely Grand Palaces & Iconic Hotels, City Hotels, Taj Safaris, Luxury Residences and Taj Exotica Resort & Spa on the TAJ website.

The Taj At Apollo Bunder - Book Launch

"The Taj At Apollo Bunder" book formed the platform for brand building activities in Mumbai and New York during the year. Launched by Mr. Ratan N. Tata on December 16, 2011, in Mumbai, the book is an act of homage to a unique institution known and loved the world over, since the day it first opened its doors to guests on December 16, 1903.

- The main focus of the event was customer and media outreach and the event was attended by key corporate guests, influencers, key travel, trade and media.
- Eminent personalities like Mr. Shekhar Kapur, His Royal Highness-Shri Arvind Singh Mewar of Udaipur, Mr. William Dalrymple and others read excerpts from the book at the Mumbai launch.
- This year the Diwali road show showcased the launch of the Taj At Apollo Bunder book in New York. An eclectic panel of readers – Mr. Michael Douglas, Mr. Salman Rushdie, Mr. Tory Burch, Mr. Adrien Brody read excerpts of the book in New York. The Diwali theme was showcased in menu, theme and the overall ambience in the New York launch.
- An integrated marketing approach was undertaken to use this launch as a major brand building and relationship building event in both print and on line space. The e-book – An engaging Facebook application that looks like a virtual book, was created to capture different facets and essence of the book.

The Taj InnerCircle

It has been voted the Hotel Program of the Year for the Asia, Oceania and the Middle East region, in the Freddie Awards, 2012. The Freddie Awards represent excellence in frequent travel programs and rate the best programs around the world. Taj InnerCircle also won the awards for Best Redemption Ability and Best Customer Service in the Hotels category in the Asia, Oceania and the Middle East region.

ENVIRONMENTAL INITIATIVES

As a responsible corporate, your Company has been reporting its approach and initiatives under Corporate Sustainability to the United Nations Global Compact (UNGC) and Global Reporting Initiative (GRI), based on international guidelines.

Your Company will be submitting its 9th Corporate Sustainability Report to UNGC and GRI as per its reporting cycle in September, 2012. An external audit of our Corporate Sustainability Report has been awarded an "A+" grading signifying highest levels of disclosure & transparency. Your Company also continues to voluntarily participate in the globally recognized Carbon Disclosure Project (CDP) in line with its commitment to Climate Change Principles.

Energy Management

Your Company regularly measures and records its direct and indirect emissions of Green House Gases, water consumption and re-use, as well as waste generation and disposal. We are conscious of our environmental impact across our operations and strive to reduce consumptions. This year our total energy consumption i.e. Direct + Indirect energy use was 2,109,850 GigaJoules (GJ).

Your Company has been participating in the globally recognised 'EarthCheck' benchmarking and certification system. EarthCheck certifications are a result of extensive assessments and audits by Independent Environmental Assessors' - mapping indicators ranging from energy & water consumption, waste management to sensitivity exhibited vis-à-vis social and cultural dimensions, in all areas of hotel operations. 52 of our hotels have been certified EarthCheck 'Silver' over the last 3 years.

The Company also strives to substitute its energy consumptions with increased component of renewable energy. Last year, 7.76% of its total energy consumption was from renewable sources. Several of our hotels have tie-ups with wind, hydro-energy and solar energy providers. Some of our hotels also have solar panels which help the hotels to generate their own solar energy. Our hotels have consistently increased use of renewable energy year-on-year.

Water Management

Our hotels work on effective water management through re-use, recycling and rain water harvesting. 33 hotels this year have attained the status of zero water discharge into municipal sewers – which means that we completely use all the water we draw into the system, without any wastage. 17 hotels have systems for rain water harvesting.

Waste Management

We ensure that our ‘E-waste’, glass and pet bottles are disposed off through Government approved vendors for responsible recycling. Additionally, Kitchen Waste Management is done through installation of biogas plants by several of our hotels, to recycle waste generated from kitchen & horticulture.

Safety

Safety for associates and guests is an integral component of our culture at work place. We have defined systems and processes to ensure awareness, training and regularly review our performances. Safety reinforcement training is being conducted for all hotels, using qualified consultants. This year, we have engaged Tata Consulting Engineers to audit our safety systems & processes to ensure a high level of focus is constantly maintained with regards to safety.

BUSINESS EXCELLENCE

Tata Business Excellence Model (TBEM)

All hotels are included in the assessment process and a team of external assessors visits locations to verify implementation of processes and robustness of deployment. Feedback from the assessments had led to process improvements, new initiatives and enterprise wide improvement and innovation projects. Your Company’s response to the changing TBEM criteria requirements have ensured enhanced focus on Climate Change, Innovation, Corporate Governance and Safety.

Associates are trained on quality improvement methodologies and problem solving tools, in a two-level developmental approach. This training enables associates to work in process improvement teams or cross functional teams, to improve processes that they work with, thus preventing recurring issues or breakdowns of service and impacting guest satisfaction scores positively.

Balanced Scorecard Automation

Your Company has installed automated Balanced Scorecards across all hotels, key corporate functions and at the Enterprise level. User rights at all levels ensure authorized access to relevant measures, as per the business strategy and their scope of responsibility.

The data for these measures are updated automatically through integration with legacy hotel systems across the functions. This IT connectivity across the hotels helps to establish synergy of metrics. The automation project is translating the Group’s strategic plan into the “marching orders” for the Group on a daily basis. Initiatives, action plans and business review meetings at all levels are effectively managed through the system.

The Centralized Balanced Scorecard Help Desk supports the users in managing their scorecards. Online training modules have been prepared to train and guide users to effectively use and manage their scorecards.

Guest Feedback Management

Successive upgrades to the guest satisfaction tracking system has led to better data analysis and identification of improvement opportunities. These are reflected in process and product improvements across hotels and in training for associates. Intelligent feedback forms designed for user specific feedback on products and services help to generate focused feedback data, which is reviewed at regular forums to ensure continued focus on creating Guest Delight.

HUMAN RESOURCE (HR) INITIATIVES

Recognition of People Practices: Gallup Great Workplace Award

The Gallup Great Workplace Award is awarded to companies for creating a highly engaged workplace culture and the results are decided by the Gallup Organization, after analyzing numerous teams and organizations across the world.

Your Company was declared the winner of Gallup Global Great Workplace Award for the third year in succession. Taj is among the 27 distinguished organizations from across the world and the only organization from India which has been selected for this award.

Your Company was also awarded the Confederation of Indian Industry (CII) Awards for HR Excellence in Human and the first Mafoi Randstad Award in India, for the Best Employer in the Hospitality Sector.

Some of the key initiatives implemented during the year 2011-12, which were focused on enhancing efficiency and upgrading skills of the workforce, in line with the demands of business and economic scenario are listed below:

A. HR initiatives for building a high performance Work Culture

1. Project 'Vidya'

Your Company has launched an initiative to achieve 100% computer literacy within the organization. It firmly believes that the ability to access and use computers will enable it to disseminate information, upgrade knowledge and raise awareness levels in its workforce in a highly effective manner. Most of the hotels have achieved 100% computer literacy and the remaining hotels are expected to achive it in the next few months.

2. 'MiUniversity' – Online Learning Management System

The Organization had launched an online Learning Management System branded MiUniversity in the previous year. More than 400 courses are available to address Operational and Managerial areas. Tie ups have been done with leading content providers including Harvard University, eCornell, AHLA and Skillsoft to provide the latest and best learning content available. More than 9000 courses have been undertaken by associates so far and many of them already completed. It is envisaged that this initiative will provide impetus in the skill and knowledge development among all levels of employees.

3. Flexible Compensation Architecture

Your Company has introduced a flexible compensation architecture which is based on Cost to Company principles and allows each executive to distribute the applicable remuneration into various components as per individual need. This initiative has enhanced the value of existing remuneration in the hands of the executives and will allow the Company to reduce the load towards benefits administration.

4. Leadership Development

The multi-tiered leadership development programs aimed towards building leadership capability within all levels of the organization have been continued in this year. For junior management, the Company's PACE (Performance Alignment and Competency Enhancement) Program, for middle management, the Emerging Leaders of Taj (EL Taj) program and a customized Leadership Assessment program for senior and top management levels have continued to be driven in the current year. These programs support the Organization's objective of building a sustainable, high quality pool of leaders to support the strategic growth plans of the Company.

All initiatives specified herein have contributed to maintaining the employee engagement levels as the country's highest and assisted in optimizing the productivity of the workforce.

B. Initiatives for efficient work force cost management for this year

Minimal addition to Workforce

Continuing from the previous years, the effort to minimize new hiring has continued and has resulted in improving manning standards. With new hotels opening up, all new hiring, except those in niché skills or at entry levels, has been deferred and vacant positions have been filled with internal redeployment where possible. With new hotels opening in Yeshwantpur and Bekal, many associates were redeployed from the existing hotels. Identification of staff for redeployment into new hotels in Delhi, Kolkata, Coorg and Hubli has been carried out and will be implemented as these hotels open.

RISKS & CONCERNS

Industry Risk

General economic conditions

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

Socio-political risks

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

Company specific Risks

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

Overseas Investments

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

Heavy Dependence on India

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

Dependence on the high-end Luxury segment

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

Competition from International Hotel Chains

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

Increased outbound travel

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

High Operating Leverage

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

Foreign exchange fluctuation risks

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

Risk Mitigation Initiatives

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

Your Company has implemented various security measures at all its properties which inter alia include screening of guest's luggage, installation of metal detectors, etc. to counter the security risk.

Foraying successfully in the mid-market segment, your Company counters the risk of dependence on the high end Luxury segment. The Company, through its subsidiary Roots Corporation Limited is also increasing its presence in 'Budget Hotel' segment under the brand 'Ginger'.

By extensively improving its service standards, as also renovating and repositioning all its key properties under new brands 'Gateway' and 'Vivanta by Taj', your Company counters the risk from growing competition and new properties. Further, it gains operating and financial leverage, by expansion through management contracts and leveraging the strengths of its associates.

Foreign currency exposures and hedges are closely monitored by your Company in consultation with its advisors. Net exposures, including those from derivative instruments, are kept at acceptable levels and within overall limits approved by the Board, which are subject to regular reviews.

Internal control systems and their adequacy

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

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

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

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

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

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the Compliance Reports submitted to it.

OTHER INITIATIVES

Taj Public Service Welfare Trust

As in the previous years, Taj Public Service Welfare Trust (the Trust) continues to receive support from well wishers all over India and abroad.

The Trust has actively responded to the following initiatives, on lines of its Building Sustainable Livelihood approach, in this financial year:

26/11 Terror Attack

In this year the thrust was on long term rehabilitation initiatives like support for micro-enterprise or to learn a vocational skill or a course whereby the affected family can become self sustainable. Apart from this, ongoing support with monthly sustenance on a tapering basis, education and medical help have been provided.

ITI Lonavala

It was suggested that a permanent facility to train youth of disaster affected families in Hospitality Skills be set up. Thus, under a Public Private Partnership (PPP) arrangement with support from World Bank and the Government of Maharashtra, a state-of-the-art Centre of Excellence building, imparting Hospitality Skill Training with a residential facility for 50 boys has been set up at the ITI premises in Lonavala. This facility will soon be inaugurated and the Trust will then introduce three month short term courses. After such training, the youth will become employable in the hospitality industry, including the Taj Group of hotels, making the affected family self sustainable. In the past, such trainings have been provided by the Taj and almost 80% of the trained youth have been placed with the Taj.

13/7 Mumbai Bomb Blast

July 13, 2011, once again rocked Mumbai with bomb blasts in Dadar, Zaveri Bazaar and Opera House areas. The Trust immediately responded and is today working with 149 families and supporting them with programs like monthly sustenance, medical re-imbursement, education and prosthetics (limb) support. The Trust will soon introduce measures to impart hospitality / related skill training to make these families self sustainable.

Unsung Heroes

On September 10, 2011, The Taj Palace Hotel, Delhi, conducted a charity fund raising event called “Black Tie”. Various Corporate Houses supported the event and ₹ 22 lakhs were raised. In consultation with Army Head Quarters, Delhi, it was decided that this fund be used to support Jawans of the Indian Armed Forces who have become Paraplegic in the line of duty. This fund will support their needs like higher education for their children, set up a micro-enterprise to become self sustainable, athletic training in the disabled category, etc. As there are more Jawans whose need has yet to be met, the hotel has decided to make this an Annual Fund Raising Event.

Going forward, the Trust has identified the need to support families affected by a disaster in the Sunderbans region of West Bengal, by restoration of their livelihood options.

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITIONS

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

Results of Operations for the year ended March 31, 2012

Standalone Financial Results

The following table sets forth financial information for the Company for the year ended March 31, 2012

₹ crores

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Income		
Sales & Other Operating Income	**1,808.73**	1,673.45
Other Income	**55.99**	63.69
Expenditure		
Consumption of Raw Materials	**152.87**	136.18
Staff Costs	**471.38**	412.39
License Fees	**119.11**	104.93
Fuel, Power and Light	**132.92**	113.33
Depreciation / Amortisation	**113.90**	108.40
Other Expenditure	**526.52**	488.18
Total Expenditure	**1,516.70**	1,363.41
Profit before Finance Cost and Tax	**348.02**	373.73
Finance Costs	**111.99**	146.49
Profit before Tax and Exceptional Items	**236.03**	227.24
Exceptional Items	**(6.11)**	(5.79)
Profit before Tax	**229.92**	221.45
Provision for Tax (Including for earlier years)	**118.19**	112.83
Add: MAT Credit	**33.62**	32.63
Profit after Tax	**145.35**	141.25

Revenues

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

₹ crores

Particulars	Year Ended		% Change
	March 31, 2012	March 31, 2011	
Room Income	**883.27**	834.52	6
Food, Beverage & Banqueting Income	**684.13**	617.94	11
Other Operating Income	**241.33**	220.99	9
Non-Operating Income	**55.99**	63.69	(12)
Total Income	**1,864.72**	1,737.14	7
Statistical Information			
Average Room Rate (₹)	**9,469**	9,582	(1)
Occupancy (%)	**65**	67	(2)

- Room sales showed a growth over previous year, due to increase in room inventory - launch of Vivanta by Taj - Yeshwantpur, Bengaluru and Taj Falaknuma Palace, Hyderabad, being operational for the full year.
- Food & Beverages Income grew by 11% over previous year, mainly aided by banquets revenue.
- Other Operating Income comprises mainly of income from Management Fees, Laundry, Spa & Health Club, Telephone, Business Centre Rents, etc. Other Operating Income was higher than previous year by 9%.
- Non-Operating Income was lower than the previous year due to lower interest income on account of deployment of surplus funds.

Operating Expenses

The operating expenses increased by 11% from ₹ 1,363.41 crores to ₹ 1,516.70 crores. While the increase in variable operating costs was due to increase in volume, payroll costs increased in the current year due to opening of a new hotel, as also on account of increase in payroll of existing staff. The Company also incurred higher costs on promotions of its brands.

Depreciation for the year increased from ₹ 108.40 crores to ₹ 113.90 crores due to capitalisation of new properties.

Finance Costs

Finance costs for the year ended March 31, 2012, at ₹ 111.99 crores was lower than the finance cost of the preceding year by ₹ 34.50 crores due to higher currency swap gain, and increase in capitalisation of interest on hotel projects under construction.

Profit before Tax

Profit before tax increased by 4% from ₹ 221.45 crores to ₹ 229.92 crores.

Profit after Tax

Profit after tax increased by 3% as against previous year from ₹ 141.25 crores to ₹ 145.35 crores.

Cash Flow Data

₹ crores

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Net cash from operating activities	**448.62**	466.39
Net cash used for investing activities	**(468.09)**	(762.07)
Net cash used for financing activities	**(47.93)**	(61.16)
Net Increase / (Decrease) in cash and cash equivalents	**(67.40)**	(356.84)

Operating Activities

Net cash from operating activities was lower at ₹ 448.62 crores vis-à-vis ₹ 466.39 crores in the previous year, as the previous year had the benefit of tax refunds.

Investing Activities

During the year under review, the Company incurred ₹ 153.62 crores towards capital expenditure, the majority of the expenditure having been incurred on projects at Vivanta by Taj Hotels at Dwarka and Bengaluru.

During the year, the Company along with its wholly owned subsidiary TIFCO Holdings Limited (TIFCO) had acquired an additional 5.36% stake in its associate Company, Piem Hotels Limited (PHL), consolidating its total holdings to 51.57%. Resultantly, PHL became a subsidiary of the Company.

Financing Activities

Net cash raised was used for paying dividend, interest on debentures and interest on term loans – both existing & new ones.

Certain Financial Ratios for Standalone Financials

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	**0.44**	0.41
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	**0.79**	0.70

Consolidated Financial Results

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

The following table sets forth the Consolidated Financial results for the year ended March 31, 2012

₹ **crores**

Particulars	**Year Ended**	
	March 31, 2012	March 31, 2011
Income		
Sales & Other operating income	**3,432.71**	2,862.47
Other Income	**70.94**	69.73
Total Income	**3,503.65**	2,932.20
Expenditure		
Consumption of Raw Materials	**362.57**	296.52
Staff Costs	**1,149.12**	962.98
License Fees	**123.87**	109.84
Fuel, Power & Light	**242.40**	194.30
Depreciation	**255.07**	227.89
Other Expenditure	**1,009.05**	848.01
Total Expenditure	**3,142.08**	2,639.54
Profit Before Finance Cost and Tax	**361.57**	292.66
Finance Costs	**213.54**	281.36
Profit / (Loss) before Tax and Exceptional Items	**148.03**	11.30
Exceptional Items Gain / (Loss)	**(0.46)**	11.93
Profit / (Loss) before Tax	**147.57**	23.23
Provision for Tax (including for earlier years)	**121.75**	92.10
Profit / (Loss) after Tax	**25.82**	(68.87)
Profit attributable to Minority Interest	**(38.40)**	(11.66)
Share of Profit of Associates	**15.64**	29.24
Share of Loss of an Associate for prior period	**-**	(35.97)
Profit / (Loss) after Tax	**3.06**	(87.26)

Revenues

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

₹ **crores**

Particulars	**Year Ended**	
	March 31, 2012	March 31, 2011
Hoteliering	**3,165.56**	2,572.90
Others	**267.15**	289.57
Unallocable Income	**70.94**	69.73
Total Revenue	**3,503.65**	2,932.20

- Hoteliering revenue improved during the year due to a combination of growth in business not just in the domestic market but in the international market as well as also on account of the consolidation benefit of newly acquired subsidiaries.
- Un-allocable Income represents Dividend Income and Profit on sale of Investments.

Operating expenses

The operating expenses were commensurate to the scale of business, increased capacity and reflective of the increase in occupancies across key markets. These included increase in staff cost commensurate to industry trends as also an increase outlay on brand promotions.

Consolidated Profits Before Finance Cost and Tax

Profit before Finance Cost and Tax at ₹ 361.57 crores improved by 24% over the preceding year.

Finance Costs

The consolidated Finance Cost, net of currency swap gains, at ₹ 213.54 crores was lower than the Finance Cost of the preceding year by ₹ 67.82 crores as a result of the various deleverage initiatives undertaken by the Management in the course of the year.

Profit / (Loss) after Tax

Profit after tax for the year was ₹ 3.06 crores as compared to a loss of ₹ 87.26 crores for the preceding year. Whilst the Company's domestic business reported improved profitability, the overseas operations were still impacted by the recession in the US and all efforts are underway to improve the performance of these assets.

Cash Flow Data

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

₹ crores

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Net cash from operating activities	**534.94**	512.83
Net cash from / (used for) investing activities	**378.22**	(789.21)
Net cash used for financing activities	**(1,052.44)**	(85.82)
Net Increase / (Decrease) in cash and cash equivalents	**(139.28)**	(362.20)

Operating Activities

Net Cash from operating activities was higher at ₹ 534.94 crores as compared to ₹ 512.83 crores in the previous year, mainly due to acquisition of new subsidiaries.

Investing Activities

Net cash from sale of current investment amounted to ₹ 617.47 crores which was used for financing activities.

Financing Activities

Opening balance of cash and cash equivalent and net cash from operating and investing activities have been utilised for paying dividend and repayment of long term loans and debentures and interest on debentures and term loans, both existing & new ones.

Certain Financial Ratios for Consolidated Financials

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	**0.54**	0.58
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	**1.18**	1.39

AWARDS AND ACCOLADES

The Taj Hotels Resorts & Palaces (THRP)

1 The Indian Hotels Company Limited (IHCL) has been conferred the Gallup Global Great Workplace Award for the year 2012, i.e. the 3rd year in succession.

2 Taj InnerCircle, the guest loyalty programme of THRP, was awarded Best Hotel Program of the Year, Best Redemption Ability and Best Customer Service at the 2012 Freddie Awards. Taj InnerCircle won this award for the Middle East, Asia and Oceania region.

3 THRP was voted the Best Hotel Group in India at the Travel + Leisure India's Best Awards, 2012.

4 Taj Inner Circle received The Condé Nast Traveller India Readers Travel Award, 2011, for the "Favourite Hotel Loyalty Programme."

5 IHCL has won the award for "Outstanding Exporter Of The Year - Travel & Tourism" at the DHL & CNBC-TV18 International Trade Awards 2010-11, powered by ICRA.

INTERNATIONAL

Luxury

Taj Cape Town was voted as the 3rd best hotel in the "Top 25 Luxury Hotels in Africa" by Trip Advisor Travellers' Choice, 2012.

51 Buckingham Gate has been accoladed with Condé Nast Traveller 14th Annual Readers' Travel Awards.

Taj Campton Place Restaurant

1 MICHELIN Guide San Francisco, Bay Area & Wine Country, 2011, has recognized renowned San Francisco landmark Campton Place Restaurant with 1 star in its latest annual dining guide for the second year in a row. Featured in the list of Travel + Leisure's Top 500 World's Best Hotels, 2012.

2 Voted the top large City Hotel in San Francisco in Travel & Leisure's World's Best Awards, 2011.

BLUE, Sydney

1 Won the Best International Hotel at the 5th Annual BI-MINT Partners in Success Awards.

2 Included in the Best Hotels for Location category, Australasia and South Pacific region, on the Condé Nast Traveller UK Gold List, 2012.

3 Featured 9th and 11th on Trip Advisor's Traveller's Choice Awards, 2012, Top 25 Trendiest Hotels in Australia and Top 25 Trendiest Hotels in the South Pacific respectively.

Taj Exotica Resort & Spa, Maldives

1 The Taj Exotica Resort and Spa has been ranked "No. 1 Resort in Asia" and "No. 4 Resort in the World" in Trip Advisor's Traveller's Choice Awards, 2012, in the "All Inclusive Resort" category.

2 Won The Virgin Holidays Partnership Award for Sustainable Tourism, 2011.

3 Listed among the 100 Best Hotels in Times, France.

DOMESTIC

Luxury

Taj Falaknuma Palace, Hyderabad (TFP)

1 Brand new entry in the category for Best Hotels for Ambience and Design in Asia on the Condé Nast UK Gold List, 2012.

2 The Condé Nast Traveller India Readers Travel Awards, 2011, for the "Best New Hotel in India".

3 Featured in Elite Traveller USA's Top 101 Suites in the World.

4 The Robb Report has featured TFP in its 23rd Annual "Best of Best" Hotels in the World.

5 Condé Nast Traveller UK - Readers' Poll Awards judges TFP as the Best Overseas Leisure Hotel in Asia (7th in the world's top 100 across all categories).

6 Travel + Leisure, USA It List: TFP is featured in the sixth annual list of "It" hotels. Editors scoured the globe for the best new properties as they do every year, Travel + Leisure editors and writers logged thousands of miles in search of the next best new hotels for you to lay your head.

7 Featured in the Condé Nast Traveller, USA - The Hot List, 2011 - 124 Best New Hotels in the World.

8 Featured in the Condé Nast Traveller, UK Hotlist, 2011 - The World's Best New Hotels.

9 HVS India announced Hotel of the Year Awards, 2011, during the 7th Hotel Investment Conference South Asia (HICSA), 2011, for luxury, mid-market and budget/economy categories.

The Taj Mahal Palace, Mumbai (TMP)

1 Voted the Best Heritage Hotel in India at the Travel + Leisure India's Best Awards, 2012.
2 Voted as the Hotel of the Year (Editor's Choice) in the latest edition of the UK Gallivanter's Guide.
3 Featured in the T+L US Top 500 World's Best Hotels List, the Asia Category.
4 Included in the Best Hotels for Location category (Asia) on the Condé Nast Traveller UK Gold List, 2012.
5 Received the Condé Nast Traveller India Readers Travel Award, 2011, for the "Favourite Business Hotel in India."
6 Featured in Elite Traveller USA's Top 101 Suites in the World.
7 Condé Nast Traveller UK - Readers' Poll Awards judges TMP as Runner up for Overseas Business Hotel (12th in the world's top 100 across all categories)
8 Ranked number 9 in the Top 10 Hotels in Asia category in Travel + Leisure's World's Best Awards, 2011, Readers' Poll.
9 The Daily Telegraph has brought out a "Travel Supplement of the Year" on January 1, 2011 with a cover story of "The 50 Best Hotels in the World". TMP is placed 23rd in the list.
10 Featured in the highly coveted Condé Nast Traveller, UK Hotlist, 2011 - The World's Best New Hotels.

Taj Lake Palace, Udaipur

1 Ranked number one in Asia as well as in India in Trip Advisor's Traveller's Choice Awards, 2012, Top 25 Hotels.
2 Featured on Condé Nast Traveller USA's Gold List, 2012.
3 Featured in the Travel + Leisure US Top 500 World's Best Hotels List, the Asia Category.
4 Conferred with Commitment to Quality Award as the Best in Asia & Pacific at the recent 2011 Annual Convention of The Leading Hotels of the World held in Amsterdam.
5 Ranked number 6 in the Top 10 Hotels in Asia category in Travel + Leisure's World's Best Awards, 2011, Readers' Poll.

Umaid Bhawan Palace, Jodhpur

1 Featured in the T+L US Top 500 World's Best Hotels List, the Asia Category.
2 Featured on Condé Nast Traveller USA's Gold List, 2012.

Rambagh Palace, Jaipur

1 Featured in the Travel + Leisure US Top 500 World's Best Hotels List, the Asia Category.
2 Featured in the Condé Nast Traveller USA's Gold List, 2012.
3 Ranked number 6 in the Top 10 Hotels in Asia category in Travel + Leisure's World's Best Awards, 2011, Readers' Poll.

Taj Palace Hotel, New Delhi (TPH)

1 Featured in the T+L US Top 500 World's Best Hotels List, the Asia Category.
2 Travel + Leisure's annual World's Best Awards Survey, 2011, acknowledges TPH as the Best Business Hotel.

Taj Mahal Hotel, New Delhi

1 Featured in the Trip Advisor's Traveller's Choice Awards, 2012, Top 25 Hotels in India.
2 Featured in the Travel +Leisure's US Top 500 World's Best Hotels List, the Asia Category.

The Taj West End, Bengaluru

1 Featured in Trip Advisor's Traveller's Choice Awards, 2012, Top 25 Hotels in India.

Taj Safari Lodges

1 **Banjar Tola -** Kanha was named to the coveted list of Andrew Harper's Hideaway Report of The 2011 Grand Award Winners.
2 **Mahua Kothi –** Bandhavgarh has featured 4th in Condé Nast Traveller USA's Hot List, 2012, under the section "All-Stars: 8 of our Favourite Hot Hotels" Hot List Hotels that changed the reviewers lives.

Vivanta by Taj

Vivanta by Taj – Bekal, Kerala

1 Featured in the Condé Nast Traveller, UK Hot List, 2012 - it has been included as one of the "60 Best New Hotels" in the World.
2 Awarded the best Upscale Resort by Hotel Investment Conference South Asia (HICSA), 2012.
3 Featured in the Condé Nast Traveller, Russia Hot list, 2012.
4 Awarded the Hotel of the Year, 2012, Best New Hotel Upper Upscale, 2012 and Special Critic's Award for Creating a New Destination at the HISCA Conference.
5 Accorded the "Must Visit" acclamation by Vanity Fair UK.
6 SATTE has chosen Vivanta by Taj - Bekal, Kerala, as the Best Upscale property of the year. The choice was made for its contemporary and traditional mix of design, combining the best in customer comfort.

Vivanta by Taj - Dal Lake, Srinagar

1 Won the Deal of the Year Award in the Development of the Year category (under ₹ 2 billion) at the Hotel Investment Forum India (HIFI).

Vivanta by Taj - Hari Mahal, Jodhpur

1 Featured in the Condé Nast USA's Gold List, 2012.

2 Featured in the in Condé Nast Readers' Choice Awards, 2011, Top 100 Resorts in the World category. It also ranked 15th in the Top 125 Hotels and Resorts in Asia category.

Vivanta by Taj - Fort Aguada, Goa

1 Ranked 13th in the Top 125 Hotels and Resorts in Asia category in the Condé Nast Readers' Choice Awards, 2011.

Taj Exotica, Goa

1 Featured in the Trip Advisor's Traveller's Choice Awards, 2012, Top 25 Hotels in India.

2 Featured in the Condé Nast Traveller USA's Gold List, 2012.

3 Ranked 48th in the Top 125 Hotels and Resorts in Asia category in the Condé Nast Readers' Choice Awards, 2011.

Jai Mahal Palace, Jaipur

1 The Condé Nast Traveller USA Gold List, 2012, features The Jai Mahal Palace.

2 Ranked 56th in the Top 125 Hotels and Resorts in Asia category in the Condé Nast Readers' Choice Awards, 2011.

Vivanta by Taj - President, Mumbai

1 Ranked 105th in the Top 125 Hotels and Resorts in Asia category in the Condé Nast Readers' Choice Awards, 2011.

Vivanta By Taj - Malabar, Kochi

1 Brand new entrant on the Travel + Leisure's US Top 500 World's Best Hotels List, the Asia Category.

Vivanta By Taj - Komarakom, Kerala

1 Ranks 5th on Trip Advisor's Traveller's Choice Awards, 2012, Top 25 Hotels in India.

Vivanta By Taj - Kovalam, Kerala

1 Featured in the Trip Advisor's Traveller's Choice Awards 2012 Top 25 Hotels in India.

Vivanta By Taj - Whitefield, Bengaluru

1 Won the Second Runners-Up Award for Best Business Hotel for Women Travellers (India) at the T+L (India & S. Asia) India's Best Awards.

2 Featured 7th on Trip Advisor's Traveller's Choice Awards, 2012, Top 25 Trendiest Hotels in India.

Vivanta By Taj - Panaji, Goa

1 Featured on Trip Advisor's Traveller's Choice Awards, 2012, Top 25 Trendiest Hotels in India.

The Gateway Hotels (TGH)

1 TGH –Ernakulum, received the prestigious National Tourism Award from the President of India for being the Best Hotels in the category.

2 It has also been awarded as the Best Hotel in the country in the 5-Star Category by the Ministry of Tourism, Government of India as well as winning the Kerala State Tourism Award for the 'Best Five Star Hotel' in Kerala for the 6th time.

3 TGH - Akota Gardens, Vadodara, received the prestigious National Tourism Award from the President of India for being the Best Hotels in the category.

4 "Karavalli" at TGH – Residency Road, Bengaluru, also featured in The Miele Guide as one of the top restaurants in Asia.

5 TGH – Chandela, Khajuraho, won the Best Hotel in a Tourist Centre Award from the Madhya Pradesh State Tourism Development Corporation Limited.

Jiva Spa

1 Jiva Spa at Falaknuma Palace, Hyderabad, has been voted the 5th best Hotel Spa in the Asia and Indian Subcontinent category by the Condé Nast Traveller Reader's Spa Awards, 2012.

2 It has also won an award for 'Nawab-e- Khaas ~Regal Splendor', under the category the best body treatment at the Vogue Beauty Awards, 2011.

3 Jiva Spa at Taj Mahal Palace, Mumbai, was nominated for Men's Spa of the Year, 2011.

4 The Jiva Spa at Nadesar Palace, Varanasi, has won the Crystal Awards, 2012 for Best Boutique Hotel Spa, AsPac, Singapore, 2011.

REPORT ON CORPORATE GOVERNANCE

Philosophy on Corporate Governance

Corporate Governance has been in existence in your Company since inception, thanks to our visionary founder Mr. Jamshedji Tata, who laid the cornerstone for good governance over a century ago, long before it was mandated by law and more importantly, embedded it as a fundamental principle of the business. The Company's Corporate Governance Philosophy derives from the values of Integrity, Excellence & Responsibility. It emphasises wealth creation for society, protection & interest enhancement for all stakeholders, without compromising the environment and health of society at large. Today, the Company has expanded its footprints to 5 continents across the globe and shares global best practices. The Company has adopted the Tata Business Excellence Model which pushes the boundaries of excellence, enabling innovative ideas and promoting indigenous methods to improve business. Further, the Company also applies the Balanced Scorecard methodology across its units, which assesses the steps taken to achieve long term strategic objectives and the Tata Code of Conduct, which articulates the values, ethics and business principles that should be adhered to by employees, as part of its philosophy on Corporate Governance.

The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of Corporate Governance requirements as detailed below:

The Board of Directors:

1. The Board of Directors comprises Executive, Non-Executive as well as Independent Directors. Two thirds of the Board of Directors comprises Non Executive Directors, with the Chairman being a Non-Executive Director. The Directors possess experience in fields as varied as banking, finance, marketing and hoteliering to social service and architecture. The skill and knowledge of the Directors have proved to be of immense value to the Company. The details of Directors seeking re-appointment have been attached along with the Notice of the Annual General Meeting.

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

3. During the year under review, the Board of Directors of the Company met four times and the period between any two meetings did not exceed four months. The dates of the Board Meetings held during each quarter are as follows:

No.	Date of Meeting	For The Quarter
1	May 24, 2011	April to June
2	August 4, 2011	July to September
3	October 28, 2011	October to December
4	January 25, 2012	January to March

   As required under Annexure I to Clause 49 of the Listing Agreement with the Stock Exchanges, all the necessary information was placed before the Board from time to time.

4. All the relevant information, as recommended by the Securities and Exchange Board of India (SEBI) / Stock Exchanges, is promptly furnished to the Board from time to time in a structured manner.

5. The Non-Executive Directors of the Company are paid, in addition to commission, sitting fees of ₹ 20,000/- per meeting for attending meetings of the Board of Directors, Audit Committee and Remuneration Committee and the sitting fees for the Share Transfer & Shareholders' / Investor Grievance Committee meetings, is ₹ 10,000/- per meeting.

6. None of the Directors of the Board serve as members of more than 10 Committees nor are they Chairmen of more than 5 Committees, as per the requirements of the Listing Agreement. "Committees" for this purpose include the Audit Committee and the Shareholders' / Investor Grievance Committee under the said Clause 49 of the Listing Agreement.

7. A detailed explanation, in the form of a table illustrating the above is given on page no. 41 for ready reference.

8. The Company has adopted a Code of Conduct for its Non-Executive Directors and all Non-Executive Directors have affirmed compliance with the said Code for the financial year ended March 31, 2012. All Senior Management of the Company have affirmed compliance with the Tata Code of Conduct. The Code of Conduct is also displayed on the Company's web site. The Annual Report of the Company contains a certificate duly signed by the Managing Director (CEO) in this regard.

9. Other than the transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and / or relatives.

Committees of the Board:

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

1. Audit Committee:

The Company's Audit Committee comprises entirely of Independent Directors, viz. Mr. K. B. Dadiseth (Chairman), Mr. Deepak Parekh and Mr. Jagdish Capoor. Each Member of the Committee has the relevant experience in the field of finance, banking and accounting, with a majority of the Members being Chartered Accountants. The Committee has, inter alia, the following terms of reference:

i. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

ii. Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.

iii. Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Board's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956.
- Any changes in accounting policies and practices and reasons thereof.
- Major accounting entries based on the exercise of judgement by the Management.
- Qualifications in the draft audit report.
- Significant adjustments made in the financial statements, arising out of audit findings.
- The Going Concern assumption.
- Compliance with Accounting Standards.
- Compliance with listing and other legal requirements relating to financial statements.
- Any related party transactions i.e. transactions of the Company of material nature, with Promoters or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

iv. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

v. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the Monitoring Agency, monitoring the utilisation of the proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter.

vi. Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.

vii. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

viii. Discussion with internal auditors on any significant findings and follow-up thereon.

ix. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

x. Discussion with external / statutory auditors before the audit commences, nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.

xi. Reviewing the Company's financial and risk management policies.

xii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

The Committee met six times during the period under review, the details of attendance whereat are on page 41.

Audit Committee meetings are attended by invitation by the Executive Director – Finance, the Executive Director – Hotel Operations, Group Internal Audit and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting.

2. Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance Committee has the required powers to carry out the handling of shareholders/investor grievances. The brief terms of reference of the Committee include redressing shareholder and investor complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of dividends, etc. Mr. R. K. Krishna Kumar, Non-Executive Director, is the Chairman of the Committee.

The Committee met twice during the period under review, the details of attendance whereat are on page 41.

Share transfers are processed weekly and approved by the Committee. Investor grievances are placed before the Committee. There were no pending investor complaints which remained unresolved. The Company has also cleared all complaints received through SEBI Complaints Redress System (SCORES) - a centralized web based complaints redress system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status. All share transfers lodged upto March 31, 2012, have been processed by the Committee. The status of the complaints received (inclusive of SCORES) from shareholders during the year 2011-12 is as under:

Complaints received	Pending as on March 31, 2012
12	Nil

Amounts Transferred to IEPF

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer unpaid dividends, matured deposits, redeemed debentures and interest accrued thereon remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

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

Financial Year	Date of declaration of Dividend	Proposed Date of transfer to IEPF*
2004-05	August 12, 2005	October 16, 2012
2005-06	August 5, 2006	October 9, 2013
2006-07	August 4, 2007	October 8, 2014
2007-08	April 15, 2008	June 20, 2015
2008-09	August 3, 2009	October 7, 2016
2009-10	August 5, 2010	October 10, 2017
2010-11	August 5, 2011	October 10, 2018

* Indicative dates, actual dates may vary

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

During the year, the Company made renewed attempts to establish contact with those Members who had not claimed dividend(s). Special mailers were sent by different modes to the Members. As a result, the Company did achieve limited success and was able to arrange payment of a sum of ₹ 2,49,832/-. Despite this, the Company was statutorily required to transfer the following amounts to IEPF of the Central Government as at March 31, 2012:

Particulars		₹
Amounts transferred upto March 31, 2011	**(a)**	2,86,35,310.67
Amounts transferred during financial year 2011-12:		
- Unpaid/unclaimed dividend with the Company		16,06,962.00
- Unpaid/unclaimed matured deposits with the Company		3,10,010.00
- Unpaid matured debentures with the Company		-
- Interest accrued on the unpaid matured deposits		2,13,829.00
- Interest accrued on the unpaid matured debentures		-
Total	**(b)**	21,30,801.00
Amount transferred upto March 31, 2012 (a+b)		**3,07,66,111.67**

Compliance Officer

Mr. Beejal Desai

Vice President - Legal & Company Secretary

The Indian Hotels Company Limited

Address: Mandlik House, Mandlik Road, Mumbai – 400 001

Phone: 022 - 6665 3238

Fax: 022 - 2202 7442

E-mail: investorrelations@tajhotels.com

3. Remuneration Committee:

The Company has a Remuneration Committee which is a non-mandatory requirement as per the Listing Agreement. The Committee recommends managerial remuneration payable to the Whole-time Directors. The Committee consists of 3 Non-Executive Directors. In addition to the Chairman, Mr. Jagdish Capoor, who is an Independent Director, the Committee comprises Mr. Ratan N. Tata and Mr. R. K. Krishna Kumar.

The Chairman of the Remuneration Committee was present at the last Annual General Meeting of the Company. During the year, the Committee met once and was attended by all the Members.

4. Remuneration Policy:

The remuneration of the Whole-time Director(s) is recommended by the Remuneration Committee based on factors such as industry benchmarks, the Company's performance vis-à-vis the industry, performance / track record of the Whole-time Director(s), etc., which is decided by the Board of Directors. Remuneration comprises a fixed component viz. salary, perquisites and allowances and a variable component viz. commission. The Remuneration Committee also recommends the annual increments (which are effective April 1 annually) within the salary scale approved by the Members as also the Commission payable to the Whole-time Director(s) on determination of profits for the financial year, within the ceilings on net profits prescribed under Sections 198 and 309 of the Companies Act, 1956.

The commission payable to Non-Executive Directors is decided by the Board upto 1% of the net profits of the Company, calculated in accordance with provisions of Sections 198, 349 and 350 of the Companies Act, 1956 and is distributed based on a number of factors, including number of Board and Committee meetings attended, individual contribution thereat, etc.

Service Contract and Notice Period of the Managing Director and the Executive Directors

Mr. Raymond N. Bickson's contract as a Managing Director is for a period of 5 years, commencing from July 19, 2008, upto and including July 18, 2013, terminable by 6 months notice on either side.

Mr. Anil P. Goel's contract as Whole-time Director of the Company is for a period of 5 years, commencing from March 17, 2008, upto and including March 16, 2013, terminable by 6 months notice on either side.

Mr. Abhijit Mukerji's contract as Whole-time Director of the Company is for a period of 5 years, commencing from March 17, 2008, upto and including March 16, 2013, terminable by 6 months notice on either side.

Mr. Mehernosh Kapadia's contract as a Whole-time Director of the Company is for a period of 5 years, commencing from August 10, 2011, upto and including August 9, 2016, terminable by 6 months notice on either side.

The Company has no scheme for stock options.

Details of ordinary shares of the Company held by the Non-Executive Directors as on March 31, 2012, are as under:

Mr. Ratan N. Tata	59,792
Mr. Deepak Parekh	1,845
Mr. Jagdish Capoor	5,000

Details on General Meetings:

Location, date and time of the Annual General Meetings held in the last 3 years are as under:

Location	Date	Time
Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020	August 5, 2011 August 5, 2010 August 3, 2009	3.00 p.m.

All special resolutions passed in the previous three Annual General Meetings of the Company were passed by a show of hands by the Members of the Company present and voting at the said meetings.

Postal Ballot

The Company did not pass any resolution vide Postal Ballot during the year.

Disclosures:

The Board of Directors receive, from time to time, disclosures relating to financial and commercial transactions from key managerial personnel of the Company, where they and / or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party transactions are placed before and reviewed by the Company's Audit Committee.

The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India / statutory authorities on all matters relating to capital markets, during the last 3 years.

Pursuant to the provisions of sub – clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director (CEO) and the Executive Director-Finance have issued a certificate to the Board, for the year ended March 31, 2012.

Subsidiary Companies:

The Company does not have any material unlisted subsidiary and hence is not required to have an Independent Director of the Company on the Board of such subsidiary. The Audit Committee reviews the financial statements of the Company's unlisted subsidiary companies. The Minutes of the subsidiary companies are periodically placed before and reviewed by the Board of Directors of the Company.

Risk Management:

The Company has a Risk Management Policy, which lays down a vigorous and active process for identification and mitigation of risks. This Policy has been adopted by the Audit Committee as well as the Board of Directors of the Company. The Audit Committee reviews the risk management and mitigation plan from time to time.

Board of Directors:

Names	Category	Remuneration paid ₹			No. of outside Directorships as at March 31, 2012		No. of outside Committee Positions Held		No. of Board Meetings attended	No. of Audit Committee Meetings attended	No. of Share Transfer & Shareholders'/ Investor Grievance Committee Meetings attended	Attendance at the last AGM (Y/N)
		Salary & Perks 2011-2012	Sitting Fees 2011-2012	Commission 2010-2011	Indian	Foreign	as Member	as Chairman				
Mr. Ratan N. Tata (Chairman)	Promoter Non-Executive	-	80,000	32,00,000	10	11	-	-	3	NA	NA	Y
Mr. R. K. Krishna Kumar (Vice Chairman)	Promoter Non-Executive	-	1,20,000	31,00,000	12	11	1	1	4	NA	2	Y
Mr. K. B. Dadiseth	Non-Executive Independent	-	2,00,000	48,00,000	6	1	4	2	4	6	NA	Y
Mr. Deepak Parekh	Non-Executive Independent	-	1,40,000	11,00,000	8	2	2	2	3	4	NA	N
Mr. Jagdish Capoor	Non-Executive Independent	-	2,20,000	25,00,000	6	-	1	1	4	6	NA	Y
Mr. Shapoor Mistry	Non-Executive Independent	-	60,000	5,00,000	10	-	-	-	3	NA	NA	Y
Mr. Nadir Godrej	Non-Executive Independent	-	60,000	12,00,000	11	6	1	1	3	NA	NA	N
Mrs. A. R. Aga	Non-Executive Independent	-	80,000	11,00,000	1	-	-	-	4	NA	NA	Y
Mr. Raymond N. Bickson	Executive	6,95,43,947	-	1,10,00,000	9	8	4	2	4	NA	1	Y
Mr. Anil P. Goel	Executive	1,28,05,943	-	85,00,000	6	11	4	-	4	NA	NA	Y
Mr. Abhijit Mukerji	Executive	1,04,67,886	-	85,00,000	3	-	2	-	4	NA	2	Y
Mr. Mehernosh S. Kapadia	Executive	50,98,776	-	-	4	-	2	-	2	NA	NA	NA

NOTE: Traditionally, the Directors are paid commission each year, after the annual accounts are approved by the Members at the Annual General Meeting of the Company. A sum of ₹ 2.40 crores has been provided as commission to Non–Executive Directors for the year 2011-12. An amount of ₹ 3.25 crores is proposed to be paid as commission to the Executive Directors.

Payment of commission to the Directors - both Executive and Non-Executive Directors will be made after the accounts are approved at the Annual General Meeting.

Means of Communication:

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

Further, the Company also holds an Analysts' Meet after the quarterly, half-yearly and Annual Accounts have been adopted by the Board of Directors, where information is disseminated and analysed. Moreover, the Company also gives important Press Releases from time to time.

Corporate Filing and Dissemination System (CFDS)

The Stock Exchanges have the CFDS which is a portal jointly owned, managed and maintained by the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). It is a single source to view information filed by listed companies. All disclosures and communications to the BSE and NSE are filed electronically through the CFDS portal www.corpfiling.co.in. Hard copies of the said disclosures and correspondence are also filed with the BSE and NSE.

NSE Electronic Application Processing System (NEAPS)

The Company also files information through NEAPS – a web based application provided by NSE which facilitates online filing of Corporate Governance Report & the Shareholding Pattern by companies.

Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated June 7, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

Ministry of Corporate Affairs (MCA)

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

SEBI Complaints Redress System (SCORES)

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

Letters

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

Annual Report

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

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

Compliance with non-mandatory requirements

1. The Board: The Non-Executive Chairman has a separate office in his capacity as the Group Chairman at the Tata Group headquarters at Bombay House, 24, Homi Mody Street, Mumbai - 400 001 and hence a separate office is not maintained. The Company has adopted the Tata Guidelines for composition of the Board of Directors, Committees of the Board and Retirement Age of Directors, which take into account the provisions of the Listing Agreement, the Companies Act, 1956 and other applicable laws.

2. Remuneration Committee: Details already given under the caption 'Remuneration Committee' in an earlier part of the Report.

3. Shareholders Rights: In addition to publishing its quarterly results in leading English and a Marathi newspaper having wide circulation, the Company uploads its quarterly results and shareholding pattern and corporate governance reports on its website www.tajhotels.com. Additionally, the same is also available on www.corpfiling.co.in. Continuing its efforts to increase Green Initiatives and as per the amended Listing Agreement, the Company had despatched letters seeking confirmation from the Members on the option for receipt of (post/e-mail) communication from the Company. For cases where the replies were not received, a hard copy of the report was despatched to the postal address registered with the Company.

4. Audit qualifications: For the financial year 2011-12, there are no audit qualifications to the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

5. Mechanism for evaluating Non-Executive Board members: The Board of Directors of the Company presently comprises eight Non-Executive Directors. The Directors appointed on the Board are from diverse fields relevant to the Company's business and have long-standing experience and expertise in their respective fields. They have considerable experience in managing large corporates and have been in public life for decades. The enormously rich background of the Directors is of considerable value to the Company.

   Non-Executive Directors add substantial value through the deliberations at the Meetings of the Board and Committees thereof. Besides contributing at the meetings of the Board and Committees, the Non-Executive Directors also have off-line deliberations with the Management of the Company and add value through such deliberations.

   In light of the above, the Chairman, under authority from the Board, decides on the performance of each Non-Executive Director and they are accordingly evaluated and remunerated.

6. Whistle Blower Policy: The Company has adopted the Whistle Blower policy pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest. No employee has been denied access to the Audit Committee in this regard.

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

General Shareholder Information

Annual General Meeting

➢ **Date and Time**	August 3, 2012 at 3.00 p.m.
➢ **Venue**	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg Mumbai 400 020
Registered Office	Mandlik House Mandlik Road Mumbai 400 001
Telephone No.	91- 22- 6639 5515
Facsimile No.	91- 22- 2202 7442
Website	www.tajhotels.com
Dedicated E-mail	investorrelations@tajhotels.com

Financial Calendar

Financial reporting for:

• Quarter ending 30th June, 2012	August 2012
• Quarter ending 30th September, 2012	November 2012
• Quarter ending 31st December, 2012	February 2013
• Quarter ending 31st March, 2013	May 2013
Date of Book Closure	July 20, 2012 to August 3, 2012 (Both days inclusive)
Dividend Payment Date	On or after August 4, 2012

Listing

➢ **Ordinary Shares**	BSE Limited National Stock Exchange of India Limited
➢ **Global Depository Shares**	London Stock Exchange Plc.

The Company has paid annual listing fees to each of the above Stock Exchanges in respect of the financial year 2012-2013.

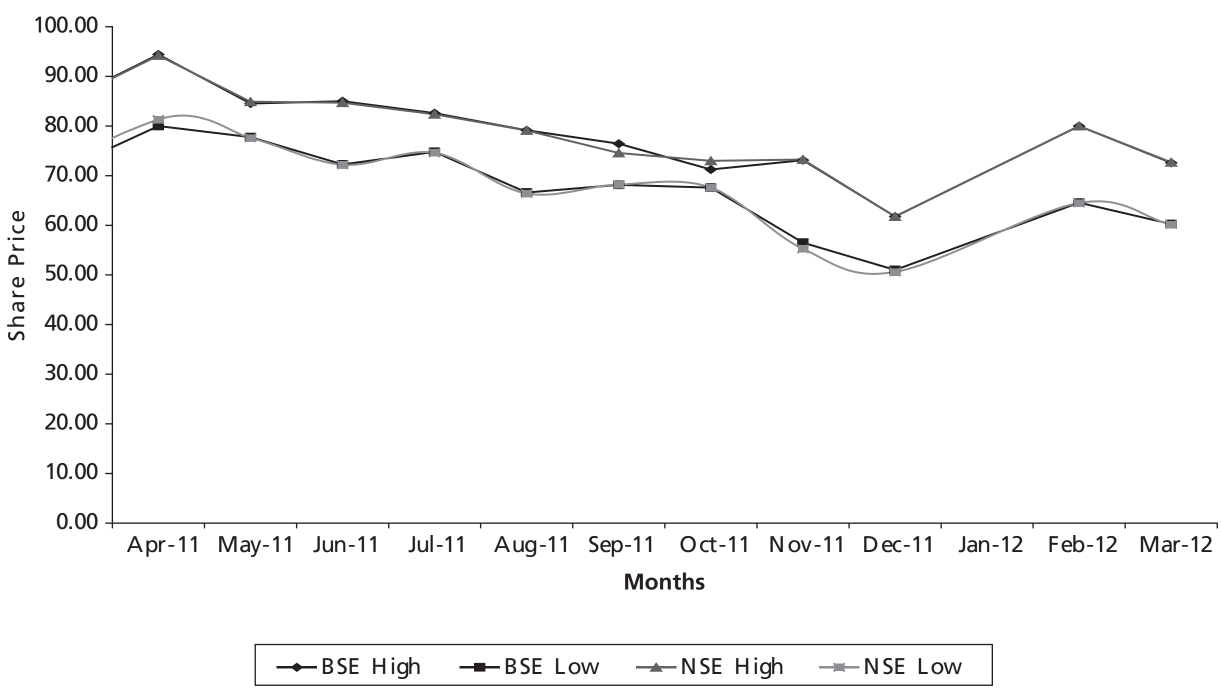
Stock Codes

STOCK EXCHANGE	STOCK CODE
BSE Limited	500850
National Stock Exchange of India Limited	INDHOTEL EQ
London Stock Exchange Plc.	IHTD

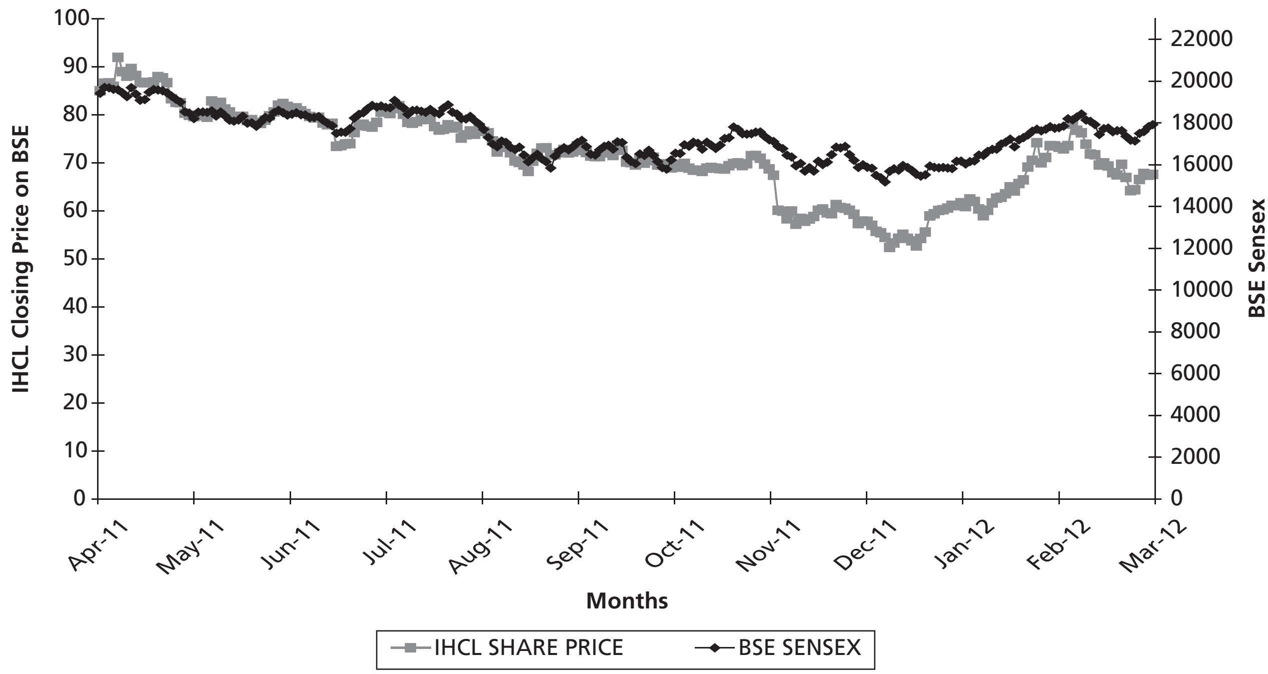
Market Price Data: High, Low during each month in last financial year

Months	BSE High	BSE Low	No. of Shares traded	NSE High	NSE Low	No. of Shares traded
Apr-11	94.40	80.00	28,47,866	94.20	81.30	1,35,60,309
May-11	84.55	77.75	19,62,834	84.90	77.60	1,08,04,565
Jun-11	85.00	72.25	27,11,800	84.70	72.20	2,06,10,031
Jul-11	82.60	74.80	50,40,633	82.35	74.60	1,78,28,508
Aug-11	79.15	66.60	74,65,686	79.10	66.40	2,63,47,625
Sep-11	76.45	68.15	21,16,457	74.55	68.20	1,39,15,504
Oct-11	71.25	67.60	34,58,979	73.00	67.60	1,55,38,268
Nov-11	73.10	56.50	39,13,011	73.25	55.25	2,41,14,686
Dec-11	61.75	51.00	19,70,289	61.75	50.60	1,48,65,141
Jan-12	66.65	54.40	43,91,374	66.70	54.00	1,57,82,012
Feb-12	80.00	64.55	55,75,495	80.00	64.50	2,78,19,803
Mar-12	72.60	60.25	43,41,233	72.70	60.15	2,08,52,762

Comparative High – Low Price on BSE and NSE



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



Share Transfer Agent	The Company has received Permanent Registration Certificate as Share Transfer Agent in Category II from SEBI
SEBI Registration No.	INR000003746

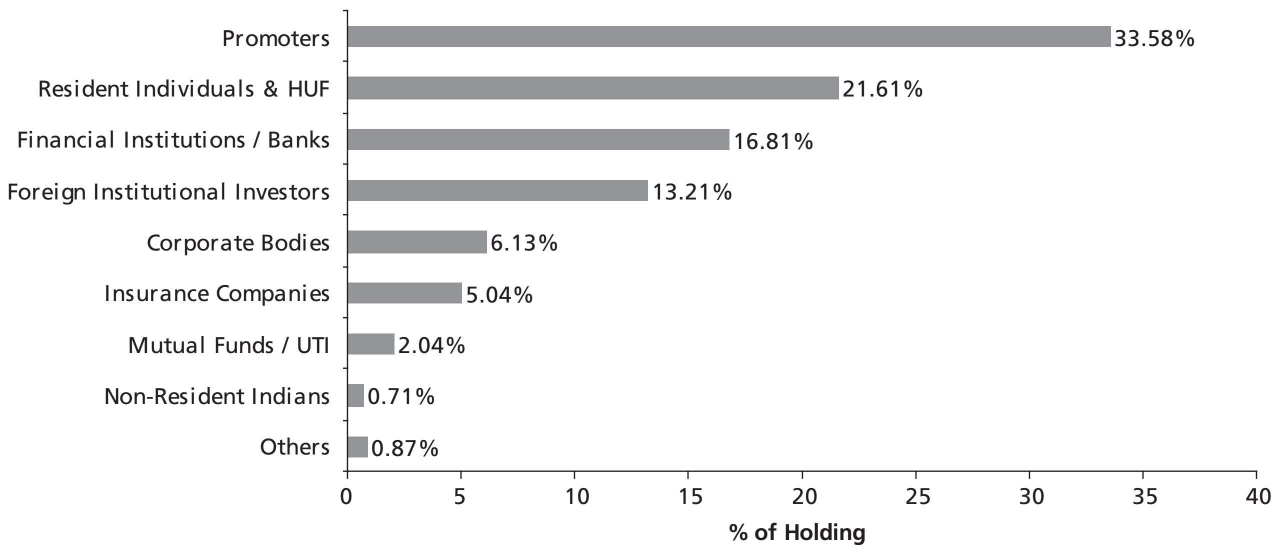
Share Transfer System

All shares have been transferred and returned within 30 days from the date of lodgement, provided the necessary documents were in order.

The Indian Hotels Company Limited - Distribution of Shareholding as on March 31, 2012

Category of Shareholders	No. of Shares held	% to Paid-up capital
Promoters	25,50,66,116	33.58
Directors & their Relatives	4,33,755	0.05
Foreign Institutional Investors	10,03,46,838	13.21
Foreign Banks	6,104	0.00
Resident Individuals & HUF	16,40,95,182	21.61
Non-Resident Indians	53,78,526	0.71
Global Depository Receipts	2,88,080	0.04
Financial Institutions / Banks	12,76,80,125	16.81
Insurance Companies	3,82,83,291	5.04
Mutual Funds / UTI	1,54,66,733	2.04
Clearing Members	11,93,626	0.16
Corporate Bodies	4,65,34,266	6.13
Trusts	46,57,245	0.61
Central/State Governments	42,900	0.01
Total	**75,94,72,787**	**100.00**

Shareholding pattern of the Company as on March 31, 2012



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

Distribution Schedule of The Indian Hotels Company Limited as on March 31, 2012

No. of Shares held	Total Members	Total Shares	Total % to Paid up Capital
Upto 100	77,266	39,84,807	0.52
101 to 1000	75,308	2,98,28,824	3. 93
1001 to 2500	15,818	2,57,40,682	3.39
2501 to 5000	6,620	2,41,08,895	3.17
5001 to 10000	4,004	2,86,70,180	3.78
10001 to 20000	1,795	2,46,29,570	3.24
20001 to 30000	443	1,08,00,761	1.42
30001 to 40000	171	59,88,069	0.79
40001 to 50000	119	54,07,241	0.71
50001 to 100000	199	1,39,40,154	1.84
100001 & above	217	58,63,73,604	77.21
Total	**1,81,960**	**75,94,72,787**	**100.00**

Reconciliation of Share Capital Audit

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

Unclaimed Suspense Account maintained under Clause 5A of the Listing Agreement with the Stock Exchanges

Clause 5A II of the Listing Agreement stipulates a uniform procedure for dealing with unclaimed shares issued in physical form. Under the regulation, the said unclaimed shares are to be dematerialised and credited to a separate suspense account thereafter. Accordingly, all the corporate benefits accruing on these shares will also be credited to such account. All the voting rights shall remain frozen till the rightful owner claims the shares. All such rightful owners may approach the Company for re-transfer of such shares to their account which will be effected on proper verification of the identity of such owner.

Pursuant to this, your Company had sent three reminders to the Members who had not claimed their shares. Out of 12,190 unclaimed equity shares held by 73 investors, 24 investors holding 6,586 equity shares, claimed their shares after the receipt of reminders from the Company. Accordingly, as on March 31, 2012, the Company had transferred and dematerialised 5,604 shares held by 49 investors (issued in physical form and remaining unclaimed) to 'The Indian Hotels Company Limited - Unclaimed Securities Suspense Account'.

Report on Corporate Governance

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance in hard copy and additionally electronically through CFDS portal to the BSE & NSE as well as through the NEAPS application of NSE. A certificate from a practising Company Secretary on Corporate Governance is attached as an annexure to the Report.

Dematerialisation of Shares & Liquidity

As of March 31, 2012, shares comprising approximately 97% of the Company's Equity Share Capital have been dematerialised.

Status on Dematerialised shares (Equity ISIN No. INE053A01029)

Shares held through	Percentage of Holding
NSDL	94.04
CDSL	3.38
Physical	2.58
Total	**100**

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

2,88,080 GDRs are outstanding as on March 31, 2012, without any impact on equity. The Company offers investors the facility for conversion of Ordinary Shares into GDRs within the limits prescribed for two way fungibility.

4,80,00,000 Warrants issued by the Company to its Promoters are outstanding. Each Warrant would entitle the Promoters to subscribe to 1 Ordinary Share of the Company at the price of ₹ 103.64 per share including and upto June 23, 2012.

Registrar to the Company's Fixed Deposit Scheme

Sharepro Services (I) Pvt. Ltd.	Tel. No. 91 - 22 - 67720400
Samhita Warehousing Complex	Fax No. 91 - 22 - 28508927
13 AB, Gala No. 52	Email: ihclfd@shareproservices.com
Near Sakinaka Telephone Exchange	
Off. Kurla Andheri Road	
Sakinaka, Mumbai 400 072.	

Investor Correspondence

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

National Electronic Clearing Service (NECS)

RBI vide it's Circular No. DPSS. (CO). EPPD. No. 191.04.01.01 / 2009-2010 dated July 29, 2009, has instructed banks to move to the NECS platform w.e.f. October 1, 2009.

Investors are requested to kindly provide their new bank account particulars after implementation of Core Banking System by their respective bank(s) by quoting their reference folio number(s), in case shares are held in physical form.

In case shares are held in dematerailised form, investors may kindly provide the details to their Depository Participant, to avoid ECS credit to the old account being either rejected or returned and to ensure that future dividend payments are correctly credited to the respective account.

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2012.

For The Indian Hotels Company Limited

Raymond N. Bickson
Managing Director

COMPANY-WISE LIST OF HOTELS/UNITS

The Indian Hotels Company Limited

Taj Mahal Palace, Mumbai
Taj Lands End, Mumbai
Taj Wellington Mews, Mumbai
Taj Mahal Hotel, New Delhi
Taj Palace Hotel, New Delhi
Taj Bengal, Kolkata
Taj West End, Bengaluru
Taj Lake Palace Hotel, Udaipur
Taj Falaknuma Palace, Hyderabad
Taj Exotica, Goa

Taj Residency, Aurangabad
Vivanta by Taj - Connemara, Chennai
Vivanta by Taj - Fort Aguada, Goa
Vivanta by Taj - Holiday Village, Goa
Vivanta by Taj - Hari Mahal, Jodhpur
Vivanta by Taj - Whitefield, Bengaluru
Vivanta by Taj - Yeshwantpur, Bengaluru
Jai Mahal Palace, Jaipur
Usha Kiran Palace, Gwalior

Gateway - Bengaluru
Gateway - Jaisalmer
Gateway - Gir Forest
Gateway - Calicut
Hotel Chandela, Khajuraho
Hotel Savoy, Ooty
Kuteeram, Bengaluru

Managed Properties

Umaid Bhawan Palace, Jodhpur
Rambagh Palace, Jaipur

Vivanta by Taj - Kovalam, Kerala
Vivanta by Taj - Panaji, Goa
Vivanta by Taj - Dal View, Srinagar
Vivanta by Taj - Bekal, Kerala
Vivanta by Taj - Sawai Madhopur
Ramgarh Lodge, Jaipur

Gateway - Surat
Gateway - Vijaywada
Gateway - Jodhpur
Gateway - Vadodara
Gateway - Ahmedabad
SMS Hotel, Jaipur

Taj Palace Hotel, Dubai
Taj Tashi, Thimpu, Bhutan
Taj Pamodzi - Zambia
Rebak Island Resort, Langkawi, Malaysia
Gateway - Colombo

Subsidiary Companies

Roots Corporation Limited
Ginger - Agartala
Ginger - Ahmedabad
Ginger - Bengaluru
Ginger - Bhubaneshwar
Ginger - Chennai
Ginger - Goa
Ginger - Guwahati
Ginger - Indore
Ginger - Jamshedpur
Ginger - Ludhiana
Ginger - Manesar
Ginger - Mangalore
Ginger - Mysore
Ginger - Nashik
Ginger - New Delhi
Ginger - Pantnagar
Ginger - Puducherry
Ginger - Pune, Pimpri & Wakad
Ginger - Surat
Ginger - Tirupur
Ginger - Trivandrum
Ginger - Vadodara
Ginger - Vivekvihar

Piem Hotels Limited
Vivanta by Taj - President, Mumbai
Vivanta by Taj - Blue Diamond, Pune
Vivanta by Taj - Gomti Nagar, Lucknow
Vivanta by Taj - M G Road, Bengaluru

Gateway - Nashik
Gateway - Agra

United Hotels Limited
Vivanta by Taj - Ambassador, New Delhi

Beneras Hotels Limited
Nadesar Palace - Varanasi
Gateway - Ganges, Varanasi

Taj SATS Air Catering Limited

Amritsar	Bengaluru
Delhi	Goa
Kolkata	Mumbai

IHMS Australia Pty Ltd (IHMS A)
Blue, Sydney

International Hotel Management Services Inc
The Pierre, New York
Taj Boston, Boston
Taj Campton Place, San Francisco

St. James Court Hotels Limited
51 Buckingham Gate - London
St. James Court - London

Taj International Hotels Limited
Bombay Brasserie Quilon

Joint Venture Companies

Taj GVK Hotels & Resorts Limited
Taj Krishna, Hyderabad

Taj Banjara - Hyderabad
Taj Deccan, Hyderabad
Taj Club House, Chennai
Taj Chandigarh, Chandigarh
Vivanta by Taj, Hyderabad

Taj Kerala Hotels & Resorts Limited
Vivanta by Taj - Kumarakom

Gateway - Ernakulam
Gateway - Varkala

Taj Karnataka Hotels & Resorts Limited
Gateway - Chikmagalur

Taj Madras Flight Kitchen Private Limited
Chennai

Taj Safaris Limited
Mahua Kothi - Bandhavgarh
Banjaar Tola - Kanha
Pashan Garh - Panna
Baghvan - Pench

IHMS (SA) Pty Limited
Taj Cape Town, South Africa

TAL Maldives Resorts Private Limited
Taj Exotica Resort & Spa, Maldives

Vivanta by Taj - Coral Reef, Maldives

Associate Companies

Oriental Hotels Limited
Taj Coromandel, Chennai

Vivanta by Taj - Fisherman's Cove, Chennai
Vivanta by Taj - Malabar, Cochin
Vivanta by Taj - Trivandrum
Vivanta by Taj - Surya, Coimbatore

Gateway - Mangalore
Gateway - Coonoor
Gateway - Madurai
Gateway - Visakhapatnam

TAL Lanka Hotels PLC
Taj Samudra, Colombo

Lanka Island Resorts Limtied
Vivanta by Taj - Bentota, Sri Lanka

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

**TO THE MEMBERS OF
THE INDIAN HOTELS COMPANY LIMITED**

I have examined the compliance of the conditions of Corporate Governance by THE INDIAN HOTELS COMPANY LIMITED, for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements in all respects.

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

Mr. Shreepad M. Korde
Practicising Company Secretary
C. P. No. 1079
Mumbai
May 21, 2012

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES – 2011-12

Your Company prides itself in the symbiotic relationship it shares with its target communities. It holds the beacon of its founder Mr. Jamshedji Tata's vision of 'purpose of business' being rooted in advancement of society in which the business operates.

It has evolved its approach to leverage Corporate Social Responsibility (CSR) as a potent, long-term channel for driving 'value creation' for all the stakeholders involved.

Derived from the United Nation's Millennium Development Goals, the Prime Minister of India's Social Charter and in correlation with Taj business strengths and core competencies, we have adopted & follow **'Building Sustainable Livelihoods'** as our theme for CSR engagements and programmes.

Approach towards Community Development is focussed in 3 areas:

1. Facilitate skill development for less-privileged youth:
   - Partner with Government Industrial Training Institutes, reputed Voluntary Organizations and other like-minded organizations to bridge the gap between organized job market and ruralless-educated less-exposed youth seeking long-term livelihood options.
   - Enable candidates from marginalized sections like differently-abled, Scheduled Castes and Scheduled Tribes gain access to training and employment in hospitality industry.
2. Promote local arts, crafts, culture and development of local economy:
   - Facilitate awareness, visibility and venue for exhibition and sale of artifacts, performances of local artisans / craftsmen and culture troupes.
   - Encourage purchases of gift-items, other products for business-use from artisans, small-scale entrepreneurs.
   - Support income generation projects run by small scale entrepreneurs, Self Help Groups, NGOs and facilitate product development and ancillary services in line with tourism opportunities.
3. Share business core competencies:
   - Private-Public Partnerships to address entrenched social challenges like unemployment amongst educational-dropout youth, child malnutrition, human trafficking, etc.

Your Company continues to encourage its associates, vendors and partners to volunteer their time, knowledge and resources for identified causes and social projects for not just benefitting the beneficiaries, but also for their own personal growth and mutual satisfaction. We have renewed our commitment to promoting the 'spirit of volunteering' through our campaign for 'Give Back' and are keen to open up opportunities for volunteering to our guests as well in years to come.

Your Company defines its target communities based on societal challenges that it can contribute to by extending business core competencies.

Target Communities include:

1. Less privileged youth and women.
2. Women Self Help Groups / income generation projects of NGOs.
3. Indigenous artisans, culture groups / NGOs & networks promoting revival of traditional art & culture.
4. Organizations / networks working for training and development of the differentially-abled.

Your Company recognizes the potential of it's 'connect' with discerning national and international clientele and the opportunity to drive ideas and initiatives for 'Sensitive Hotel-Stays'. It has initiated projects related to bee-keeping, single origin honey harvesting, organic kitchen gardening and continue to support nutritional support programmes in identified areas.

Impact of Key Programmes in 2011-12

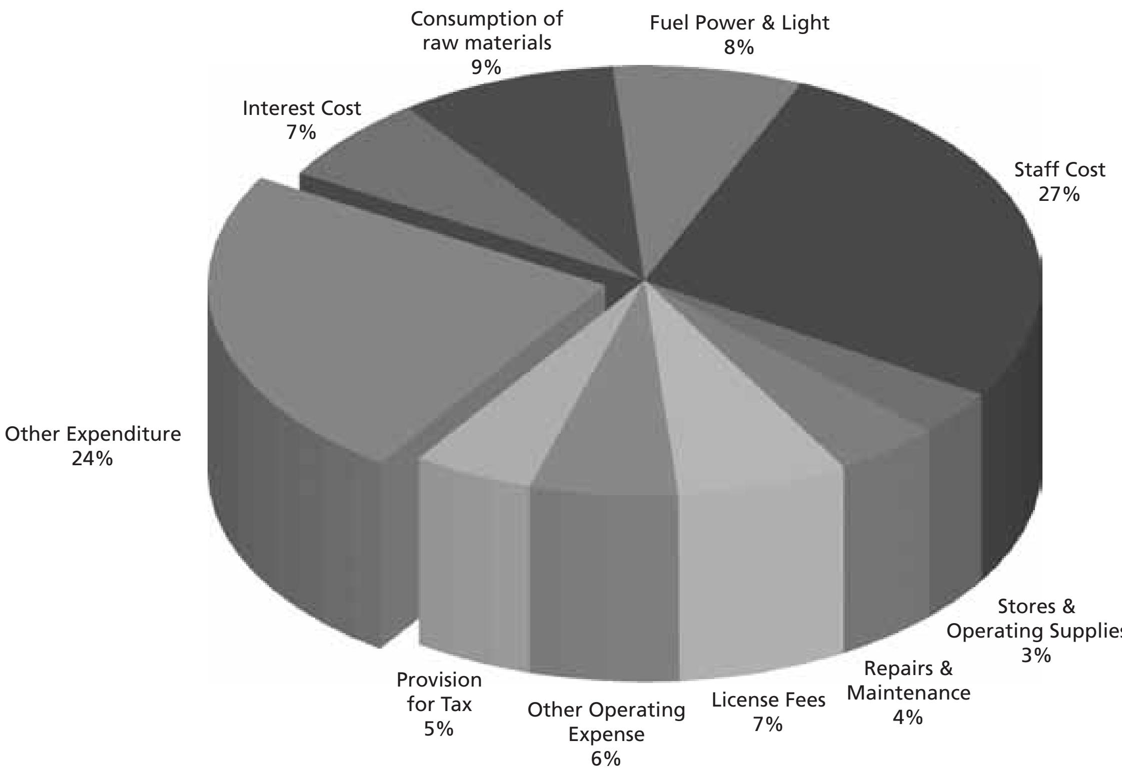
Taj Group has partnered with various Government Institutes and reputed National NGOs to set up skill training centers which train less privileged youth in hospitality skill-sets in different regions of India. Last year we trained over two thousand youth through these centers and made them employable. We reached out to 90 differently-abled youth in terms of providing hospitality skill trainings and apprenticeship in our hotels. Over 90% of these trained youth obtain employment in establishments ranging from food chains, coffee shops, highway motels, restaurants, malls and hotels of various categories.

The Group supports income generation programmes of various NGOs and local Self Help Groups by sourcing articles for business - use like table mats, newspaper bags, table napkins, shoe bags, mops, candles, pickles, cafeteria snacks, gift items for guests / associates and other daily consumables. This year we sourced goods worth over ₹ 4 crores from such target groups.

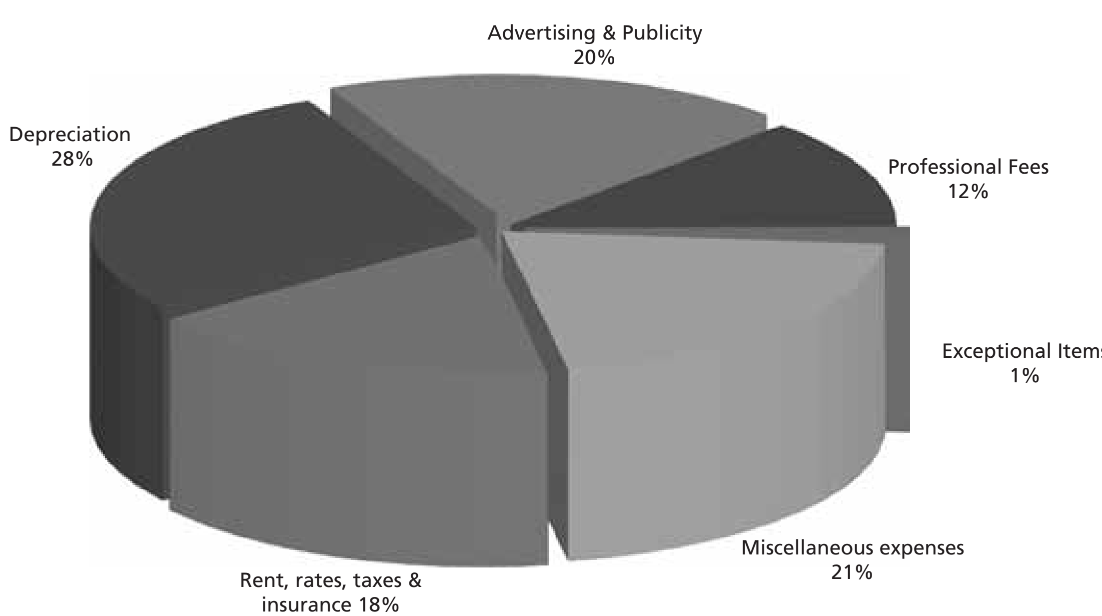
Our hotels also support indigenous artisans, karigars and culture troupes by providing venue support for showcasing artifacts, organizing performances, procuring guest gift items and so on. This year the Group supported 390 artisans, karigars and cultural troupe members.

The Taj Group Companies invested over ₹ 4.6 crores; over and above the goods and services sourced from cause-based organizations; in CSR initiatives across locations in 2011-12.

BREAK-UP OF TOTAL EXPENSES



BREAK-UP OF OTHER EXPENDITURE



AUDITORS' REPORT

TO THE MEMBERS OF
THE INDIAN HOTELS COMPANY LIMITED

1. We have audited the attached Balance Sheet of **THE INDIAN HOTELS COMPANY LIMITED** ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Without qualifying our opinion, we draw attention to Note no. 15(iii) to the financial statements which describes the uncertainty related to long term investments and other exposures aggregating ₹ 1,462.85 crores. The Company's reasons for regarding potential diminution arising in respect of these investments to be temporary in nature, have been explained in the same note.

4. As required by the Companies (Auditor's Report) Order, 2003 ("CARO" / "the Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

5. Further to our comments in paragraph 3 above and in the Annexure referred to in paragraph 4 above, we report as follows:

   (a) we have 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

      (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

6. On the basis of the written representations received from the Directors as on 31st March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

For PKF SRIDHAR & SANTHANAM
Chartered Accountants
(Registration No. 003990S)

S. Santhanakrishnan
Partner
(Membership No. 19071)

Mumbai, May 28, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 4 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result/transactions, etc. clauses (viii), (x), (xiii), (xiv), (xviii) and (xx) of paragraph 4 of CARO are not applicable.

(ii) In respect of its fixed assets:

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

(b) Physical verification of fixed assets has been carried out by the Management at most of the Units in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. We have been informed that the reconciliation of assets verified with the fixed assets register is in progress at one of the Units and physical verification report is not received for two of the units for which verification was conducted during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) According to the information and explanations given to us, the Company has neither granted nor taken any loan, secured or unsecured, to / from companies, firms or other parties listed in the Register under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) There were no transactions in excess of ₹ 5 lakhs each in respect of any party during the year.

(vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public. According to information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.

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

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Excise duty and Service Tax which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Name of Statute	Nature of Dues	₹ in crores	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 and Sales Tax Act of various states	Sales Tax	4.90	1999-05	Joint Commissioner of Sales Tax (Appeal)
		0.25	1995-1996	Appellate Board
		0.16	2003-04	Appellate Deputy Commissioner
		0.02	2000-01	Assistant Commissioner
		0.05	2002-03	Assistant Commissioner
		0.03	2004-05	Deputy Commissioner
		0.54	2005-07	Deputy Commissioner of Commercial Taxes
		0.06	2003-05	Joint Commissioner of Sales tax
		0.10	1992-95	Tribunal
		0.25	1997-98	Tribunal
Central Excise Act, 1994	Central Excise Tax	0.28	2006-10	Commissioner of Central Excise
Finance Act, 1994 and Service Tax laws	Service Tax	0.32	2004-07	Appellate Tribunal
		0.12	2005-07	Assistant Commissioner (Service tax)
		0.01	2002-05	Assistant Commissioner ST (Appeals)
		0.63	2002-2005	Custom Excise & Service Tax Appellate Tribunal
		0.33	2003-2006	Joint Commissioner
		7.33	2001-2011	Commissioner of Service Tax
	Total	**15.38**		

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

(xi) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.

(xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are *prima facie*, not prejudicial to the interests of the Company.

(xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, there is a temporary usage of short-term funds for long-term investment to the extent of ₹ 288.17 crores. The Management has represented that it is in the process of bringing in additional long-term funds in the near future.

(xv) According to the information and explanations given to us and the records examined by us, securities have been created during the year in respect of the debentures issued.

(xvi) 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 has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, May 28, 2012

For PKF SRIDHAR & SANTHANAM
Chartered Accountants
(Registration No. 003990S)

S. Santhanakrishnan
Partner
(Membership No. 19071)

Balance Sheet as at March 31, 2012

	Note	**March 31, 2012 ₹ crores**	March 31, 2011 ₹ crores
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	**75.95**	75.95
Reserves and Surplus	4	**3,167.49**	3,028.59
Money received against warrants	3(iii)	**124.37**	124.37
		3,367.81	3,228.91
Non-current Liabilities			
Long-term Borrowings	5	**2,039.94**	1,259.09
Deferred Tax Liabilities (net)	6	**95.93**	27.78
Other Long-term Liabilities	7	**83.43**	22.76
Long-term Provisions	8	**584.64**	566.69
		2,803.94	1,876.32
Current Liabilities			
Short-term Borrowings	9	**122.57**	13.76
Trade Payables	10	**148.86**	133.46
Other Current Liabilities	11	**789.58**	1,325.80
Short-term Provisions	12	**131.22**	141.99
		1,192.23	1,615.01
Total		**7,363.98**	6,720.24
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	13	**1,826.55**	1,710.23
Intangible Assets	14	**12.20**	15.51
Capital Work-in-Progress		**225.43**	333.29
Intangible Assets Under Development		**4.18**	2.77
		2,068.36	2,061.80
Non-current Investments	15	**3,622.19**	2,409.31
Long-term Loans and Advances	16	**1,346.93**	1,254.90
Other Non-current Assets	17	**27.58**	10.46
		7,065.06	5,736.47
Current Assets			
Current Investments	18	**-**	617.47
Inventories	19	**39.79**	31.83
Trade Receivables	20	**124.83**	103.96
Cash and Bank Balances	21	**22.93**	90.41
Short-term Loans and Advances	22	**71.87**	112.50
Other Current Assets	23	**39.50**	27.60
		298.92	983.77
Total		**7,363.98**	6,720.24
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 48		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

For PKF Sridhar & Santhanam
Chartered Accountants

S. Santhanakrishnan
Partner

Mumbai, May 28, 2012

For and on behalf of the Board

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice - Chairman
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh Jagdish Capoor Nadir Godrej	Directors
Beejal Desai	Vice President - Legal & Company Secretary

Statement of Profit and Loss for the year ended March 31, 2012

	Note	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Revenue			
Rooms, Restaurants, Banquets and Other Operating Income	24	**1,808.73**	1,673.45
Other Income	25	**55.99**	63.69
Total		**1,864.72**	1,737.14
Expenses			
Food and Beverages Consumed	26	**152.87**	136.18
Employee Benefit Expense and Payment to Contractors	27	**471.38**	412.39
Finance Costs	28	**111.99**	146.49
Depreciation and Amortisation		**113.90**	108.40
Other Operating and General Expenses	29	**778.55**	706.44
Total		**1,628.69**	1,509.90
Profit Before Tax and Exceptional Items		**236.03**	227.24
Exceptional Items	30	**(6.11)**	(5.79)
Profit Before Tax		**229.92**	221.45
Tax Expenses			
Current Tax		**50.04**	48.93
Deferred Tax		**68.15**	58.57
Minimum Alternate Tax Credit		**(33.62)**	(32.63)
Short Provision of Tax of Earlier Years (net)		**-**	5.33
Profit After Tax		**145.35**	141.25
Earnings Per Share -	47		
Basic and Diluted - (₹)		**1.91**	1.93
Face Value per Ordinary Share - (₹)		**1.00**	1.00
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 48		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

For PKF Sridhar & Santhanam
Chartered Accountants

S. Santhanakrishnan
Partner

Mumbai, May 28, 2012

For and on behalf of the Board

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice - Chairman
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh Jagdish Capoor Nadir Godrej	Directors
Beejal Desai	Vice President - Legal & Company Secretary

Cash Flow Statement for the year ended March 31, 2012

	Note	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Cash Flow From Operating Activities			
Net Profit Before Tax		**229.92**	221.45
Adjustments For :			
Depreciation and Amortisation		**113.90**	108.40
Amortisation of borrowing costs		**0.74**	0.22
Provision for Doubtful Debts and Advances		**3.85**	1.64
(Profit)/Loss on sale of investments		**0.01**	(0.05)
Loss on sale of assets		**0.86**	0.15
Expenditure on discontinued project written off		**3.82**	5.20
Interest income on surrender of project		**(14.45)**	-
Shortfall of business interruption insurance claim		**5.71**	-
Profit on sale of Hotel unit		**-**	(4.29)
Dividend Income		**(29.73)**	(29.89)
Interest (net)		**104.98**	122.63
Unrealised Exchange (Gain) / Loss		**9.30**	(11.43)
Provision for Diminution in value of Investments		**-**	16.23
Provision for Contingent Claims		**5.75**	5.32
Provision for Loyalty Programmes (net of Redemptions)		**0.83**	(0.19)
Provision for Employee Benefits		**0.60**	(1.11)
		206.17	212.83
Cash Operating Profit before working capital changes		**436.09**	434.28
Adjustments For :			
Trade and Other Receivables		**10.88**	19.89
Inventories		**(7.96)**	(0.58)
Trade and Other Payables		**40.60**	11.94
		43.52	31.25
Cash Generated from Operating Activities		**479.61**	465.53
Direct Taxes Paid		**(30.99)**	0.86
Net Cash From Operating Activities (A)		**448.62**	466.39
Cash Flow From Investing Activities			
Purchase of Fixed Assets		**(153.62)**	(307.46)
Sale of Fixed Assets		**38.25**	77.56
Purchase of Long-term Investments		**(819.08)**	(3,623.46)
Sale of Current Investments		**617.46**	3,026.13
Interest Received		**50.83**	42.73
Dividend Received		**29.73**	29.89
Long-term Deposits placed with subsidiaries		**(270.82)**	(86.86)
Long-term Deposits Raised / (Repaid)		**49.10**	(8.93)
Long-term Deposits placed with others		**(14.88)**	(23.63)
Bank Balances not considered as Cash and Cash Equivalents		**(10.58)**	(4.19)
Long-term Deposits refunded by other companies		**15.52**	17.97
(Loan to) / Loans repaid by subsidiaries		**-**	(4.10)
Short-term Loans and advances repaid / placed by / with other companies (net)		**-**	102.28
Net Cash Used In Investing Activities (B)		**(468.09)**	(762.07)

Cash Flow Statement for the year ended March 31, 2012 (Contd)

	Note	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Cash Flow From Financing Activities			
Warrants		**-**	124.37
Proceeds from Issue of Ordinary Shares		**-**	373.10
Debenture Issue/Loan arrangement costs		**(10.47)**	(0.52)
Interest Paid		**(169.92)**	(169.59)
Repayment of Long-term borrowings		**(1,069.49)**	(303.31)
Proceeds from Long-term borrowings		**1,180.96**	-
Short-term Loans raised / (repaid) (net)		**108.81**	(1.24)
Dividend Paid (Including tax on dividend)		**(87.82)**	(83.97)
Net Cash Used In Financing Activities (C)		**(47.93)**	(61.16)
Net Decrease In Cash and Cash Equivalents (A + B + C)		**(67.40)**	(356.84)
Cash and cash equivalents - Opening - 1st April		**90.28**	447.12
Cash and cash equivalents - Closing - 31st March		**22.88**	90.28
Footnote :			
Reconciliation of Cash and Cash Equivalents with Cash and Bank Balances as per the Balance Sheet			
Cash and cash equivalents as above		**22.88**	90.28
Add : Other Cash and Bank Balances			
Call and Short-term Deposits		**0.17**	0.24
Deposits pledged with others		**1.25**	1.20
Margin money deposits		**0.65**	0.01
Earmarked balances		**13.46**	3.58
Cash and Bank Balances as per the Balance Sheet		**38.41**	95.31
Less : Classified as Non-Current (Refer Note 17, Page 81)		**15.48**	4.90
Cash and Bank Balances classified as Current (Refer Note 21, Page 82)		**22.93**	90.41
The accompanying notes form an integral part of the Financial Statements	1 - 48		

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

For PKF Sridhar & Santhanam
Chartered Accountants

S. Santhanakrishnan
Partner

Mumbai, May 28, 2012

For and on behalf of the Board

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice - Chairman
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh Jagdish Capoor Nadir Godrej	Directors
Beejal Desai	Vice President - Legal & Company Secretary

Notes to Financial Statements for the year ended March 31, 2012

Note 1 : Corporate Information

The Indian Hotels Company Limited ("IHCL" or the "Company"), is a listed public limited company incorporated in 1902. It is promoted by Tata Sons Ltd., which holds a significant stake in the Company. The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

Note 2 : Significant Accounting Policies

The financial statements are prepared under the historical cost convention, on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006 (as amended). The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under:-

(a) Revenue Recognition :

Revenue comprises sale of rooms, food and beverages, allied services relating to hotel operations, including net income from telecommunication services and management and operating fees. Revenue is recognised upon rendering of the service.

(b) Export Benefits Entitlement:

Benefits arising in the nature of Duty Free Scrips are recognised upon the actual utilisation of Duty Credit Scrips for the purchase of Fixed Assets and Inventories and are adjusted against the cost of the related assets.

(c) Employee Benefits (other than persons engaged through contractors):

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 period. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company 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 incurred.

ii. Gratuity Fund

The Company makes annual contributions to funds administered by the trustees for amounts notified by the funds. 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. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii. Post-Retirement Benefits

The net present value of the Company's obligation towards post retirement pension scheme for retired whole time directors and Post employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iv. Superannuation

The Company has a defined contribution plan, wherein it annually contributes a sum equivalent to the employee's eligible annual basic salary to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which they are incurred.

The Company also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Notes to Financial Statements for the year ended March 31, 2012

v. **Compensated Absences**

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation, carried out at the Balance Sheet date.

vi. **Other Employee Benefits**

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(d) Fixed Assets:

Fixed assets are stated at cost less depreciation / amortisation and impairment losses, if any. Cost includes expenses incidental to the installation of assets and attributable borrowing costs.

(e) Depreciation / Amortisation:

Depreciation on assets is provided at the rates as specified in Schedule XIV to the Companies Act, 1956. In respect of Leasehold Land, depreciation is provided from the date the land is put to use for commercial operations, over the balance period of the lease. The renewal of these leases is considered as certain in view of past experience for the purpose of depreciation of building on leased property. In respect of Improvements to Buildings, depreciation is provided @ 6.67% based on its useful life.

Intangible assets are amortised on a straight-line basis at the rates specified below

Website Development Cost	20.00%
Cost of Customer Reservation System (including licensed software)	16.67%
Service & Operating Rights	10.00%

(f) Foreign Currency Translation :

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 or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items that have not been hedged, from April 1, 2011 onwards, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Hedge Accounting

In accordance with its risk management policy, the Company has entered into cross currency swap transactions with a view to convert its Indian Rupee borrowings into foreign currency borrowings. To the extent the Company has designated the foreign currency component (and ignoring the impact of interest) of the swap contracts as hedging instruments in a net investment hedging relationship applying hedge accounting principles (prior to the revision of Accounting Standard (AS) 11 on “The Effects of Changes in Foreign Exchange Rates” by notification no. G.S.R.914(E) dated December 29, 2011) ,the exchange difference arising on translation of the borrowing so converted into a foreign currency liability, at the Balance Sheet date, that are designated and are effective hedges is recognised directly in the

Notes to Financial Statements for the year ended March 31, 2012

"Hedge Reserve" account under "Reserve and Surplus" (Note 4) and the ineffective portion is recognised immediately into the Statement of Profit and Loss. Hedge Accounting is discontinued when the hedging instrument expires or is exercised or cancelled or no longer qualifies for hedge accounting.

Exchange differences on re-statement of all other monetary items are recognised in the Statement of Profit and Loss.

Translation of foreign operations

Exchange differences on a monetary item that is receivable from or payable to foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future which, in substance, forms a part of the Company's net investment in that foreign operation, are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment. Upon disposal, such accumulation in the Foreign Currency Translation Reserve, or in the case of partial disposal, proportionate share of the related accumulated exchange difference, is recognised as income or as expense in the Statement of Profit and Loss. For this purpose, partial settlement of a monetary item, is considered to be a partial disposal.

The financial statements of an integral foreign operation are translated using the principles and procedures as if the transactions of the foreign operation are those of the Company itself.

(g) Impairment of Assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount on these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flow to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised.

(h) Assets taken on Lease:

Operating Lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight line basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

(i) Inventories:

Stock of Food and Beverages and Stores and Operating supplies are carried at cost (computed on a Weighted Average basis) or Net Realisable Value, whichever is lower.

(j) Investments:

i. Long-term investments are carried at cost. Provision is made for diminution in value, other than temporary, on an individual basis.

ii. Current investments are carried at the lower of cost and fair value, determined on a category-wise basis.

(k) Taxes on income:

i. 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 prevailing tax laws. The differences between the taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of timing differences is recognised as a deferred tax asset or deferred tax liability. The tax effect is calculated on accumulated timing differences at the end of the accounting year, based on effective tax rates substantively enacted by the Balance Sheet date.

ii. 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 assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Notes to Financial Statements for the year ended March 31, 2012

iii. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. In situations where the Company has unabsorbed depreciation and carried forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

iv. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(l) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), notified by the Companies (Accounting Standards) Rules, 2006 (as amended), when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognised in the financial statements.

(m) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take 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. Debenture issue costs and the premium on redemption of debentures are adjusted against the available Securities Premium Account in accordance with the provisions of section 78 of the Companies Act, 1956. All other borrowing costs (other than on cross currency interest rate swap which are recognised in the Statement of Profit and Loss in the period in which they accrue) are charged to Statement of Profit and Loss over the tenure of the borrowing.

Note 3 : Share Capital

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Authorised Share Capital		
Ordinary Shares		
100,00,00,000 Ordinary Shares of ₹ 1/- each	**100.00**	100.00
Preference Shares		
1,00,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	**100.00**	100.00
	200.00	200.00
Issued Share Capital		
75,94,89,291 (Previous year - 75,94,89,291) Ordinary Shares of ₹ 1 /- each	**75.95**	75.95
	75.95	75.95
Subscribed and Paid Up		
75,94,72,787 (Previous year - 75,94,72,787) Ordinary Shares of ₹ 1 /- each, Fully Paid	**75.95**	75.95
(Refer Footnote v and vi)	**75.95**	75.95

Notes to Financial Statements for the year ended March 31, 2012

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.

During the year ended March 31, 2012, the amount of per share dividend recognised as distribution to equity shareholder was ₹ 1/- (Previous year ₹ 1/-).

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

	March 31, 2012		March 31, 2011	
	No. of shares	**₹ crores**	No. of shares	₹ crores
As at the beginning of the year	**75,94,72,787**	**75.95**	72,34,72,787	72.35
Add : Issued during the year	**-**	**-**	3,60,00,000	3.60
As at the end of the year	**75,94,72,787**	**75.95**	75,94,72,787	75.95

(iii) The Company had allotted on preferential basis to Tata Sons Ltd, the Promoter, following securities on December 23, 2010 :

(a) 3,60,00,000 Ordinary Shares of the face value of ₹ 1/- each at a premium of ₹ 102.64 per share aggregating ₹ 373.10 crores.

(b) 4,80,00,000 Warrants with an option to subscribe to one Ordinary Share of the face value of ₹ 1/- each at a premium of ₹ 102.64 per share for every warrant held. The option shall be exercisable after April 1, 2011, but not later than 18 months from the date of issue of the Warrants i.e June 23, 2012. Accordingly, the Company has received ₹ 124.37 crores, as 25% advance against the warrants from the Promoter. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

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

	March 31, 2012		March 31, 2011	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Equity share of ₹ 1/- each fully paid				
Tata Sons Limited	**14,87,21,334**	**19.58**	14,60,21,334	19.23
Life Insurance Corporation of India	**7,68,79,324**	**10.12**	6,24,39,062	8.22
Sir Dorabji Tata Trust	**5,02,21,040**	**6.61**	5,02,21,040	6.61

(v) Aggregate number of equity shares issued for consideration other than cash and shares issued on conversion of Foreign Currency Convertible Bonds during the period of five years immediately preceding the year March 31, 2012 :

	March 31, 2012 No. of shares	March 31, 2011 No. of shares
Shares allotted as fully paid shares, pursuant to amalgamation of Gateway Hotels & Getaway Resorts Limited and Indian Resort Hotels Limited with the Company.	**1,62,19,670**	1,62,19,670
Shares issued as fully paid shares, pursuant to exercise of option for conversion by holders of Foreign Currency Convertible Bonds.	**903**	1,99,77,743

(vi) 16,504 Ordinary Shares have been issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

Notes to Financial Statements for the year ended March 31, 2012

Note 4 : Reserves and Surplus

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Capital Reserve		
Opening and Closing Balance	**43.91**	43.91
Capital Redemption Reserve		
Opening and Closing Balance	**1.12**	1.12
Securities Premium Reserve		
Opening Balance	**1,668.80**	1,299.65
Add : On allotment of shares on preferential basis (Refer Note 3 Footnote iii, Page 66)	**-**	369.50
Less : Debenture issue expenses written off (net of tax)	**1.71**	0.35
Closing Balance	**1,667.09**	1,668.80
Debenture Redemption Reserve		
Opening Balance	**440.97**	327.67
Add : Transferred from Surplus in Statement of Profit and Loss	**-**	113.30
Closing Balance	**440.97**	440.97
Investment Reserve		
Opening and Closing Balance	**5.00**	5.00
Investment Allowance Utilised Reserve		
Opening and Closing Balance	**4.03**	4.03
Export Profits Reserve		
Opening and Closing Balance	**0.41**	0.41
Hedge Reserve (Refer Footnote)		
Opening Balance	**-**	-
Add / (Less) : Exchange translation for the year	**(118.22)**	-
Closing Balance	**(118.22)**	-
Foreign Currency Translation Reserve		
Opening Balance	**14.15**	24.56
Add / (Less) : Transferred to Statement of Profit and Loss on disposal of the net investments	**(1.11)**	-
Add / (Less): Exchange translation difference on net investment in non-integral foreign operations	**202.86**	(10.41)
Closing Balance	**215.90**	14.15
General Reserve		
Opening Balance	**470.07**	455.94
Add : Transferred from Surplus in Statement of Profit and Loss	**14.54**	14.13
Closing Balance	**484.61**	470.07
Surplus in Statement of Profit and Loss		
Opening Balance	**380.13**	454.58
Add : Net Profit for the current year	**145.35**	141.25
Less : Proposed Dividend	**75.95**	75.95
Less : Tax on Dividend	**12.32**	12.32
Less : Transfer to General Reserve	**14.54**	14.13
Less : Transfer to Debenture Redemption Reserve	**-**	113.30
Closing Balance	**422.67**	380.13
	3,167.49	3,028.59

Footnote :

With effect from April 1, 2011, the Company has adopted hedge accounting principles to account for hedging of loans extended to subsidiaries forming a part of the Company's net investment in non-integral foreign operations. Effectively, the Company had partially converted its rupee borrowings into foreign currency borrowings, using cross-currency swap derivative instruments, so as to cover the foreign currency fluctuations of its investments in overseas subsidiaries and the foreign currency borrowings.

On application of the hedge accounting policy, the foreign currency translation differences of both, the hedging instrument (i.e. the borrowings) and the hedged item (i.e. the net investment in non-integral foreign operation), are recognised under Reserves and Surplus having due consideration to hedge effectiveness. Accordingly, the translation difference on the borrowings amounting to ₹ 118.22 crores for year ended March 31, 2012, forming the effective portion of the hedge has been recognised in the Hedge Reserve Account in the Balance Sheet, whilst the corresponding translation differences of the net investment in non-integral foreign operation of ₹ 183.05 crores for the year ended March 31, 2012, has been recognised under "Foreign Currency Translation Reserve Account" in the Balance Sheet. Had the Company chosen to amortise the foreign currency translation differences over the balance maturity period of such loans, the charge to the Statement of Profit and Loss for the year ended March 31, 2012, would have been higher by ₹ 14.01 crores.

Notes to Financial Statements for the year ended March 31, 2012

Note 5 : Long-term Borrowings

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Debentures		
Secured	**968.50**	447.48
Unsecured	**581.68**	388.48
	1,550.18	835.96
Term Loans from Banks		
Unsecured	**485.99**	132.00
	485.99	132.00
Fixed Deposits		
Unsecured		
From Shareholders	**0.60**	61.92
From Others	**-**	226.44
	0.60	288.36
Loans and advances from Related Parties		
Unsecured	**3.17**	2.77
	3.17	2.77
	2,039.94	1,259.09

Footnotes :

(i) Current and Non Current Components of Long Term Borrowing as at:

	March 31, 2012 ₹ crores		March 31, 2011 ₹ crores	
	Non-Current	**Current**	Non-Current	Current
Non Convertible Debentures (NCDs)				
Secured (Refer Footnote ii)				
a) 10.10% Non-Convertible Debentures	**300.00**	**-**	-	-
b) 9.95% Non-Convertible Debentures	**250.00**	**-**	-	-
Add : Exchange Loss on currency swap of the above Debentures	**32.25**	**-**	-	-
c) 2% Non-Convertible Debentures	**300.00**	**-**	300.00	-
Add/(Less) : Exchange Loss/(gain) on currency swap of the above Debentures	**26.25**	**-**	(2.52)	-
d) 11.80% Non-Convertible Debentures	**60.00**	**90.00**	150.00	150.00
e) 9.50% Non-Convertible Debentures	**-**	**-**	-	250.00
f) 6% Non-Convertible Debentures	**-**	**-**	-	602.77
	968.50	**90.00**	447.48	1,002.77

Notes to Financial Statements for the year ended March 31, 2012

	March 31, 2012 ₹ crores		March 31, 2011 ₹ crores	
	Non-Current	Current	Non-Current	Current
Unsecured (Refer Footnote iii)				
a) 2% Non-Convertible Debentures	**250.00**	**-**	250.00	-
Add/(Less) : Exchange Loss/(gain) on currency swap of the above Debentures	**23.13**	**-**	(11.52)	-
b) 9.90% Non-Convertible Debentures	**136.00**	**-**	-	-
c) 2% Non-Convertible Debentures	**150.00**	**-**	150.00	-
Add : Exchange Loss on currency swap of the above Debentures	**22.55**	**-**	-	-
	581.68	**-**	388.48	-
Term Loans from Banks (Unsecured)				
Foreign Currency Term Loan From Banks - (Refer Footnote iv)	**485.99**	**-**	-	-
Foreign Currency Term Loan From Banks - (Refer Footnote v)	**-**	**141.47**	132.00	-
	485.99	**141.47**	132.00	-
Fixed Deposits (Unsecured) (Refer Footnote vi)				
From Shareholders	**0.60**	**60.60**	61.92	31.47
From Others	**-**	**224.80**	226.44	34.35
	0.60	**285.40**	288.36	65.82
Loans and advances (unsecured)				
From Related Party	**3.17**	**-**	2.77	-
	2,039.94	**516.87**	1,259.09	1,068.59

(ii) Secured Debentures includes:

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

b) 2,500, 9.95% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, are allotted on July 27, 2011 and repayable at par at the end of 10th year from the date of allotment i.e July 27, 2021. The Company has entered into currency swap transactions with a view to convert these debentures into foreign currency borrowing, to hedge its foreign currency assets. Accordingly, the underlying borrowings are translated at the exchange rate prevailing at the Balance Sheet date.

c) 3,000, 2% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, are allotted on March 22, 2010 and 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 in the ratio of 20:30:50 so as to give a YTM of 9.5%. The Company has entered into currency swap transactions on ₹ 200 crores with a view to convert these debentures into foreign currency borrowing, to hedge its foreign currency assets. Accordingly, the underlying borrowings to the extent of ₹ 200 crores are translated at the exchange rate prevailing at the Balance Sheet date.

d) 3,000, 11.80% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on December 18, 2008 and repayable in 3 annual instalments in the ratio of 50:30:20 at the end of the 3rd year from the date of allotment. During the year, the Company has repaid the first instalment which was due on December 18, 2011, of ₹ 150 crores.

e) 2,500, 9.50% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on February 27, 2007, and repayable at the end of 5th year from the date of allotment. These debentures were fully redeemed by the Company during the year on its due date.

f) 6,02,76,898, 6% Secured Non-Convertible Debentures of ₹ 100 each aggregating ₹ 602.77 crores, allotted on May 13, 2008, for the period of 3 years which were repaid by the Company on May 13, 2011.

All the Secured Non-Convertible Debentures are rated, listed and secured by a pari passu first charge created on all the fixed assets of the Company, both present and future.

Notes to Financial Statements for the year ended March 31, 2012

(iii) Unsecured Debentures includes:

a) 2,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on December 9, 2009, aggregating ₹ 250 crores and repayable at the end of the 10th year, along with redemption premium of ₹ 12.43 lakhs per debenture. The Company has entered into currency swap transactions with a view to convert these debentures into foreign currency borrowing, to hedge its foreign currency assets. Accordingly, the underlying borrowings are translated at the exchange rate prevailing at the Balance Sheet date.

b) 1,360, 9.90% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on February 24, 2012, aggregating ₹ 136 crores and repayable at the end of the 5th year.

c) 1,500 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on December 9, 2009, aggregating ₹ 150 crores and repayable at the end of the 5th year, along with redemption premium of ₹ 4.37 lakhs per debenture. The Company has entered into currency swap transactions with a view to convert these debentures into foreign currency borrowing, to hedge its foreign currency assets. Accordingly, the underlying borrowings are translated at the exchange rate prevailing at the Balance Sheet date.

(iv) The Company has taken interest bearing external commercial borrowing of US $ 95 million on November 23, 2011. The loan is repayable at the end of 50th, 60th, & 72nd month from November 23, 2011, in equal instalments to achieve the average maturity of 5.05 years.

(v) The Company has taken interest bearing external commercial borrowing of US $ 30 million on April 25, 2007. The loan is repayable at the end of 5th year from the date of borrowing.

(vi) The Company has taken Fixed Deposits from Public as well as Shareholders carrying interest @ 9.50% and 10% for 2 and 3 years respectively, with an additional interest @ 0.25% p.a. for senior citizens, shareholders and employees. The interests on these deposits are being paid on half-yearly basis and on maturity. Deposits from Shareholders includes deposit from a Director - ₹ 0.60 crore.

(vii) Maturity Profile of Debentures :

₹ crores

Non Convertible Debentures (NCDs)	**Redeemable on**	**Principal**	**Premium**	**Total**
Secured				
a) 10.10% Non-Convertible Debentures	November 18, 2021	300.00	-	300.00
b) 9.95% Non-Convertible Debentures	July 27, 2021	250.00	-	250.00
c) 2% Non-Convertible Debentures (3rd installment)	March 22, 2017	150.00	105.25	255.25
2% Non-Convertible Debentures (2nd installment)	March 22, 2016	90.00	51.50	141.50
2% Non-Convertible Debentures (1st installment)	March 22, 2015	60.00	27.22	87.22
d) 11.80% Non-Convertible Debentures (3rd installment)	December 18, 2013	60.00	-	60.00
11.80% Non-Convertible Debentures (2nd installment)	December 18, 2012	90.00	-	90.00
		1,000.00	**183.97**	**1,183.97**
Unsecured				
a) 2% Non-Convertible Debentures	December 9, 2019	250.00	310.84	560.84
b) 9.90% Non-Convertible Debentures	February 24, 2017	136.00	-	136.00
c) 2% Non-Convertible Debentures	December 9, 2014	150.00	65.46	215.46
		536.00	**376.30**	**912.30**
		1536.00	**560.27**	**2096.27**

Notes to Financial Statements for the year ended March 31, 2012

Note 6 : Deferred Tax Liabilities (net)

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Deferred tax liabilities:		
Depreciation on fixed assets	**266.32**	220.05
Unamortised borrowing costs	**2.42**	-
Total (A)	**268.74**	220.05
Deferred tax assets:		
Provision for doubtful debts	**2.99**	2.95
Premium on redemption of Debentures	**141.82**	161.01
Provision for Employee Benefits	**12.67**	12.72
Others	**15.33**	15.59
Total (B)	**172.81**	192.27
Net Deferred tax liabilities (A-B)	**95.93**	27.78

Note 7 : Other Long-term Liabilities

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Creditors for capital goods and services	**2.41**	0.47
Deposits from others		
Secured (Refer Note 15 Footnote iv, Page 80)	**71.10**	22.00
Unsecured	**0.71**	0.29
	71.81	22.29
Unamortised Foreign Currency Monetary Item Translation Difference (Refer Note 36, Page 89)	**9.21**	-
	83.43	22.76

Note 8 : Long-term Provisions

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Provision For Employee Benefits		
Compensated absences	**11.06**	-
Gratuity	**4.83**	0.33
Post-employment medical benefits	**2.40**	0.63
Post-retirement pension	**6.08**	5.46
	24.37	6.42
Provision - Others		
Premium on Redemption of Debentures (Refer Note 5 Footnote vii, Page 70)	**560.27**	560.27
	584.64	566.69

Notes to Financial Statements for the year ended March 31, 2012

Note 9 : Short-term Borrowings

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Loans repayable on demand		
From Bank		
Secured (Refer Footnote i)	**2.68**	13.76
	2.68	13.76
Other Short-term Loans		
From Related Parties		
Unsecured (Refer Footnote ii)	**25.00**	-
From Others		
Unsecured (Refer Footnote iii)	**94.89**	-
	119.89	-
	122.57	13.76

Footnotes :

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

(ii) Short-term loans from related parties consists of inter-corporate deposits for a period of 90 days with an option of pre-payment and carries interest @ 9.5%.

(iii) The Company has issued 2,000 Commercial Paper of ₹ 5 lakhs each aggregating ₹ 100 crores (net proceeds ₹ 90.91 crores and interest accrued for current year ₹ 3.98 crores) on October 24, 2011. The Commercial Paper carries interest @10 % and is repayable at par at the end of 365 days from the date of allotment.

Note 10 : Trade Payables

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Trade Payables		
Micro and Small Enterprises (Refer Footnote i and ii)	**1.60**	0.52
Accrued expenses and others	**147.26**	132.94
	148.86	133.46

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. This has been relied upon by the auditors.

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

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	**1.60**	0.47
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	**-**	0.05
(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 period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	**-**	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	**-**	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	**-**	-

Notes to Financial Statements for the year ended March 31, 2012

Note 11 : Other Current Liabilities

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Current maturities of long-term borrowings (Refer Note 5 Footnote i, Page 68)		
Debentures	**90.00**	1,002.77
Term Loans	**141.47**	-
Fixed Deposits	**285.40**	65.82
	516.87	1,068.59
Payables on Current Account dues :		
Related Parties	**9.20**	5.92
Others	**8.74**	3.66
	17.94	9.58
Deposits (Unsecured)	**20.22**	20.04
Interest accrued but not due on borrowings	**39.89**	49.76
Income received in advance	**13.31**	11.14
Advances collected from customers	**41.48**	36.75
Creditors for capital expenditure	**17.59**	20.38
Unclaimed dividend (Refer Footnote i)	**3.04**	2.59
Unclaimed Share Application Money (Refer Footnote i)	**0.13**	0.13
Unclaimed Matured Deposits and interest accrued thereon (Refer Footnote i)	**2.02**	0.59
Unclaimed matured debentures and interest accrued thereon ₹ 25,100 (Previous Year - ₹ 25,100) (Refer Footnote i)	**-**	-
Other Liabilities (Refer Footnote ii)	**117.09**	106.25
	789.58	1,325.80

Footnotes :

(i) A sum of ₹ 0.21 crore (Previous year ₹ 0.14 crore) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in these respect which have remained unpaid as at the Balance Sheet date.

(ii) Other liabilities include accruals related to employees ₹ 86.11 crores (Previous Year ₹ 74.61 crores).

Note 12 : Short-term Provisions

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Provision for Employees Benefits		
Compensated absences	**13.17**	30.55
Post-employment medical benefits	**0.22**	0.10
Post-retirement pension	**1.32**	1.41
	14.71	32.06
Carried over	**14.71**	32.06

Notes to Financial Statements for the year ended March 31, 2012

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Brought over	**14.71**	32.06
Provision - Others		
Provision for Contingencies (Refer Footnote i)	**12.83**	7.08
Proposed Dividend	**75.95**	75.95
Tax on Dividend	**12.32**	12.32
Loyalty Programmes (Refer Footnote ii)	**15.41**	14.58
	116.51	109.93
	131.22	141.99

Footnotes :

(i) Provision for Contingencies include :

	Opening Balance ₹ crores	Addition ₹ crores	Closing Balance ₹ crores
Legal and Statutory matters	**1.12**	**0.32**	**1.44**
	1.12	-	*1.12*
Contractual matters in the course of business	**5.00**	**5.16**	**10.16**
	-	*5.00*	*5.00*
Employee related matters	**0.96**	**0.27**	**1.23**
	0.64	*0.32*	*0.96*
Total	**7.08**	**5.75**	**12.83**
	1.76	*5.32*	*7.08*

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

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

(ii) Details of Provision for Loyalty Programmes :

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Opening Balance	**14.58**	14.77
Less : Redeemed during the year	**9.00**	6.93
	5.58	7.84
Add : Provision during the year	**9.83**	6.74
Closing Balance	**15.41**	14.58

Notes to Financial Statements for the year ended March 31, 2012

Note 13 : Tangible Assets (Owned)

	Freehold Land	Leasehold Land	Buildings (Refer Footnote i)	Plant and Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Gross Block at Cost								
At April 1, 2010	136.28	11.83	1,001.50	820.21	331.04	62.87	16.85	2,380.58
Additions	-	-	152.44	118.54	65.07	6.29	0.90	343.24
Disposals	0.06	-	55.17	61.23	36.42	0.52	1.25	154.65
At March 31, 2011	**136.22**	**11.83**	**1,098.77**	**877.52**	**359.69**	**68.64**	**16.50**	**2,569.17**
Additions	-	-	59.40	108.32	54.90	7.62	0.29	230.53
Adjustments (Refer Footnote iii)	-	-	1.33	10.74	18.34	2.48	-	32.89
Disposals	0.27	-	1.81	25.13	5.88	0.13	1.26	34.48
At March 31, 2012	**135.95**	**11.83**	**1,157.69**	**971.45**	**427.05**	**78.61**	**15.53**	**2,798.11**
Depreciation (Refer Footnote ii)								
At April 1, 2010	3.88	0.64	145.41	412.99	222.37	38.68	7.09	831.06
Charge for the year (Refer Footnote iv)	-	0.21	26.98	45.96	23.09	6.59	1.12	103.95
Disposals	-	-	9.24	40.00	25.66	0.13	1.04	76.07
At March 31, 2011	**3.88**	**0.85**	**163.15**	**418.95**	**219.80**	**45.14**	**7.17**	**858.94**
Charge for the year (Refer Footnote iv)	-	0.18	26.53	47.50	24.77	9.51	1.09	109.58
Adjustments (Refer Footnote iii)	-	-	5.76	14.05	13.39	0.72	-	33.92
Disposals	-	-	0.34	23.61	5.67	0.12	1.14	30.88
At March 31, 2012	**3.88**	**1.03**	**195.10**	**456.89**	**252.29**	**55.25**	**7.12**	**971.56**
Net Block								
At March 31, 2011	**132.34**	**10.98**	**935.62**	**458.57**	**139.89**	**23.50**	**9.33**	**1,710.23**
At March 31, 2012	**132.07**	**10.80**	**962.59**	**514.56**	**174.76**	**23.36**	**8.41**	**1,826.55**

Footnotes :

(i) Gross Block includes buildings constructed on leasehold land and improvements thereto - ₹ 591.48 crores; (Previous year - ₹ 536.75 crores).

(ii) Accumulated Depreciation includes adjustment for impairment made in earlier years of ₹ 6.61 crores (Previous year - ₹ 6.61 crores), including ₹ 3.88 crores (Previous year ₹ 3.88 crores) on Freehold Land.

(iii) Adjustments include cost / depreciation adjustments on decapitalisation / recapitalisation of fixed assets on restoration of Taj Mahal Palace, Mumbai, subsequent to receipt of insurance claim during the year.

(iv) Depreciation charge for the year includes ₹ 0.05 crore (Previous year ₹ 0.06 crore) which is capitalised during the year.

Notes to Financial Statements for the year ended March 31, 2012

Note 14 : Intangible Assets

	Website Development Cost	Software (Refer Footnote)	Service & Operating Rights	Total
	₹ crores	₹ crores	₹ crores	₹ crores
Gross Block at Cost				
At April 1, 2010	4.61	13.80	9.33	27.74
Additions	3.80	4.54	-	8.34
Disposals	-	0.07	-	0.07
At March 31, 2011	**8.41**	**18.27**	**9.33**	**36.01**
Additions	0.18	0.82	-	1.00
Adjustments	-	0.06	-	0.06
Disposals	4.52	-	-	4.52
At March 31, 2012	**4.07**	**19.15**	**9.33**	**32.55**
Amortisation				
At April 1, 2010	4.56	5.08	6.36	16.00
Charge for the year	0.46	3.46	0.59	4.51
Disposals	-	0.01	-	0.01
At March 31, 2011	**5.02**	**8.53**	**6.95**	**20.50**
Charge for the year	0.84	2.94	0.59	4.37
Disposals	4.52	-	-	4.52
At March 31, 2012	**1.34**	**11.47**	**7.54**	**20.35**
Net Block				
At March 31, 2011	**3.39**	**9.74**	**2.38**	**15.51**
At March 31, 2012	**2.73**	**7.68**	**1.79**	**12.20**

Footnote :

Software includes Customer Reservation System and other Licensed software.

Notes to Financial Statements for the year ended March 31, 2012

Note 15 : Non-current Investments (at cost)

	Face Value	March 31, 2012 Holdings As at	March 31, 2012 ₹ crores	March 31, 2011 Holdings As at	March 31, 2011 ₹ crores
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies					
International Hotel Management Services Inc. (includes ₹ 1806.34 crores (Previous year ₹ 1588.93 crores) by way of additional paid-in capital)	US $ 1	**100**	**1,817.67**	100	1,600.26
KTC Hotels Ltd.	₹ 10	**6,04,000**	**0.70**	6,04,000	0.70
Residency Food & Beverages Ltd.	₹ 10	**1,85,00,000**	**18.25**	1,85,00,000	18.25
Roots Corporation Ltd.	₹ 10	**5,10,00,000**	**51.00**	5,10,00,000	51.00
Taj International Hotels (H.K.) Ltd. (5,00,00,000 shares acquired during the year)	US $ 1	**10,00,00,000**	**446.02**	5,00,00,000	190.23
Share application money with Taj International Hotels (H.K.) Ltd. pending for allotment			**665.03**		-
Taj SATS Air Catering Ltd.	₹ 10	**88,74,000**	**61.82**	88,74,000	61.82
TIFCO Holdings Ltd.	₹ 10	**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
Piem Hotels Ltd.*	₹ 10	**9,86,760**	**61.12**		-
(1,05,532 shares purchased during the year)					
Ideal Ice & Cold Storage Co. Ltd.*	₹ 10	**107,224**	**0.06**		-
Inditravel Ltd.*	₹ 10	**2,40,004**	**0.24**		-
Taj Enterprises Ltd.*	₹ 100	**7,000**	**0.07**		-
Taj Rhein Shoes Co. Ltd.*	₹ 100	**45,000**	**0.45**		-
Taj Trade & Transport Co. Ltd.*	₹ 10	**12,54,000**	**2.67**		-
			3,207.71		2,004.87
Investments in Jointly Controlled Entities					
IHMS Hotels (SA) (Proprietary) Ltd. (₹ 3,052)	ZAR 1	**500**	**-**	500	-
Share application money with IHMS Hotels (SA) (Proprietary) Ltd. pending for allotment			**42.00**		-
Taj Karnataka Hotels & Resorts Ltd.	₹ 10	**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
Taj Madras Flight Kitchen Pvt. Ltd.	₹ 10	**79,44,112**	**8.56**	79,44,112	8.56
Taj Safaris Ltd.	₹ 10	**59,16,667**	**7.92**	59,16,667	7.92
TAL Hotels & Resorts Ltd.	US$ 1	**13,29,778**	**13.63**	13,29,778	13.63
			88.28		46.28
Carried over			**3,295.99**		2,051.15

Notes to Financial Statements for the year ended March 31, 2012

	Face Value	March 31, 2012		March 31, 2011	
		Holdings		Holdings	
		As at	**₹ crores**	As at	₹ crores
Brought over			**3,295.99**		2,051.15
Investments in Associate Companies					
BJETS Pte Ltd., Singapore	US$ 1	**2,00,00,000**	**102.59**	2,00,00,000	102.59
Taida Trading & Industries Ltd.	₹ 100	**26,912**	**0.27**	26,912	0.27
Taj Madurai Ltd.	₹ 10	**9,11,994**	**0.95**	9,11,994	0.95
Piem Hotels Ltd. *	₹ 10		**-**	8,81,228	35.27
Ideal Ice & Cold Storage Co. Ltd. *	₹ 10		**-**	107,224	0.06
Inditravel Ltd. *	₹ 10		**-**	2,40,004	0.24
Taj Enterprises Ltd. *	₹ 100		**-**	7,000	0.07
Taj Rhein Shoes Co. Ltd. *	₹ 100		**-**	45,000	0.45
Taj Trade & Transport Co. Ltd. *	₹ 10		**-**	12,54,000	2.67
Kaveri Retreats and Resorts Ltd.	₹ 10	**20,00,000**	**6.80**	-	-
			110.61		142.57
Investments in Other Companies					
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000/-)	₹ 50	**20**	**-**	20	-
India Tourism Development Corporation Ltd.(Listed but not quoted)	₹ 10	**67,50,275**	**44.58**	67,50,275	44.58
Kumarkrupa Hotels Ltd.	₹ 10	**96,432**	**0.94**	96,432	0.94
Lands End Properties Pvt. Ltd.	₹ 10	**19,90,000**	**1.99**	19,90,000	1.99
Taj Air Ltd.	₹ 10	**1,47,060**	**0.15**	1,47,060	0.15
Tata Projects Ltd.	₹ 100	**90,000**	**0.17**	90,000	0.17
Tata Services Ltd.	₹ 1,000	**421**	**0.03**	421	0.03
Tata Sons Ltd.	₹ 1,000	**4,500**	**25.00**	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote iv)	₹ 10	**7,11,00,000**	**71.10**	7,11,00,000	71.10
			143.96		143.96
Fully Paid Quoted Equity Investments:					
Investments in Subsidiary Companies					
Benares Hotels Ltd.*	₹ 10	**2,93,000**	**0.69**		-
			0.69		-
Investments in Jointly Controlled Entities					
Taj GVK Hotels & Resorts Ltd.	₹ 2	**1,60,00,000**	**40.34**	1,60,00,000	40.34
			40.34		40.34
Carried over			**3,591.59**		2,378.02

Notes to Financial Statements for the year ended March 31, 2012

	Face Value	March 31, 2012 Holdings As at	March 31, 2012 ₹ crores	March 31, 2011 Holdings As at	March 31, 2011 ₹ crores
Brought over			**3,591.59**		2,378.02
Investments in Associate Companies					
Benares Hotels Ltd.*	₹ 10		**-**	2,93,000	0.69
TAL Lanka Hotels PLC	SriLankan Rs 10	**3,43,75,640**	**18.72**	3,43,75,640	18.72
Oriental Hotels Ltd.	₹ 1	**3,37,64,550**	**28.73**	3,37,64,550	28.73
			47.45		48.14
Investment in Other Companies					
Tourism Finance Corporation of India Ltd.	₹ 10	**50,000**	**0.10**	50,000	0.10
Total Trade Investment			**3,639.14**		2,426.26
Non-trade Investments - Long Term					
Investment in Equity Instruments					
HDFC Bank Ltd. (quoted) (₹ 5,000/-) (Previous year - 500 shares of ₹ 10 each)	₹ 2	**2,500**	**-**	500	-
Investment in Preference Shares					
Central India Spinning Weaving & Manufacturing Co. Ltd. (10% unquoted Cumulative Preference Shares) (₹ 27,888/-)	₹ 500	**50**	**-**	50	-
Investment in Others					
National Savings Certificate (₹ 45,000)			**-**		-
			-		-
Total Long-Term Investments - Gross			**3,639.14**		2,426.26
Less : Provision for Diminution in value of Investments			**16.95**		16.95
Total Long-Term Investments - Net			**3,622.19**		2,409.31

* - Became subsidiaries with effect from May 25, 2011

Footnotes :

			March 31, 2012	March 31, 2011
(i)	Aggregate of Quoted Investments - Gross	: Cost	**88.58**	88.58
		: Market Value	**265.48**	346.44
(ii)	Aggregate of Unquoted Investments - Gross	: Cost	**3,550.56**	2,337.68

Notes to Financial Statements for the year ended March 31, 2012

(iii) The Company has investments and exposure aggregating ₹ 1,462.85 crores (Previous year ₹ 1,280.42 crores) in entities in which there has been a significant erosion of net-worth or decline in market value. While there exists a degree of uncertainty as to the final outcome, the Company regards the diminution to be temporary in nature considering the Company's strategic and long-term commitment to these investments and having regard to the factors given below:

a) The Company, through its wholly-owned subsidiaries, holds shares costing ₹ 1,339.45 crores (US $ 262 million) (Previous year ₹ 1,169.00 crores (US $ 262 million) in Orient-Express Hotels Ltd., ("Orient-Express") an entity whose shares are listed on the New York Stock Exchange. However the market value of these shares as at the Balance Sheet date has declined by ₹ 960.00 crores (US $ 188 million) (previous year ₹ 775.00 crores (US $ 174 million). There has been a noticeable improvement in the performance of Orient-Express and consequently, the Company expects improvement in the value of this investment in the future.

b) BJets Pte. Ltd., Singapore ("BJets"), in whose equity the Company has invested ₹ 102.59 crores (Previous year ₹ 102.59 crores) and given long-term advances through its wholly owned subsidiary of ₹ 12.79 crores (Previous Year ₹ Nil), has a negative net worth as at March 31, 2012 (based on its unaudited financial statements). The Company is informed that BJets has entered into an alliance for marketing and maintenance of its aircraft as well as operational support with a local strategic partner as a part of its turnaround strategy and expects the performance of BJets to improve in the future.

c) The Company and its subsidiary have invested ₹ 0.50 crore (Previous year ₹ 0.50 crore) and long-term advances with accrued interest aggregating ₹ 7.52 crores (previous year ₹ 8.33 crores), in Taj Karnataka Hotels and Resorts Ltd. ("Taj Karnataka"), an entity jointly controlled with the Government of Karnataka. Taj Karnataka's accumulated losses exceed its paid up capital and reserves. The Company is in discussion for a financial restructuring of the jointly controlled entity and is hopeful of a turnaround with its proposed initiatives.

(iv) Transfer of shares are 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 as Option Deposit, which shall be adjusted upon exercise of the option or refunded.

Note 16 : Long-term Loans and Advances

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
(Unsecured, considered good unless stated otherwise)		
Capital advances	**9.59**	6.16
Long-term security deposits placed for Hotel Properties		
External parties	**118.03**	113.58
Related parties	**3.50**	3.50
	121.53	117.08
Deposits with Public Bodies and Others	**25.55**	24.71
Loans and advances to related parties (Refer Footnote)		
Subsidiary companies	**1,041.46**	922.09
Jointly controlled entities	**13.03**	58.08
Associates	**8.04**	-
	1,062.53	980.17
Other loans and advances		
Advance Income Tax paid (net)	**51.37**	69.60
MAT credit entitlement	**66.25**	32.63
Others	**10.11**	24.55
	127.73	126.78
	1,346.93	1,254.90

Footnote :

Loans and advances to related parties include long-term shareholders' deposits placed by the Company with its overseas subsidiaries and jointly controlled entities.

Notes to Financial Statements for the year ended March 31, 2012

Note 17 : Other Non-Current Assets

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Deposits with Banks (Refer Note 21, Page 82)	**15.48**	4.90
Unamortised borrowing costs (Refer Note 23, Page 83)	**6.07**	0.02
Interest receivable from Related parties	**6.03**	5.54
	27.58	10.46

Note 18 : Current Investments

	Face Value		**March 31, 2012**		March 31, 2011	
			Holdings As at	**₹ crores**	Holdings As at	₹ crores
Investments in Mutual Fund Units (Unquoted)						
Birla Sun Life Short-Term Opportunities Fund-IP-Growth	₹	10	-	-	12,18,46,737	136.10
Canara Robeco- FRF- Growth	₹	10	-	-	65,82,282	10.00
DWS Money Plus Fund IP-Growth	₹	1,000	-	-	4,36,41,467	45.01
ICICI Prudential Blended -Plan B-Option II-Growth	₹	10	-	-	14,92,84,936	151.89
IDFC Savings Advantage Fund-Growth	₹	1,000	-	-	1,45,539	20.09
IDFC Ultra Short-Term Fund-Growth	₹	10	-	-	2,46,42,043	33.21
JM Money Manager Fund-Reg- Growth	₹	10	-	-	1,87,20,509	25.16
JM Short-Term Fund-IP- Growth	₹	10	-	-	2,23,40,091	31.00
Kotak Bond Short-Term Plan-Growth	₹	10	-	-	92,21,940	17.00
Reliance Interval Fund-Quarterly Series 1-IP-Dividend	₹	10	-	-	3,49,61,891	35.00
Religare Credit Opportunities Fund- IP-Monthly Dividend	₹	10	-	-	59,10,536	6.00
Tata Floater Fund-Growth	₹	10	-	-	1,02,27,040	15.00
Tata Liquid Fund- SHIP- Growth	₹	1,000	-	-	27,624	5.00
Taurus Short-Term Income Fund	₹	10	-	-	2,81,343	47.00
UTI-FIF-Series II-Qtly Interval Plan VII-IP-Growth	₹	10	-	-	3,99,96,000	40.01
				-		617.47

Footnotes :

(i) Basis of valuation : Current investments are carried at the lower of cost and fair value, determined on a category-wise basis

(ii)	Aggregate of Unquoted Investments - Gross	: Cost	-	617.47
(iii)	Aggregate provision for Diminution in value of Investments.		-	-

Note 19 : Inventories (At lower of cost and net realisable value)

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Food and Beverages	**20.15**	15.40
Stores and Operating Supplies	**19.64**	16.43
	39.79	31.83

Notes to Financial Statements for the year ended March 31, 2012

Note 20 : Trade Receivables

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
(Unsecured) (Refer Footnote)		
Outstanding over six months :		
Considered good	**12.57**	11.02
Considered doubtful	**9.22**	9.08
	21.79	20.10
Others :		
Considered good	**112.26**	92.94
Considered doubtful	**-**	-
	112.26	92.94
	134.05	113.04
Less : Provision for Doubtful Debts	**9.22**	9.08
	124.83	103.96

Footnote :

Trade Receivables include debts due from Directors - Nil (Previous year - ₹ 0.02 crore) in the ordinary course of business.

Note 21 : Cash and Bank Balances

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Cash and Cash Equivalents		
Cash on hand	**1.52**	1.32
Cheques, Drafts on hands	**7.27**	9.56
Balances with bank in current account	**13.51**	9.81
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	**0.58**	69.59
	22.88	90.28
Other Balances with Banks :		
Call and Short-term deposit accounts	**0.17**	0.24
Deposits pledged with others	**1.25**	1.20
Margin money deposits	**0.65**	0.01
Earmarked balances	**13.46**	3.58
	15.53	5.03
Total Cash and Bank Balances	**38.41**	95.31
Less : Term deposit with banks maturing after 12 months from Balance Sheet date and other earmarked / margin money / pledged deposits classified as non-current (Refer Note 17, Page 81)	**15.48**	4.90
	22.93	90.41

Notes to Financial Statements for the year ended March 31, 2012

Note 22 : Short-term Loans and Advances

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
(Unsecured, considered good unless stated otherwise)		
Short-term Loans and Advances		
Related Parties		
Subsidiary companies	-	4.15
Jointly controlled entities	5.00	-
Associates	-	8.85
	5.00	13.00
Others	2.02	1.90
	7.02	14.90
Deposit with Public Bodies and Others	10.47	10.37
Other Advances (Refer Footnote)		
Considered good	54.38	87.23
Considered doubtful	5.32	2.17
	59.70	89.40
Less : Provision for doubtful Advances	5.32	2.17
	54.38	87.23
	71.87	112.50

Footnote :

Other Advances include Insurance claim receivable - ₹ Nil (Previous Year - ₹ 39.86 crores).

Note 23 : Other Current Assets

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Interest Receivable		
Related Parties	0.92	1.16
Others	14.30	8.55
	15.22	9.71
On Current Account dues :		
Related Parties	16.74	14.72
Others	6.16	2.94
	22.90	17.66
Unamortised Borrowing Costs		
Opening Balance	0.25	0.47
Add : Additions during the year	7.94	-
Less : Amortised during the year (Refer Footnote)	0.74	0.22
Closing Balance	7.45	0.25
Less : Unamortised borrowing costs - Non Current (Refer Note 17, Page 81)	6.07	0.02
	1.38	0.23
	39.50	27.60

Footnote :

Represents expenses on loans amortised over the tenure of the loan.

Notes to Financial Statements for the year ended March 31, 2012

Note 24 : Rooms, Restaurants, Banquets and Other Operating Income

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Room Income	**883.27**	834.52
Food, Restaurants and Banquet Income	**684.13**	617.94
Shop rentals	**28.31**	28.05
Membership fees	**42.81**	37.11
Management and operating fees	**112.17**	106.18
Others	**58.04**	49.65
	1,808.73	1,673.45

Note 25 : Other Income

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Interest Income		
Inter-corporate deposits	**0.25**	4.82
Deposits with banks	**1.64**	7.71
Deposits with related parties	**1.94**	3.37
Interest on Income Tax Refunds	**1.60**	7.08
Others	**0.84**	0.64
	6.27	23.62
Dividend Income from Long - term Investments		
From related parties	**17.69**	12.50
From others	**1.87**	4.80
	19.56	17.30
Dividend Income from Current Investments		
From others	**10.17**	12.59
Profit on sale of Investments (Net)		
From current investment	**-**	0.05
Exchange Gain (Net)	**2.29**	0.33
Others	**17.70**	9.80
	55.99	63.69

Note 26 : Food and Beverages Consumed

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Opening Stock	**15.40**	17.15
Add : Purchases	**157.62**	134.43
	173.02	151.58
Less : Closing Stock	**20.15**	15.40
Food and Beverages Consumed	**152.87**	136.18

	March 31, 2012		March 31, 2011	
	₹ crores	**%**	₹ crores	%
Imported	**16.99**	**11.11**	19.69	14.46
Indigenous	**135.88**	**88.89**	116.49	85.54
	152.87	**100.00**	136.18	100.00

Notes to Financial Statements for the year ended March 31, 2012

Note 27 : Employee Benefit Expense and Payment to Contractors

	March 31, 2012 **₹ crores**	March 31, 2011 ₹ crores
Salaries, Wages, Bonus, etc.	**325.71**	284.93
Company's Contribution to Provident and Other Funds (Refer Note 37, Page 90)	**42.23**	37.44
Reimbursement of Expenses on Personnel Deputed to the Company	**14.05**	9.30
Payment to Contractors	**26.84**	21.35
Staff Welfare Expenses	**62.55**	59.37
	471.38	412.39

Note 28 : Finance Costs

	March 31, 2012 **₹ crores**	March 31, 2011 ₹ crores
Interest Expense on borrowings	**160.01**	169.76
On Income Tax Demand	**-**	-
	160.01	169.76
Other borrowing costs	**0.74**	0.22
Less : Interest recovered on related currency swaps	**36.12**	12.36
Less : Interest capitalised (Refer Footnote)	**12.64**	11.13
	111.99	146.49

Footnote :

The Company has capitalised the Interest cost on borrowings in Capital Work in Progress.

Note 29 : Other Operating and General Expenses

	March 31, 2012 **₹ crores**	March 31, 2011 ₹ crores
(i) Operating Expenses consist of the following :		
Linen and Room Supplies	**27.12**	26.75
Catering Supplies	**18.46**	16.40
Other Supplies	**3.98**	2.43
Fuel, Power and Light	**132.92**	113.33
Repairs to Buildings	**25.74**	24.00
Repairs to Machinery	**31.07**	27.21
Repairs to Others	**18.05**	17.46
Linen and Uniform Washing and Laundry Expenses	**9.00**	7.76
Payment to Orchestra Staff, Artistes and Others	**21.74**	17.88
Guest Transportation	**14.86**	12.07
Travel Agents' Commission	**17.52**	13.24
Discount to Collecting Agents	**18.78**	17.11
Other Operating Expenses	**31.70**	26.47
	370.94	322.11

Linen, Room, Catering and Other Supplies Consumed

	March 31, 2012		March 31, 2011	
	₹ crores	**%**	₹ crores	%
Imported	**5.34**	**10.77**	6.94	15.23
Indigenous	**44.22**	**89.23**	38.64	84.77
	49.56	**100.00**	45.58	100.00

Notes to Financial Statements for the year ended March 31, 2012

(ii) General Expenses consist of the following:

	March 31, 2012 ₹ **crores**	March 31, 2011 ₹ crores
Rent	**37.72**	36.35
Licence Fees	**119.11**	104.93
Rates and Taxes	**26.98**	27.49
Insurance	**7.98**	8.92
Advertising and Publicity	**79.67**	69.25
Printing and Stationery	**7.07**	7.22
Passage and Travelling	**11.25**	12.49
Provision for Doubtful Debts (Refer Footnote v)	**0.99**	1.17
Professional Fees	**50.90**	54.73
Loss on Sale of Fixed Assets (Net)	**0.86**	0.15
Loss on Sale of Investment (Net)	**0.01**	-
Payment made to Statutory Auditors (Refer Footnote iv)	**2.30**	2.15
Directors' Fees and Commission	**2.50**	1.83
Other Expenses (Refer note 34, Page 89)	**60.27**	57.65
	407.61	384.33
	778.55	706.44

Footnotes :

(i) Expenditure recovered from other parties :

	March 31, 2012 ₹ **crores**	March 31, 2011 ₹ crores
Fuel, Power and Light	**3.09**	2.95
Repairs to Buildings	**0.17**	0.21
Repairs to Machinery	**0.01**	0.03
Linen and Uniform Washing	**1.80**	1.79
Rent	**0.28**	0.46
Other Expenses	**1.08**	1.05
	6.43	6.49

(ii) The following direct expenses incurred during the year and to the extent attributable to reconstruction and renovation of the hotel building have been capitalised :

	March 31, 2012 ₹ **crores**	March 31, 2011 ₹ crores
Employee benefits expense	**0.96**	4.09
License fees	**-**	0.58
Fuel, power and light	**0.24**	1.93
Depreciation	**0.05**	0.06
Other expenses (Net)	**1.18**	4.22
	2.43	10.88

(iii) Other expenses include Bad Debts written off – ₹ 0.56 crore (Previous year - ₹ 1.35 crores) .

Notes to Financial Statements for the year ended March 31, 2012

(iv) Payment made to Statutory Auditors:

	March 31, 2012	March 31, 2011
	₹ crores	₹ crores
As auditors	**1.80**	1.48
As tax auditors	**0.20**	0.20
For Company Law matters - ₹ 55,000 (Previous year - ₹ 25,000)	**-**	-
For other services	**0.18**	0.41
For out-of pocket expenses	**0.12**	0.06
Service tax on above [Net of credit availed - ₹ 0.24 crore (Previous year - ₹ 0.22 crore)]	**-**	-
	2.30	2.15

(v) Provision for Doubtful Debts:

	March 31, 2012	March 31, 2011
	₹ crores	₹ crores
Opening Balance	**9.08**	9.26
Add : Provision during the year	**0.99**	1.17
	10.07	10.43
Less : Bad debts written off	**0.56**	1.35
Less : Provision no longer required, written back	**0.29**	-
Closing Balance	**9.22**	9.08

Note 30 : Exceptional Items

	March 31, 2012	March 31, 2011
	₹ crores	₹ crores
Exceptional Items comprises of the following :		
Profit on sale of hotel property	**-**	4.29
Notional exchange Gain / (Loss) (Refer Footnote)	**(8.75)**	11.35
Interest Income net of expenditure on surrender of project	**11.37**	-
Short fall of business interruption insurance claim (Taj Mahal Palace, Mumbai)	**(8.73)**	-
Expenditure on discontinued project charged off for commercial reasons	**-**	(5.20)
Provision for Diminution in value of investments in a subsidiary	**-**	(16.23)
	(6.11)	(5.79)

Footnote :

Exchange difference on revaluation of long-term foreign currency monetary items.

Notes to Financial Statements for the year ended March 31, 2012

Note 31 : Contingent Liabilities (to the extent not provided for) :

(a) On account of Income Tax matters in dispute :

In respect of tax matters for which Company's appeals are pending - ₹ 27.34 crores (Previous year - ₹ 14.25 crores). 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 other disputes in respect of :

Particulars	**March 31, 2012 ₹ crores**	March 31, 2011 ₹ crores
Luxury tax	**-**	0.17
Entertainment tax	**0.53**	0.53
Sales tax / VAT	**7.37**	7.15
Property tax	**8.60**	9.24
Stamp Duty	**0.60**	2.34
Others	**8.86**	12.36

(c) In a hotel on land under license agreement, there is a demand for increased rentals with effect from 2006-07 amounting to ₹ 161.26 crores (Previous year ₹ 129.55 crores) plus interest thereon. The Company has been legally advised that the demand is not sustainable as it is not in accordance with principles / guidelines laid down by the Honourable Supreme Court. The Company has contested the claim and does not expect any additional liability in this regard. In another hotel under licence agreement, the authorities have sought to revise licence fees with effect from 1986-87 amounting to ₹ 25.95 crores (Previous year ₹ 24.24 crores) plus interest thereon due to a difference in interpretation. The Company has contested the same, but provided for a sum of ₹ 10.00 crores and no additional liability is anticipated. In some hotels, proposed revisions in property taxes are contested by the Company, amounts of which are indeterminate.

(d) Guarantees given by the Company in respect of loans obtained by other companies and outstanding as on March 31, 2012 - ₹ 670.05 crores (Previous year - ₹ 498.20 crores).

Note 32 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 89.73 crores (Previous year – ₹ 110.41 crores).

Note 33 : Other Commitments

(a) The Company owns 19.90% of the issued share capital of Lands End Properties Private Limited (LEPPL), a Company owning 67% interest in the Hotel Sea Rock Property through its wholly-owned subsidiary, Sky Deck Properties & Developers Private Limited (SDPDPL). LEPPL has raised a debt of ₹ 400 crores by issuance of zero coupon Non-Convertible Debentures, redeemable at a premium. In respect of the debentures issued by LEPPL, the Company has :-

i. the first right to purchase the entire shareholding of SDPDPL held by LEPPL for an aggregate value of ₹ 525.65 crores; or

ii. the obligation to make good the value of the shortfall if the lenders of LEPPL realise an amount lower than the Redemption Amount on sale of the shares of SDPDPL in case the right referred in (i) above is not exercised.

(b) The Company has given an option to certain shareholders of ELEL Hotels & Investment Ltd., a company having an underlying lease of the Hotel Sea Rock Property as under:-

i. Shareholders holding 3,98,090 shares have an option to sell these shares to the Company. The option is exercisable at a price to be determined based on fulfilment of certain obligations by the holders of these shares on January 1, 2011 or July 1, 2011 or January 1, 2012 or July 1, 2012. Since the shareholders are yet to fulfil their obligations, the option has not been exercised.

ii. Shareholders holding 5,36,339 shares have an option to sell these shares to the Company. The option is exercisable at a price to be determined based on fulfilment of certain obligations by the holders of these shares at an agreed fixed return, payable from June 25, 2009 at a price so determined. The shareholders can exercise the option on January 1, 2013 or July 1, 2013 or January 1, 2014 or July 1, 2014. The Company also has an option to purchase these shares at the same price on April 1, 2013 or September 1, 2013 or April 1, 2014 or September 1, 2014.

Notes to Financial Statements for the year ended March 31, 2012

Note 34 : Operating Lease

The Company has taken certain vehicles and flats on operating lease. The total lease rent paid on the same amounting to ₹ 6.74 crores (Previous year – ₹ 5.86 crores) is included under Other Expenses. The minimum future lease rentals payable in respect thereof are as follows:-

Particulars	**March 31, 2012** ₹ **crores**	March 31, 2011 ₹ crores
Not later than one year	**5.95**	6.81
Later than one year but not later than five years	**10.16**	11.88
Later than five years	**-**	-

Note 35 : Derivative Instruments and Unhedged Foreign Currency Exposure:

The Company 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:-

(a) Derivative Instruments outstanding:

Nature of Derivative	**Currency**	**March 31, 2012**		March 31, 2011	
		US$ million	**₹ crores**	**US$ million**	**₹ crores**
Option Contract	₹ /US$	30.00	141.47	30.00	132.00
Libor Cap	₹ /US$	30.00	-	30.00	-
Interest Rate Swap	₹ /US$	63.34	-	-	-

(b) Unhedged Foreign currency exposure receivable/(payable) :

Currency	**March 31, 2012**	March 31, 2011
United States Dollar (Million)*	**(106.92)**	88.05
South African Rand (Million)	**-**	27.07

* Net of foreign currency liability of US$ 186.38 million (Previous year – US$ 97.47 million).

Note 36 : Foreign Currency Monetary Item Translation Difference Account

The Company has exercised the option granted vide notification No. G.S.R.225(E) dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No G.S.R.378(E) (F.No17/133/2008-CL.V) dated May 11, 2011 and Amendment Notification No G.S.R.914(E) dated December 29, 2011 incorporating the new paragraph 46(A) relating to Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates" and accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items for the year ended March 31, 2012 have been accumulated in "Unamortised Foreign Currency Monetary Item Translation Difference" and amortised over the balance period of such long term asset or liability, by recognition as income or expense in each of such periods. Foreign currency monetary items outstanding as at March 31, 2012 are accounted as per Company's Policy on Transactions in Foreign Exchange (Refer Note 2(f), Page 63).

Notes to Financial Statements for the year ended March 31, 2012

Note 37 : 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, 2012	March 31, 2011
	₹ crores	₹ crores
Provident Fund	**15.24**	14.84
Superannuation Fund	**5.94**	5.07
	21.18	19.91

(b) The Company 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 :**

- Pension to Executive Directors and Employees – Post retirement minimum guaranteed pension scheme for certain retired executive directors and certain categories of employees, which is unfunded.
- 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) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2012 :-

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	**133.73**	**-**	**-**	**-**	**4.08**
	112.72	*-*	*-*	*-*	*4.19*
Present Value of Unfunded Obligations	**-**	**2.62**	**5.69**	**1.71**	**-**
	-	*0.73*	*5.11*	*1.75*	*-*
Fair Value of Plan Assets	**(128.90)**	**-**	**-**	**-**	**(6.14)**
	(112.39)	*-*	*-*	*-*	*(5.24)*
Unrecognised Past Service Cost	**-**	**-**	**-**	**-**	**(1.90)**
	-	*-*	*-*	*-*	*(1.90)*
Adjustment to Plan Asset	**-**	**-**	**-**	**-**	**0.70**
	-	*-*	*-*	*-*	*0.36*
Net (asset) / Liability	**4.83**	**2.62**	**5.69**	**1.71**	**(3.26)**
	0.33	*0.73*	*5.11*	*1.75*	*(2.59)*

Notes to Financial Statements for the year ended March 31, 2012

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	**6.77**	**-**	**0.63**	**-**	**0.12**
	5.60	*-*	*0.61*	*-*	*0.12*
Interest Cost	**9.02**	**0.05**	**0.43**	**0.13**	**0.33**
	7.75	*0.10*	*0.37*	*0.18*	*0.31*
Expected return on Plan Assets	**(8.03)**	**-**	**-**	**-**	**(0.37)**
	(6.95)	*-*	*-*	*-*	*(0.29)*
Actuarial Losses / (Gain) recognised in the year	**14.75**	**(0.04)**	**0.80**	**0.22**	**(0.43)**
	12.67	*(0.70)*	*0.90*	*(0.46)*	*0.21*
Past service Cost	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*0.38*
Effect of the limit on Plan Asset	**-**	**-**	**-**	**-**	**0.35**
	-	*-*	*-*	*-*	*0.36*
Expense	**22.51**	**0.01**	**1.86**	**0.35**	**-**
	19.07	*(0.60)*	*1.88*	*(0.28)*	*1.09*

Footnote : Amount taken to Statement of Profit and Loss in respect of gratuity is net of recovery ₹ 1.46 crores

iii. 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	**112.72**	**0.73**	**5.11**	**1.75**	**4.19**
	95.44	*1.34*	*3.93*	*2.43*	*3.75*
Current Service Cost	**6.76**	**1.91**	**0.63**	**-**	**0.12**
	5.60	*-*	*0.61*	*-*	*0.12*
Interest Cost	**9.02**	**0.05**	**0.43**	**0.13**	**0.33**
	7.75	*0.10*	*0.37*	*0.18*	*0.31*
Actuarial Losses / (Gain)	**14.18**	**(0.04)**	**0.80**	**0.22**	**(0.53)**
	12.67	*(0.70)*	*0.90*	*(0.47)*	*0.02*
Benefits Paid	**(8.95)**	**(0.03)**	**(1.28)**	**(0.39)**	**(0.03)**
	(8.74)	*(0.01)*	*(0.70)*	*(0.39)*	*(0.01)*
Closing Defined Benefit Obligation	**133.73**	**2.62**	**5.69**	**1.71**	**4.08**
	112.72	*0.73*	*5.11*	*1.75*	*4.19*

Notes to Financial Statements for the year ended March 31, 2012

iv. 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	**112.39**	**-**	**-**	**-**	**5.24**
	95.09	-	-	-	*3.85*
Expected return on Plan Assets	**8.03**	**-**	**-**	**-**	**0.37**
	6.95	-	-	-	*0.29*
Actuarial (Gain) / Losses	**(0.57)**	**-**	**-**	**-**	**0.32**
	-	-	-	-	*(0.19)*
Contribution by Employer	**18.00**	**0.03**	**1.28**	**0.39**	**0.24**
	19.09	*0.01*	*0.70*	*0.39*	*1.30*
Benefits Paid	**(8.95)**	**(0.03)**	**(1.28)**	**(0.39)**	**(0.03)**
	(8.74)	*(0.01)*	*(0.70)*	*(0.39)*	*(0.01)*
Closing Fair Value of Plan Assets	**128.90**	**-**	**-**	**-**	**6.14**
	112.39	-	-	-	*5.24*
Expected Employer's contribution next year	**5.00**	**0.21**	**0.93**	**0.39**	**-**
	7.00	*0.10*	*1.01*	*0.39*	-

v. Description of Plan Assets (Managed by an Insurance Company)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Government of India Securities	**9%**	**-**	**-**	**-**	**41%**
	3%	-	-	-	-
Corporate Bonds	**77%**	**-**	**-**	**-**	**54%**
	64%	-	-	-	*10%*
Equity	**13%**	**-**	**-**	**-**	**-**
	14%	-	-	-	-
Others	**1%**	**-**	**-**	**-**	**5%**
	19%	-	-	-	*90%*
Grand Total	**100%**	**-**	**-**	**-**	**100%**
	100%	-	-	-	*100%*

Notes to Financial Statements for the year ended March 31, 2012

vi. Actuarial Assumptions

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.)	**8.60%**	**8.60%**	**8.60%**	**8.60%**	**8.60%**
	8.15%	*8.15%*	*8.15%*	*8.15%*	*8.15%*
Expected Rate of Return on Assets (p.a.)	**7.50%**	**-**	**-**	**-**	**7.50%**
	7.50%	*-*	*-*	*-*	*7.50%*
Salary Escalation Rate (p.a.)	**6.00%**	**-**	**6.00%**	**4.00%**	**0.00%**
	6.00%	*-*	*6.00%*	*4.00%*	*0.00%*
Mortality Table (LIC)	**1994-96**	**1994-96**	**1994-96**	**1994-96**	**1994-96**
	1994-96	*1994-96*	*1994-96*	*1994-96*	*1994-96*

vii. Effect of Change in Assumed Health Care Cost

	1% Increase ₹ crores	1% Decrease ₹ crores
Effect on the aggregate of service cost and interest cost (1% increase - ₹ 49,753) (1% Decrease - ₹ (43,426))	**-**	**-**
	0.01	*(0.01)*
Effect of defined benefit obligation	**0.06**	**(0.05)**
	0.07	*(0.06)*

viii. Experience Adjustments

	2011-12	2010-11	2009-10	2008-09	2007-08
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Defined Benefit Obligation	**147.83**	124.50	106.89	106.07	83.58
Plan Assets	**135.04**	117.63	98.94	71.84	72.43
Deficit	**(12.79)**	(6.87)	(7.95)	(34.23)	(11.15)
Experience Adjustment on Plan Liabilities	**20.08**	3.88	1.97	10.55	7.56
Experience Adjustment on Plan Assets	**(0.25)**	(0.19)	7.61	(7.87)	5.94

Footnote : Figures in italics under (i) to (vii) are of the previous year.

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, 2012

Note 38 : CIF Value of imports:

Particulars	**March 31, 2012**	March 31, 2011
	₹ crores	**₹ crores**
Raw Materials (Food and Beverages)	**8.84**	7.74
Stores, Supplies and Spare Parts for Machinery	**10.49**	7.78
Capital Goods	**27.93**	48.33

Note 39 : Earnings in Foreign Exchange:

Particulars	**March 31, 2012**	March 31, 2011
	₹ crores	**₹ crores**
Rooms, Restaurants, Banquets and Other Services	**713.60**	689.06
Interest received	**0.69**	0.60

The earnings in foreign exchange, as reported above, are on the basis of actual receipts during the year.

Note 40. Expenditure in Foreign Exchange:

Particulars	**March 31, 2012**	March 31, 2011
	₹ crores	**₹ crores**
Membership Fees	**5.19**	2.03
Advertising	**48.51**	36.82
Professional and Consultancy Fees	**21.20**	30.64
Others	**24.02**	10.85

Note 41 : Remittance in Foreign Currencies for dividend to non-resident shareholders:

The Company has not remitted any amount in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by / on behalf of non-resident shareholders. The particulars of dividend paid to non-resident shareholders during the year, are as under:

Particulars	**March 31, 2012**	March 31, 2011
Year to which dividend relates	**2010-11**	2009-10
Numbers of non-resident shareholders	**2,878**	2,612
Number of Ordinary Shares held by non-resident shareholders	**54,59,777**	52,23,582
Gross amount of dividend (₹ crore)	**0.54**	0.52
Net amount of dividend (₹ crore)	**0.54**	0.52

Notes to Financial Statements for the year ended March 31, 2012

Note 42 :

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 43 :

Long-term Deposits and Loans and Advances in the nature of loans to Subsidiaries, Jointly controlled entities and Associates:-

Name of the Company	**Maximum amount outstanding during the year**	**Balance outstanding as on March 31, 2012**	Maximum amount outstanding during the previous year	Balance outstanding as on March 31, 2011
	₹ crores	**₹ crores**	₹ crores	₹ crores
Subsidiaries				
IHMS Inc.*	**217.42**	**-**	62.93	62.51
Residency Food & Beverages Ltd.	**-**	**-**	10.40	-
Taj International Hotels (HK) Ltd.*	**2,043.20**	**1,041.46**	863.17	859.57
Roots Corporation Ltd.	**4.15**	**-**	4.15	4.15
Jointly Controlled Entities				
IHMS Hotels (SA) (Proprietary) Ltd.	**45.51**	**-**	41.76	41.03
Taj Karnataka Hotels & Resorts Ltd.	**5.35**	**5.35**	5.35	5.35
TAL Hotels & Resorts Ltd. (repayment beyond 7 years)	**7.99**	**7.68**	6.99	6.70
Taj GVK Hotels & Resorts Ltd.	**5.00**	**-**	5.00	5.00
Taj Safaris Ltd.	**1.00**	**-**	-	-
Associates				
Oriental Hotels Ltd.	**8.00**	**-**	25.00	-
Taida Trading and Industries Ltd.	**8.04**	**8.04**	-	-
Taj Air Ltd. #	**-**	**-**	14.10	6.10
Piem Hotels Ltd.##	**-**	**-**	5.00	-

ceased to be an associate from September 27, 2010.

* There is no repayment schedule and no interest is payable

Became subsidiary with effect from May 25, 2011

Notes to Financial Statements for the year ended March 31, 2012

Note 44 : Related Party Disclosures:

(a) The names of related parties of the Company are as under:

i. Company having substantial interest

Name of the Company	Country of Incorporation
Tata Sons Ltd.	India

ii. Subsidiary Companies

Name of the Company	Country of Incorporation
Domestic	
TIFCO Holdings Ltd.	India
Residency Foods & Beverages Ltd.	India
KTC Hotels Ltd.	India
United Hotels Ltd.	India
Taj SATS Air Catering 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
Taj Rhein Shoes Co. Ltd.*	India
Ideal Ice & Cold Storage Co. Ltd.*	India
International	
Samsara Properties Ltd.	British Virgin Islands
Apex Hotel Management Services (Pte) Ltd.	Singapore
Chieftain Corporation NV	Netherlands Antilles
IHOCO BV	Netherlands
St. James Court Hotel Ltd.	United Kingdom
Taj International Hotels Ltd.	United Kingdom
IHMS (Australia) Pty. Ltd.	Australia
International Hotel Management Services Inc.	United States of America
Taj International Hotels (H.K.) Ltd.	Hong Kong
PIEM International (H.K.) Ltd.*	Hong Kong

Notes to Financial Statements for the year ended March 31, 2012

iii. Jointly Controlled Entities

Name of the Company	Country of Incorporation
Domestic	
Taj Madras Flight Kitchen Pvt. Ltd.	India
Taj Karnataka Hotels & Resorts Ltd.	India
Taj Kerala Hotels & Resorts Ltd.	India
Taj GVK Hotels & Resorts Ltd.	India
Taj Safaris Ltd.	India
International	
TAL Hotels & Resorts Ltd.	Hong Kong
IHMS Hotels (SA) (Proprietary) Ltd.	South Africa

iv. Associates

Name of the Company	Country of Incorporation
Domestic	
Taj Air Ltd. (ceased to be an Associate with effect from September 27, 2010)	India
Oriental Hotels Ltd.	India
Taj Madurai Ltd.	India
Taida Trading & Industries 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
Taj Rhein Shoes Co. Ltd.*	India
Ideal Ice & Cold Storage Co. Ltd.*	India
Kaveri Retreats and Resorts Ltd.	India
International	
Lanka Island Resort Ltd.	Sri Lanka
TAL Lanka Hotels PLC	Sri Lanka
BJETS Pte Ltd., Singapore	Singapore

v.

Key Management Personnel	Relation
Raymond N Bickson	Managing Director
Anil P Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operation
Mehernosh S Kapadia	Executive Director - Corporate Affairs

* Became subsidiaries with effect from May 25, 2011.

Notes to Financial Statements for the year ended March 31, 2012

(b) Details of related party transactions during the year ended March 31, 2012 and outstanding balances as at March 31, 2012:

Particulars	Company having substantial interest ₹ crores	Key Management Personnel ₹ crores	Subsidiaries ₹ crores	Associates ₹ crores	Joint Ventures ₹ crores
Interest Paid / Provided	**-**	**-**	**2.39**	**-**	**-**
	-	-	-	-	-
Interest received / accrued	**-**	**-**	**0.02**	**0.65**	**1.15**
	-	-	*0.22*	*2.20*	*0.95*
Dividend received	**3.60**	**-**	**7.36**	**2.82**	**3.91**
	-	-	*2.02*	*7.28*	*3.20*
Operating / Licence fees paid	**-**	**-**	**-**	**-**	**-**
	-	-	*0.55*	-	-
Operating fees received / accrued	**-**	**-**	**37.19**	**22.69**	**25.58**
	-	-	*6.52*	*48.50*	*26.05*
Purchase of goods and services	**3.12**	**-**	**11.97**	**1.23**	**0.37**
	2.56	-	*8.10*	*26.24*	*0.42*
Sale of goods and services	**1.82**	**-**	**5.89**	**1.04**	**1.42**
	0.79	-	*1.12*	*5.01*	*1.32*
Allotment of Shares	**-**	**-**	**-**	**-**	**-**
	373.10	-	-	-	-
Allotment of Warrants	**-**	**-**	**-**	**-**	**-**
	124.37	-	-	-	-
Purchase of Shares	**-**	**-**	**473.20**	**6.80**	**-**
	-	-	-	-	-
Shareholders' Deposit placed	**-**	**-**	**1,056.85**	**-**	**0.39**
	-	-	*84.84*	-	*23.22*
Share Holders' Deposits converted into Equity / Share Application Money (Refer Footnote ii)	**-**	**-**	**665.03**	**-**	**42.00**
	-	-	-	-	-
Paid on Account of Debenture Redemption	**-**	**-**	**3.95**	**0.43**	**-**
	-	-	-	-	-
Remuneration paid / payable (Refer Footnote iii)	**-**	**12.90**	**-**	**-**	**-**
	-	*11.56*	-	-	-
Transfer of Project	**-**	**-**	**10.87**	**-**	**-**
	-	-	-	-	-
Guarantees given on behalf(net) (Refer Note 31(d), Page 88)	**-**	**-**	**251.58**	**-**	
	-	-	*109.84*	-	-
<u>**Balances outstanding at the end of the year**</u>					
Trade Receivables	**0.24**	**-**	**8.06**	**8.95**	**17.32**
	-	-	*2.89*	*0.84*	*9.37*
Due from / (to) on Current A/c	**0.29**	**-**	**13.34**	**(0.33)**	**1.76**
	(1.19)	-	*5.56*	*5.26*	*4.85*
Deposits (Net)	**-**	**-**	**1,016.79**	**8.04**	**18.03**
	-	-	*929.73*	*8.85*	*71.20*
Guarantee given on behalf (Refer Note 31(d), Page 88)	**-**	**-**	**650.05**	**-**	**-**
	-	-	*478.20*	-	-

Footnotes :

(i) Figures in italics are of the previous year.

(ii) Represent investing activities which has not involved cash flows.

(iii) 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.

Notes to Financial Statements for the year ended March 31, 2012

(c) Statement of Material Transactions

Company Name	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Company having substantial interest		
Tata Sons Ltd.		
Allotment of Shares	-	373.10
Allotment of Warrants	-	124.37
Dividend Received	**3.60**	-
Dividend Paid	**14.87**	-
Purchase of goods and services	**3.12**	-
Sale of goods and services	**1.82**	-
Trade Payables	**2.45**	-
Subsidiaries		
TIFCO Holdings Ltd.		
Interest Paid / Provided	**0.38**	-
ICD raised during the year	**46.75**	-
ICD repaid during the year	**26.75**	-
Residency Foods & Beverages Ltd.		
ICD Placed during the year	-	10.35
KTC Hotels Ltd.		
Operating / Licence Fees Paid	-	0.55
Due on current account (Net) - Receivable /(Payable)	-	3.34
United Hotels Ltd.		
Dividend Received	**2.01**	2.01
Taj Sats Air Catering Ltd.		
Sale of goods and services	-	1.06
Due on current account (Net) - Receivable /(Payable)	**2.02**	-
Roots Corporation Ltd.		
ICD Placed during the year	-	4.15
ICD Encashed during the year	**4.15**	-
Taj Trade & Transport Co. Ltd.		
Sale of goods and services	**1.74**	0.92

Notes to Financial Statements for the year ended March 31, 2012

Company Name	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Inditravel Ltd.		
Interest Paid / Provided	**0.25**	-
Purchase of goods and services	**7.60**	8.16
Trade Payables	**-**	0.92
ICD raised during the year	**18.50**	-
ICD repaid during the year	**13.50**	-
Piem Hotels Ltd.		
Interest Paid / Provided	**1.73**	-
Dividend Received	**3.52**	3.52
Operating / Licence Fees Received	**26.18**	25.05
Purchase of goods and services	**2.09**	-
Sale of goods and services	**2.58**	2.58
Due on current account (Net) - Receivable /(Payable)	**7.32**	-
Trade Payables	**0.52**	-
ICD raised during the year	**50.00**	-
ICD repaid during the year	**50.00**	-
Paid on Account of Debenture Redemption	**3.84**	-
Transfer of Project	**10.87**	-
International Hotel Management Services Inc		
Purchase of goods and services	**-**	6.65
Due on current account (Net) - Receivable /(Payable)	**8.57**	7.40
Purchase of shares from	**217.42**	-
Shareholders' deposit placed	**137.20**	22.33
Deposit Encashed	**217.42**	-
IHMS (Australia) Pty. Ltd.		
Trade Receivables	**-**	1.34
Taj International Hotels (H.K.) Ltd.		
Purchase of shares from	**255.78**	-
Deposits raised	**-**	859.57
Shareholders' deposit placed	**919.65**	62.51
Deposit Closing Position - Receivable	**1,041.46**	-
Share application Money Paid to	**665.03**	-
Deposit Encashed	**920.82**	-

Notes to Financial Statements for the year ended March 31, 2012

Company Name	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Joint Ventures		
Taj GVK Hotels & Resorts Ltd.		
Interest received / accrued	**0.35**	0.35
Dividend Received	**3.20**	3.20
Operating / Licence Fees Received	**18.17**	19.24
Sale of goods and services	**-**	0.95
Trade Receivables	**9.48**	-
Deposit given outstanding	**5.00**	5.00
Taj Kerala Hotels & Resorts Ltd.		
Due on current account (Net) - Receivable /(Payable)	**-**	0.59
Trade Receivables	**-**	1.73
Taj Karnataka Hotels & Resorts Ltd.		
Due on current account (Net) - Receivable /(Payable)	**2.16**	2.28
Deposit given outstanding	**5.35**	5.35
TAL Hotels & Resorts Limited		
Interest received / accrued	**0.69**	0.60
Trade Receivables	**-**	5.82
Deposit given outstanding	**7.67**	6.70
IHMS Hotels (SA) Pty. Ltd.		
Shareholders' deposit placed	**-**	23.22
Associates		
Taida Trading & Industries Ltd.		
Interest received/ accrued	**0.62**	-
Due on current account (Net) - Receivable /(Payable)	**1.59**	-
ICD Placed during the year	**8.04**	-
ICD Closing Position - Receivable	**8.04**	-
Oriental Hotels Ltd.		
Interest received/ accrued	**-**	1.34
Dividend Received	**2.70**	2.53
Operating / Licence Fees Received	**22.69**	19.85
Sale of goods and services	**1.04**	0.99
Trade Receivables	**8.95**	-
ICD Placed during the year	**8.00**	47.00
ICD Encashed during the year	**8.00**	70.00

Footnote: Transaction with related party excludes, recovery of spends on their behalf.

Notes to Financial Statements for the year ended March 31, 2012

Note 45 :

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Accounting Standard 17 - 'Segmental Information' (AS-17) notified by the Companies (Accounting Standards) Rules, 2006 (as amended). There is no geographical segment to be reported since all the operations are undertaken in India.

Note 46 :

In compliance with Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' - (AS-27), notified by the Companies (Accounting Standards) Rules, 2006 (as amended), the Company has interests directly or through its Subsidiaries in the following jointly controlled entities:

Name of the Company	Country of Incorporation	Holding (%)	Amount of Interest based on the Audited Accounts for the year ended March 31, 2012					
			Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitment
			₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Taj Safaris Ltd.	India	**33.47**	**9.09**	**8.59**	**5.46**	**6.82**	**0.49**	**-**
		22.98	*6.48*	*5.20*	*3.23*	*4.30*	*0.07*	*0.01*
Taj GVK Hotels and Resorts Ltd.	India	**25.52**	**157.93**	**71.20**	**65.32**	**57.83**	**5.01**	**0.70**
		25.52	*136.73*	*54.69*	*66.55*	*55.49*	*3.25*	*6.18*
Taj Karnataka Hotels and Resorts Ltd.	India	**44.27**	**3.91**	**6.87**	**2.09**	**2.21**	**-**	**0.04**
		38.81	*3.52*	*6.01*	*1.64*	*1.73*	*-*	*-*
Taj Kerala Hotels Ltd.	India	**28.30**	**19.51**	**4.37**	**10.99**	**10.45**	**0.85**	**0.38**
		28.30	*19.81*	*4.68*	*10.12*	*9.27*	*0.50*	*1.31*
Taj Madras Flight Kitchen Pvt. Ltd.	India	**50.00**	**21.39**	**2.59**	**13.84**	**13.33**	**12.02**	**0.08**
		50.00	*20.88*	*2.59*	*13.76*	*14.17*	*11.84*	*-*
TAL Hotels & Resorts Ltd.	Hong Kong	**27.49**	**151.45**	**58.97**	**64.53**	**54.90**	**-**	**0.43**
		26.66	*134.60*	*58.56*	*52.20*	*46.44*	*0.01*	*0.42*
IHMS Hotels (SA) (Proprietary) Ltd.	South Africa	**50.00**	**97.04**	**65.47**	**4.28**	**16.05**	**-**	**0.03**
		50.00	*100.07*	*97.26*	*9.10*	*14.11*	*-*	*0.28*

Footnote : Figures in Italics are of the previous year.

Notes to Financial Statements for the year ended March 31, 2012

Note 47 : Earnings Per Share (EPS) :

Earnings Per Share is calculated in accordance with Accounting Standard 20 – 'Earnings Per Share' - (AS-20), notified by the Company's (Accounting Standards) Rules, 2006 (as amended).

Particulars	March 31, 2012	March 31, 2011
Profit after tax - (₹ crores)	**145.35**	141.25
Number of Ordinary Shares	**75,94,72,787**	75,94,72,787
Weighted Average Number of Ordinary Shares	**75,94,72,787**	73,32,37,171
Earnings Per Share - (₹) Basic and Diluted	**1.91**	1.93

Footnote: Since the exercise price of the Warrants issued by the Company is more than the fair value of the Ordinary Shares, and thereby being anti-dilutive in nature, these Warrants have not been considered for the calculation of Diluted Earnings Per Share.

Note 48 :

During the year ended March 31, 2012 the Revised Schedule VI notified under the Companies Act 1956, has become applicable for preparation and presentation of financial statements. The preparation of financial statements based on the Revised Schedule VI does not impact the recognition and measurement principles followed for preparation of the financial statements. However, it has significant impact on the presentation and disclosures made in the financial statements. The Company has regrouped / reclassified the previous year figures in accordance with the requirements applicable in the current year.

For and on behalf of the Board

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice – Chairman
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director – Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh	Director
Jagdish Capoor	Director
Nadir Godrej	Director
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 28, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

		TIFCO Holdings Ltd	KTC Hotels Ltd	United Hotels Ltd	Taj SATS Air Catering Ltd	Roots Corporation Ltd	Residency Foods and Beverages Ltd	*Taj Enterprises Ltd.
1	The Financial Year of the Company ends on :	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012
2	Fully paid-up shares held by IHCL in the Subsidiary Company or by Subsidiary Company in the Sub-subsidiary Company at the end of the Financial Year of the Subsidiary or Sub-subsidiary Company as the case may be							
	(a) Number	**8,15,00,000** Equity Shares of ₹ 10/- each fully paid-up	**6,04,000** Equity Shares of ₹ 10/- each fully paid-up	**46,20,000** Equity Shares of ₹ 10/- each fully paid-up	**88,74,000** Equity Shares of ₹ 10/- each fully paid-up	**5,75,35,948** Equity Shares of ₹ 10/- each fully paid-up	**1,90,00,010** Equity Shares of ₹ 10/- each fully paid-up	**45,296** Equity Shares of ₹ 100/- each fully paid-up
	(b) Extent of holding #	100.00%	100.00%	55.00%	51.00%	67.62%	99.36%	76.59%
3	Changes in the interest of the Company or the Subsidiary Company between the end of the Financial Year of the Subsidiary Company or Sub-subsidiary Company and 31st March, 2012 Number of Shares acquired	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise
4	The net aggregate of Profit / (Losses) of the Subsidiary Company / Sub-subsidiary Company so far as they concern the Members of the Company							
	(a) Dealt with in the accounts of the Company for the year ended 31st March, 2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2012	₹ 11,66,45,000	₹ 36,22,999	₹ 3,06,47,275	₹ 2,09,85,990	₹ 6,62,12,779	₹ (95,06,020.45)	₹ 34,10,182.85
5	The net aggregate of Profit / (Losses) of the Subsidiary / Sub-subsidiary Company for previous financial years, so far as they concern the Members of the Company							
	(a) Dealt with in the accounts of the Company for the year ended 31st March, 2012	Nil	Nil	₹ 2,01,46,560	Nil	Nil	Nil	Nil
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2012	₹ 1,11,76,87,000	₹ 2,63,11,204	₹ 6,92,21,104	₹ 1,00,33,86,750	₹ (37,83,53,230)	₹ (15,99,54,157)	Nil
6	Material changes between the end of the Financial Year of the Subsidiary or Sub-subsidiary Company as the case may be and 31st March, 2012 (a) Fixed Assets (b) Investments (c) Moneys lent by the Subsidiary Company (d) Moneys borrowed by the Subsidiary Company other than for meeting Current liabilities	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

		*Taj Trade & Transport Co. Ltd.	*Inditravel Ltd.	*Ideal Ice & Cold Storage Co. Ltd.	*Benares Hotels Ltd.	*Piem Hotels Ltd.	*Taj Rhein Shoes Co. Ltd.	*Northern India Hotels Ltd.
1	The Financial Year of the Company ends on :	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012
2	Fully paid-up shares held by IHCL in the Subsidiary Company or by Subsidiary Company in the Sub-subsidiary Company at the end of the Financial Year of the Subsidiary or Sub-subsidiary Company as the case may be							
	(a) Number	**31,04,263** Equity Shares of ₹ 10/- each fully paid-up	**6,96,012** Equity Shares of ₹ 10/- each fully paid-up	**2,19,912** Equity Shares of ₹ 10/- each fully paid-up	**6,98,038** Equity Shares of ₹ 10/- each fully paid-up	**19,64,770** Equity Shares of ₹ 10/- each fully paid-up	**2,77,490** Equity Shares of ₹ 100/- each fully paid-up	**4,07,567** Equity Shares of ₹ 10/- each fully paid-up
	(b) Extent of holding #	72.73%	77.19%	47.43%	51.68%	51.57%	71.63%	48.03%
3	Changes in the interest of the Company or the Subsidiary Company between the end of the Financial Year of the Subsidiary Company or Sub-subsidiary Company and 31st March, 2012 Number of Shares acquired	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise
4	The net aggregate of Profit / (Losses) of the Subsidiary Company / Sub-subsidiary Company so far as they concern theMembers of the Company							
	(a) Dealt with in the accounts of the Company for the year ended 31st March, 2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2012	₹ 46,20,578.84	₹ 5,26,12,976.58	₹ 1,571.43	₹ 3,19,98,923.65	₹ 3,15,017,608	₹ (94,592.44)	₹ 82,64,338
5	The net aggregate of Profit / (Losses) of the Subsidiary / Sub-subsidiary Company for previous financial years, so far as they concern the Members of the Company							
	(a) Dealt with in the accounts of the Company for the year ended 31st March, 2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Not dealt with in the accounts of the Company for the year ended 31st March, 2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Material changes between the end of the Financial Year of the Subsidiary or Sub-subsidiary Company as the case may be and 31st March, 2012 (a) Fixed Assets (b) Investments (c) Moneys lent by the Subsidiary Company (d) Moneys borrowed by the Subsidiary Company other than for meeting Current liabilities	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

		Taj International Hotels (H.K.) Ltd	Chieftan Corporation NV	IHOCO B.V.	ST. James Court Hotel Ltd.	Taj International Hotel Ltd.	International Hotels Management Services Inc.
1	The Financial Year of the Company ends on :	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012
2	Fully paid-up shares held by IHCL in the Subsidiary Company or by Subsidiary Company in the Sub-subsidiary Company at the end of the Financial Year of the Subsidiary or Sub-subsidiary Company as the case may be						
	a) Number	**10,00,00,000** Equity Shares of US$ 1 each fully paid-up	**9,923** Equity Shares of UK£ 1 each fully paid-up	**41,000** Equity Shares of DFL 100 each fully paid-up	**5,05,27,912** Equity Shares of UK£ 1 each fully paid-up	**2** Equity Shares of UK£ 1 each fully paid-up	**100** Equity Shares of US$ 1 each fully paid-up
	b) Extent of holding #	100.00%	100.00%	100.00%	72.25%	100.00%	100.00%
3	Changes in the interest of the Company or the Subsidiary Company between the end of the Financial Year of the Subsidiary Company or Sub-subsidiary Company and 31st March, 2012 Number of Shares acquired	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise
4	The net aggregate of Profit/(Losses) of the Subsidiary Company / Sub-subsidiary Company so far as they concern the Members of the Company						
	a) Dealt with in the accounts of the Company for the year ended 31st March, 2012	Nil	Nil	Nil	Nil	Nil	Nil
	b) Not dealt with in the accounts of the Company for the year ended 31st March, 2012	US$ 21,97,880	UK£ 26,454	€ 47,589	UK£ 13,91,234	UK£ 14,902	US$ (3,61,50,375)
5	The net aggregate of Profit/(Losses) of the Subsidiary / Sub-subsidiary Company for previous financial years, so far as they concern the Members of the Company						
	a) Dealt with in the accounts of the Company for the year ended 31st March, 2012	Nil	Nil	Nil	Nil	Nil	Nil
	b) Not dealt with in the accounts of the Company for the year ended 31st March, 2012	US$ 33,37,357	UK£ (6,78,251)	€ 99,32,940	UK£ (48,83,958)	UK£ 17,70,310	US$ (14,91,85,663)
6	Material changes between the end of the Financial Year of the Subsidiary or Sub- subsidiary Company as the case may be and 31st March, 2012 a) Fixed Assets b) Investments c) Moneys lent by the Subsidiary Company d) Moneys borrowed by the Subsidiary Company other than for meeting Current liabilities	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise

Extent of holding is taken as "effective holding" for the purpose of this statement

* Dividend pertaining to previous year received from entities which have become subsidiaries during the current year have not been considered.

Tifco Holdings Ltd has formed "Tifco Security Services Ltd" a Wholly-Owned Subsidiary (WOS) of the company which was incorporated on 29th February, 2012. The accounts of the WOS are not included in the Annual Report since the first financial year of the WOS of the Company will be ending on 31st March 2013.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

		Samsara Properties Ltd	IHMS (Australia) Pty Ltd.	*Piem International (HK) Ltd.	*BAHC 5 Pte Ltd.	*Premium Aircraft Leasing Corp. Ltd	Apex Hotel Management. Services Pte Ltd.
1	The Financial Year of the Company ends on :	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012	31st March 2012
2	Fully paid-up shares held by IHCL in the Subsidiary Company or by Subsidiary Company in the Sub-subsidiary Company at the end of the Financial Year of the Subsidiary or Sub-subsidiary Company as the case may be						
	a) Number	**2,00,01,000** Equity Shares of US$ 1 each fully paid-up	**50,00,000** Equity Shares of AUD$ 1 each fully paid-up	**8,00,000** Equity Shares of US$ 10 each fully paid-up	**1** Equity Shares of US$ 1 each fully paid-up	**10** Equity Shares of US$ 1 each fully paid-up	**2** Equity Shares of S$ 1 fully paid-up
	b) Extent of holding #	100.00%	100.00%	51.57%	51.57%	51.57%	100.00%
3	Changes in the interest of the Company or the Subsidiary Company between the end of the Financial Year of the Subsidiary Company or Sub-subsidiary Company and 31st March, 2012 Number of Shares acquired	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise
4	The net aggregate of Profit/(Losses) of the Subsidiary Company / Sub-subsidiary Company so far as they concern the Members of the Company						
	a) Dealt with in the accounts of the Company for the year ended 31st March, 2012	Nil	Nil	Nil	Nil	Nil	Nil
	b Not dealt with in the accounts of the Company for the year ended 31st March, 2012	US$ (82,54,048)	AUD$ 70,613	US$ 9,32,387	US$ (31,26,331)	US$ (2,529)	S$ Nil
5	The net aggregate of Profit/(Losses) of the Subsidiary / Sub-subsidiary Company for previous financial years, so far as they concern the Members of the Company						
	a) Dealt with in the accounts of the Company for the year ended 31st March, 2012	Nil	Nil	Nil	Nil	Nil	Nil
	b) Not dealt with in the accounts of the Company for the year ended 31st March, 2012	US $ (6,27,77,964)	AUD$ (1,68,52,146)	US$ Nil	US$ Nil	US$ Nil	S$ Nil
6	Material changes between the end of the Financial Year of the Subsidiary or Sub- subsidiary Company as the case may be and 31st March, 2012 a) Fixed Assets b) Investments c) Moneys lent by the Subsidiary Company d) Moneys borrowed by the Subsidiary Company other than for meeting Current liabilities	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise	Does Not Arise

For and on behalf of the Board

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice - Chairman
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh Jagdish Capoor Nadir Godrej	} Directors
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 28, 2012

Financial Statistics

Year	Capital Accounts					
	Share Capital ₹ crores	Reserves and Surplus ₹ crores	Borrowing ₹ crores	Gross Block ₹ crores	Net Block ₹ crores	Investment ₹ crores
1972-73	2.35	0.76	5.38	10.06	8.12	0.02
1973-74	2.35	1.12	5.32	10.58	8.14	0.16
1974-75	2.35	1.94	4.55	10.99	8.09	0.20
1975-76	2.35	2.21	4.21	11.82	8.42	0.20
1976-77	# 3.07	2.38	3.98	12.21	8.30	0.25
1977-78	3.07	3.39	4.73	13.14	8.69	0.34
1978-79	3.07	5.41	6.17	17.81	12.68	0.55
1979-80	*5.09	5.58	5.56	20.48	14.31	0.74
1980-81	5.09	8.53	7.76	25.01	17.60	1.10
1981-82	** 6.90	9.20	8.87	28.79	20.06	1.13
1982-83	*** 6.35	12.34	26.71	49.54	39.22	2.65
1983-84	6.35	17.45	32.25	58.48	44.40	3.77
1984-85	6.35	22.23	42.20	67.77	44.55	11.70
1985-86	a 7.85	28.70	38.82	71.69	53.72	6.21
1986-87	7.85	32.73	53.58	89.73	67.56	5.53
1987-88	+ 9.86	41.97	63.47	107.70	80.08	6.90
1988-89	9.86	48.54	74.06	127.39	93.56	9.34
1989-90	!! 14.78	51.44	97.13	161.28	119.95	11.19
1990-91	14.78	56.77	121.07	178.61	128.43	12.37
1991-92	14.78	73.72	123.53	194.44	135.89	13.76
1992-93	!!! 19.96	124.44	106.86	210.68	142.53	16.93
1993-94	19.96	165.65	100.86	234.64	156.21	32.54
1994-95	æ 39.92	205.84	245.05	293.59	201.92	36.04
1995-96	= 45.12	567.16	200.18	384.01	273.21	142.09
1996-97	45.12	671.86	219.75	500.10	364.08	214.80
1997-98	45.12	767.68	197.31	581.48	414.57	218.09
1998-99	45.12	844.35	178.42	665.67	466.77	259.09
1999-00	45.12	913.96	432.32	842.01	606.86	337.75
2000-01	45.12	980.10	555.31	942.16	665.06	422.13
2001-02	45.12	844.13	809.21	946.15	655.08	541.34
2002-03	45.12	842.17	799.50	985.71	677.77	571.64
2003-04	45.12	844.79	1412.46	1159.69	813.13	600.83
2004-05	¶ 50.25	1081.80	1052.03	1290.70	885.20	607.01
2005-06	¶ 58.41	1657.83	544.34	1308.34	843.01	656.57
2006-07	▲60.29	1738.39	943.94	2014.34	1360.05	962.81
2007-08	60.29	1956.29	1134.18	2072.16	1371.60	977.58
2008-09	Ω 72.34	2975.29	1766.47	2362.23	1585.40	2026.88
2009-10	72.35	2616.87	2650.55	2408.32	1561.26	2445.63
2010-11	& 75.95	3028.59	2341.44	2605.18	1725.74	3026.78
2011-12	75.95	3167.49	2679.38	2830.66	1838.75	3622.19

Issue of Bonus Shares in the Ratio 2:5
* Issue of Bonus Shares in the Ratio 4:5
** Issue of Bonus Shares in the Ratio 2:5
*** After redemption of Preference Shares of ₹ 0.55 crore
a After conversion of a part of the 1,50,00,000 Convertible debenture at a premium of ₹ 15/- per share
+ After conversion of a part of the 20,01,121 Convertible debenture at a premium of ₹ 15/- per share
!! After issue of bonus share in the Ratio 1:2
!!! After Right issue of Shares in the Ratio 1:3
æ Issue of Bonus Shares in the Ratio 1:1
= Issue of Global Depository Shares
¶ Conversion of foreign currency bonds into share capital.
▲ Split of Shares of Face value ₹ 10/- each to share of Face value ₹ 1/- each
Ω After Rights issue of Shares in the Ratio 5:1
& Allotment of Shares on preferential basis to promoters

Financial Statistics

Year	Revenue accounts								
	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit before Taxes	Prov. Taxes	Profit after Tax	Net Transfer to General Reserves	Dividend	Rate of Dividend on Ordinary Shares
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	%
1972-73	4.35	3.50	0.45	0.40	0.04	0.44	0.29	¢ 0.16	6.00
1973-74	5.82	4.82	0.50	0.50	0.01	0.51	0.35	â 0.17	6.40
1974-75	7.26	5.79	0.49	0.98	0.00	0.98	3.61	â 0.37	18.00
1975-76	8.61	6.73	0.50	1.38	0.33	1.05	0.64	â 0.41	20.00
1976-77	10.77	8.45	0.52	1.80	0.75	1.05	0.49	â 0.56	20.00
1977-78	13.92	9.76	0.53	3.63	1.94	1.69	1.01	â 0.68	25.00
1978-79	18.42	13.63	0.69	4.10	1.40	2.70	2.02	â 0.68	25.00
1979-80	26.49	18.59	1.04	6.86	3.63	3.23	2.18	â 1.05	25.00
1980-81	31.54	23.13	1.24	7.17	3.17	4.00	2.95	â 1.45	22.00
1981-82	36.09	26.72	1.33	8.04	4.10	3.94	2.49	â 1.45	22.00
1982-83	42.98	36.87	1.62	4.49	0.00	4.49	2.99	â 1.50	23.00
1983-84	54.69	43.79	3.80	7.10	0.40	6.70	5.11	1.59	25.00
1984-85	65.50	55.39	2.66	7.45	1.08	6.37	4.78	1.59	25.00
1985-86	78.48	69.32	3.44	7.66	1.60	6.06	4.22	1.84	25.00
1986-87	93.05	79.68	4.25	9.12	2.75	6.37	4.02	2.35	30.00
1987-88	105.69	90.98	5.55	9.16	2.40	6.76	4.23	2.53	30.00
1988-89	117.72	100.61	6.24	10.87	1.50	9.37	6.42	2.96	30.00
1989-90	141.50	120.93	7.80	12.77	1.25	11.52	7.83	3.70	25.00
1990-91	159.11	139.42	9.11	10.58	1.55	9.03	5.33	3.70	25.00
1991-92	206.79	169.52	++8.85	27.58	6.50	21.08	16.75	5.17	35.00
1992-93	239.21	188.24	9.77	41.20	9.00	32.20	24.86	8.68	50.00
1993-94	301.92	223.49	10.90	67.53	15.50	52.03	41.21	13.97	70.00
1994-95	381.88	263.20	13.67	105.11	23.00	82.11	60.15	21.96	55.00
1995-96	547.36	347.42	20.37	179.57	39.00	140.57	107.10	33.47	75.00
1996-97	613.33	405.67	27.18	180.48	33.60	146.48	104.70	38.35	85.00
1997-98	623.91	427.53	32.42	163.96	26.00	137.96	95.78	38.35	85.00
1998-99	623.34	435.36	33.84	154.14	35.00	119.14	76.57	38.35	85.00
1999-00	650.91	482.49	37.69	130.73	17.50	113.23	70.66	@ 38.35	85.00
2000-01	742.92	560.47	45.16	137.29	20.50	116.79	67.07	45.12	100.00
2001-02	617.55	589.81	47.49	98.14	17.44	80.70	40.00	36.09	80.00
2002-03	609.91	575.43	38.98	53.80	13.72	40.48	7.50	31.58	70.00
2003-04	727.09	646.89	48.58	80.20	19.55	60.65	8.57	36.09	80.00
2004-05	896.23	754.55	56.77	141.68	35.82	105.86	11.00	50.25	100.00
2005-06	1154.80	890.90	65.90	272.00	88.22	183.78	20.00	77.95	130.00
2006-07	1618.83	1146.47	91.44	474.64	152.25	322.39	35.00	96.46	160.00
2007-08	1823.16	1254.11	85.48	580.47	203.01	377.46	38.00	114.54	190.00
2008-09	1706.52	1348.42	94.46	362.30	128.27	234.03	30.00	86.81	120.00
2009-10	1520.36	1358.48	104.14	218.25	65.15	153.10	15.31	72.35	100.00
2010-11	1737.14	1401.5	108.4	221.45	80.20	141.25	14.13	75.95	100.00
2011-12	1864.72	1628.69	113.9	229.92	84.57	145.35	14.54	75.95	100.00

¢ Preference Dividend
â Preference and Ordinary Dividend
++ After deducting ₹ 0.84 Crore towards excess provision of depreciation for previous year
@ Ordinary / Interim dividend for the year

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
THE INDIAN HOTELS COMPANY LIMITED

1. We have audited the attached Consolidated Balance Sheet of **THE INDIAN HOTELS COMPANY LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted for in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Without qualifying our opinion, we draw attention to Note no. 15 (ii) to the Consolidated Financial Statements which describe the uncertainty related to long term investments and other exposures aggregating ₹ 1,339.45 crores. The Company's reason for regarding the potential diminution arising in respect of these investments, to be temporary in nature has been explained in the same note.

4. We did not audit the financial statements of twenty three subsidiaries and four joint ventures, whose financial statements reflect total assets (net) of ₹ 6,539.47 crores, as at March 31, 2012, total revenues of ₹ 1,328.76 crores and net cash outflows amounting to ₹ 41.08 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures, is based solely on the reports of the other auditors.

5. The Consolidated Financial Statements include the Company's share of net loss amounting to ₹ 9.51 crores based on the unaudited financial statements of an associate.

6. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified by the Companies (Accounting Standards) Rules, 2006.

7. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, the subsidiaries, joint ventures and associates, and to the best of our information and according to the explanations given to us, in our opinion, subject to our comments in paragraph 5 regarding the inclusion of net loss of one associate on the basis of unaudited financial statements and read with our comments in paragraph 3 and 4 above, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

   (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No.39826)

Mumbai, May 28, 2012

Consolidated Balance Sheet as at March 31, 2012

	Note	**March 31, 2012 ₹ crores**	March 31, 2011 ₹ crores
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	**75.61**	75.95
Reserves and Surplus	4	**2,884.51**	2,570.13
Preference Shares Issued by a Subsidiary		**-**	140.00
Money Received against Warrants	3(iii)	**124.37**	124.37
		3,084.49	2,910.45
Minority Interest		**646.90**	296.72
Non-current Liabilities			
Long-term Borrowings	5	**3,082.49**	2,079.38
Deferred Tax Liabilities (net)	6	**130.18**	44.77
Other Long-term Liabilities	8	**89.49**	23.26
Long-term Provisions	9	**604.87**	592.78
		3,907.03	2,740.19
Current Liabilities			
Short-term Borrowings	10	**165.13**	388.60
Trade Payables		**267.61**	227.70
Other Current Liabilities	11	**990.52**	2,156.57
Short-term Provisions	12	**167.13**	157.13
		1,590.39	2,930.00
Total		**9,228.81**	8,877.36
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	13	**5,173.04**	4,490.75
Intangible Assets	14	**43.39**	38.76
Capital Work-in-Progress		**326.90**	393.60
Intangible Assets under Development		**24.45**	17.03
		5,567.78	4,940.14
Goodwill on Consolidation (net)		**489.51**	325.72
Non-current Investments	15	**1,841.15**	1,851.47
Deferred Tax Assets (net)	7	**2.49**	0.71
Long-term Loans and Advances	16	**395.39**	350.89
Other Non-current Assets	17	**38.22**	9.02
		8,334.54	7,477.95
Current Assets			
Current Investments	18	**62.75**	654.34
Inventories	19	**86.35**	58.53
Trade Receivables	20	**283.77**	201.97
Cash and Bank Balances	21	**172.60**	190.77
Short-term Loans and Advances	22	**262.28**	275.25
Other Current Assets	23	**26.52**	18.55
		894.27	1,399.41
Total		**9,228.81**	8,877.36
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 43		

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, May 28, 2012

For and on behalf of the Board

Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Beejal Desai	Vice President - Legal & Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2012

	Note	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Income			
Rooms, Restaurants, Banquets and Other Operating Income	24	**3,432.71**	2,862.47
Other Income	25	**70.94**	69.73
Total		**3,503.65**	2,932.20
Expenditure			
Food and Beverages Consumed		**362.57**	296.52
Employee Benefit Expenses and Payment to Contractors	26	**1,149.12**	962.98
Finance Costs	27	**213.54**	281.36
Depreciation and Amortisation	13	**255.07**	227.89
Other Operating and General Expenses	28	**1,375.32**	1,152.15
Total		**3,355.62**	2,920.90
Profit Before Tax and Exceptional Items		**148.03**	11.30
Exceptional Items Gain / (Loss)	29	**(0.46)**	11.93
Profit Before Tax		**147.57**	23.23
Tax Expenses			
Current Tax		**86.77**	61.07
Deferred Tax		**70.50**	58.42
Minimum Alternate Tax Credit		**(35.84)**	(32.66)
Short Provision of Tax of Earlier Years (net)		**0.32**	5.27
Profit / (Loss) After Tax		**25.82**	(68.87)
Profit Attributable to Minority Interest		**(38.40)**	(11.66)
Share of Profit of Associates		**15.64**	29.24
Profit / (Loss) After Minority Interest & Share of Associates before Prior Period Item		**3.06**	(51.29)
Share of Loss of an Associate for Prior Period		**-**	(35.97)
Profit / (Loss) After Tax and Prior Period Item		**3.06**	(87.26)
Earnings Per Share -	41		
Basic and Diluted - (₹)		**0.04**	(1.19)
Face Value per Ordinary Share - (₹)		**1.00**	1.00
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 43		

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, May 28, 2012

For and on behalf of the Board

Raymond N. Bickson — Managing Director

Anil P. Goel — Executive Director - Finance

Abhijit Mukerji — Executive Director - Hotel Operations

Beejal Desai — Vice President - Legal & Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2012

	Note	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Cash Flow From Operating Activities			
Net Profit Before Tax		**147.57**	23.23
Adjustments For :			
Depreciation and amortisation		**255.07**	227.95
Profit on sale of investments		**(0.43)**	(4.08)
Profit on sale of Hotel unit		**(11.40)**	(4.29)
Loss on sale of assets		**4.63**	0.82
Goodwill written off		**-**	3.26
Expenditure on discontinued project written off		**3.82**	5.20
Settlement of claims in case of a subsidiary		**1.02**	-
Interest income on surrender of project		**(14.45)**	-
Shortfall of business interruption insurance claim (TMPT)		**5.71**	-
Provision for doubtful debts and advances		**4.90**	4.15
Dividend Income		**(16.83)**	(17.89)
Interest (net)		**193.38**	251.17
Unrealised Exchange Loss / (Gain)		**5.31**	(14.08)
Provision for Loyalty Programmes (net of Redemptions)		**0.83**	(0.19)
Provision for diminution in value of investment		**(0.67)**	-
Provision for contingencies		**5.87**	5.42
Provision for employee benefits		**2.11**	(9.03)
		438.87	448.41
Cash Operating Profit before working capital changes		**586.44**	471.64
Adjustments For :			
Trade and Other Receivables		**(50.60)**	59.53
Inventories		**(12.29)**	6.20
Trade and Other Payables		**83.27**	(12.49)
		20.38	53.24
Cash Generated from Operating Activities		**606.82**	524.88
Direct Taxes Paid		**(71.88)**	(12.05)
Net Cash From Operating Activities (A)		**534.94**	512.83
Cash Flow From Investing Activities			
Purchase of Fixed Assets		**(320.23)**	(412.65)
Sale of Preference shares of Subsidiary		**-**	20.00
Sale of Fixed Assets		**59.76**	84.50
Purchase of Investments (including advance paid)		**(115.45)**	(3,717.24)
Acquisition / Sale of Subsidiaries		**(55.34)**	1.63
Profit on Sale of Investments		**0.58**	-
Sale of Investment		**672.90**	3,089.05
Interest Received		**75.27**	51.53
Dividend Received		**25.90**	31.98
Deposits Refunded by / (Placed with) Other Companies		**(2.80)**	67.86
Bank Balances not considered as Cash & Cash Equivalents		**(39.26)**	(5.87)
Long-term Deposits Refunded by Other Companies		**50.71**	-
Short-term Loans repaid by other company		**18.41**	-
Deposits Refunded by / (Placed with) Other Companies		**7.77**	-
Net Cash Used In Investing Activities (B)		**378.22**	(789.21)

Consolidated Cash Flow Statement for the year ended March 31, 2012

	Note	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Cash Flow From Financing Activities			
Debenture issue / Loan arrangement costs		**(16.15)**	(0.52)
Warrants		**-**	124.37
Interest Paid		**(278.68)**	(290.68)
Repayment of Long-Term Loans and Debentures		**(2,074.98)**	(364.34)
Proceeds from Long-Term Loans and Debentures		**1,285.49**	49.51
Short-Term Loans Raised/(Repaid) (net)		**19.00**	119.51
Long-Term Trade Deposits Raised/(Repaid)		**(0.08)**	(8.66)
Proceeds from issue of Equity shares to minority interest by a subsidiary		**100.00**	373.67
Dividend Paid (Including tax on dividend)		**(87.04)**	(88.68)
Net Cash Used In Financing Activities (C)		**(1,052.44)**	(85.82)
Net Decrease In Cash and Cash Equivalents (A + B + C)		**(139.28)**	(362.20)
Cash and Cash Equivalents - Opening - 1st April		**189.69**	548.76
Adjustments on acquisitions		**90.67**	-
Adjustment for translation of foreign currency balances		**12.63**	3.13
Cash and Cash Equivalents - Closing - 31st March		**153.71**	189.69
Footnote :			
Reconciliation of Cash and Cash Equivalents with Cash and Bank Balances as per the Balance Sheet			
Cash and Cash Equivalents as above		**153.71**	189.69
Add : Other Cash and Bank Balances			
Call and Short-term Deposits		**18.89**	1.08
Deposits pledged with others		**1.25**	1.20
Margin money deposits		**3.85**	0.01
Earmarked balances		**20.68**	3.58
Cash and Bank Balances as per the Balance Sheet		**198.38**	195.56
Less : Classified as Non-Current (Refer Note 17, Page 135)		**25.78**	4.79
Cash and Bank Balances in Note 21, (Page 137)		**172.60**	190.77
The accompanying notes form an integral part of the Financial Statements	1 - 43		

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Mumbai, May 28, 2012

For and on behalf of the Board
Raymond N. Bickson — Managing Director

Anil P. Goel — Executive Director - Finance

Abhijit Mukerji — Executive Director - Hotel Operations

Beejal Desai — Vice President - Legal & Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 1 : Basis of Consolidation

(a) The consolidated financial statements relate to The Indian Hotels Company Ltd. (‘the Company’), its subsidiaries, jointly controlled entities and associates. The Company, its subsidiaries and jointly controlled entities together constitute ‘the Group’. The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 ‘consolidated financial statements’, as notified by the Companies (Accounting Standards) Rules, 2006 (as amended).

ii. In the case of foreign subsidiaries and foreign jointly controlled entities, revenue items are consolidated at the average exchange rate prevailing during the year. The opening balance in the Statement of Profit and Loss and the opening balance in Reserves and Surplus have been converted at the rates prevailing as at the respective Balance Sheet dates. All assets and liabilities as at the year-end are converted at the rates prevailing as on that date. Any exchange difference arising on consolidation is shown under Foreign Currency Translation Reserve.

iii. Investments in associate companies have been accounted for under the equity method as per Accounting Standard 23 ‘Accounting for Investments in Associates in consolidated financial statements’, as notified by the Companies (Accounting Standards) Rules, 2006 (as amended).

iv. Interests in jointly controlled entities have been accounted for by using the proportionate consolidation method as per Accounting Standard 27 ‘Financial Reporting of Interests in Joint Ventures’, as notified by the Companies (Accounting Standards) Rules, 2006 (as amended).

v. The financial statements of subsidiaries, jointly controlled entities and associates consolidated are drawn upto the same reporting date as that of the Company except in the case of an Associate Company where the financial statements have been drawn upto December 31, 2011.

vi. The excess of cost to the Group of its investment in the subsidiaries and jointly controlled entities over the Group’s portion of equity as at the date of making the investment is recognised in the financial statements as Goodwill on Consolidation.

vii. The excess of the Group’s share in equity of each subsidiary, jointly controlled entity and associates over the cost of the acquisition at the date on which the investment is made, is recognised as Capital Reserve on Consolidation and included as Reserves and Surplus under Shareholders’ Equity in the Consolidated Balance Sheet.

viii. Goodwill

- 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.
- Goodwill arising from the acquisition of associates is included in the carrying value of the investment in associates.
- 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.
- Goodwill on acquisition of the foreign subsidiaries are restated at the rate prevailing at the end of the year.

ix. Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in subsidiary companies are made and further movement in their share in the equity, subsequent to the dates of investment.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(b) The list of subsidiaries, jointly controlled entities and associates, which are included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below: -

i. Subsidiary Companies

	Country of Incorporation	As at March 31, 2012 Directly by Parent or through its subsidiaries Holding (%)	As at March 31, 2012 Effective Holding (%)	As at March 31, 2011 Directly by Parent or through its subsidiaries Holding (%)	As at March 31, 2011 Effective Holding (%)
Domestic					
Benares Hotels Ltd. (Refer Footnote ii)	India	**53.70**	**51.68**	-	-
Ideal Ice & Cold Storage Co. Ltd. (Refer Footnote ii)	India	**55.00**	**47.43**	-	-
Inditravel Ltd. (Refer Footnote ii)	India	**96.67**	**77.19**	-	-
Innovative Foods Ltd. (Refer Footnote iv)	India	**-**	**-**	-	-
KTC Hotels Ltd.	India	**100.00**	**100.00**	100.00	100.00
Northern India Hotels Ltd. (Refer Footnote ii)	India	**93.14**	**48.03**	-	-
Piem Hotels Ltd. (Refer Footnote ii)	India	**51.57**	**51.57**	-	-
Residency Foods & Beverages Ltd.	India	**100.00**	**99.36**	98.68	98.68
Roots Corporation Ltd.	India	**71.55**	**67.62**	100.00	100.00
Taj Enterprises Ltd. (Refer Footnote ii)	India	**90.59**	**74.70**	-	-
Taj Rhein Shoes Co. Ltd. (Refer Footnote ii)	India	**92.50**	**71.63**	-	-
Taj SATS Air Catering Ltd.	India	**51.00**	**51.00**	51.00	51.00
Taj Trade & Transport Co. Ltd. (Refer Footnote ii)	India	**89.51**	**72.73**	-	-
TIFCO Holdings Ltd.	India	**100.00**	**100.00**	100.00	100.00
TIFCO Security Services Ltd. (Refer Footnote i)	India	**100.00**	**100.00**	-	-
United Hotels Ltd.	India	**55.00**	**55.00**	55.00	55.00
International					
Apex Hotel Management Services (Pte) Ltd.	Singapore	**100.00**	**100.00**	100.00	100.00
Chieftain Corporation NV	Netherlands Antilles	**100.00**	**100.00**	100.00	100.00
IHMS (Australia) Pty. Ltd.	Australia	**100.00**	**100.00**	100.00	100.00
IHOCO BV	Netherlands	**100.00**	**100.00**	100.00	100.00
International Hotel Management Services Inc. and its Limited Liability companies (IHMS Inc.)	United States of America	**100.00**	**100.00**	100.00	100.00
Piem International (HK) Ltd.(Refer Footnote ii)	Hong Kong	**100.00**	**51.57**	-	-
Samsara Properties Ltd.	British Virgin Islands	**100.00**	**100.00**	100.00	100.00
St. James Court Hotel Ltd.	United Kingdom	**89.39**	**72.25**	54.01	54.01
Taj International Hotels (HK) Ltd.	Hong Kong	**100.00**	**100.00**	100.00	100.00
Taj International Hotels Ltd.	United Kingdom	**100.00**	**100.00**	100.00	100.00

Footnotes:

(i) Wholly-owned subsidiary of TIFCO Holdings Ltd., incorporated on February 29, 2012.

(ii) These entities became subsidiaries with effect from May 25, 2011.

(iii) Investments in the following subsidiaries are held for disposal.
- BAHC 5 Pte Ltd.
- Premium Aircraft Leasing Corporation Ltd.

(iv) Ceased to be a subsidiary with effect from February 11, 2011.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

ii. Jointly Controlled Entities

		As at March 31, 2012		As at March 31, 2011	
	Country of Incorporation	Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)	Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)
Domestic					
Taj Madras Flight Kitchen Pvt. Ltd.	India	50.00	50.00	50.00	50.00
Taj Karnataka Hotels & Resorts Ltd.	India	49.41	44.27	38.81	38.81
Taj Kerala Hotels & Resorts Ltd.	India	28.30	28.30	28.30	28.30
Taj GVK Hotels & Resorts Ltd.	India	25.52	25.52	25.52	25.52
Taj Safaris Ltd.	India	36.57	33.47	22.98	22.98
International					
TAL Hotels & Resorts Ltd.	Hong Kong	28.26	27.49	26.66	26.66
IHMS Hotels (SA)(Pty) Ltd.	South Africa	50.00	50.00	50.00	50.00

iii. Associates

		As at March 31, 2012		As at March 31, 2011	
	Country of Incorporation	Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)	Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)
Domestic					
Benares Hotels Ltd. (Refer Footnote ii)	India	-	-	49.53	49.53
Ideal Ice & Cold Storage Co. Ltd. (Refer Footnote ii)	India	-	-	34.99	34.99
Inditravel Ltd. (Refer Footnote ii)	India	-	-	47.08	47.08
Kaveri Retreat & Resorts Ltd.	India	**50.00**	**50.00**	22.73	22.73
Oriental Hotels Ltd. (Refer Footnote i)	India	**37.05**	**35.67**	33.80	33.80
Piem Hotels Ltd. (Refer Footnote ii)	India	-	-	46.20	46.20
Taida Trading and Industries Ltd. (Refer Footnote iv)	India	**48.74**	**34.76**	41.50	41.50
Taj Enterprises Ltd. (Refer Footnote ii)	India	-	-	44.60	44.60
Taj Madurai Ltd.	India	**26.00**	**26.00**	26.00	26.00
Taj Trade & Transport Co. Ltd. (Refer Footnote ii)	India	-	-	46.62	46.62
International					
BJets Pte Ltd., Singapre (Refer Footnote iii)	Singapore	**45.69**	**45.69**	61.54	45.69
Lanka Island Resorts Ltd.	Sri Lanka	**24.16**	**24.16**	24.16	24.16
TAL Lanka Hotels PLC	Sri Lanka	**24.62**	**24.62**	24.62	24.62

Footnotes:

(i) Including 5.40% (Previous year 5.25%) of the shares held in the form of Global Depository Receipts (GDR).

(ii) These entities became subsidiaries with effect from May 25, 2011.

(iii) Although the holding exceeded 50% in the previous year, it was considered as an associate in terms of the shareholders' agreement which caps the ultimate holding of the Group to 45.69%.

(iv) The carrying amount of the investment has been reported at nil value, as the Group's share of losses exceeds the cost/carrying value.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(c) In the case of an associate company BJETS Pte Ltd., Singapore unaudited financial statements for the year ended December 31, 2011, as certified by the Management, have been considered in the consolidated financial statements. The adoption of the financial statements by the Board of Directors of the company is pending.

(d) Piem Hotels Ltd., Benares Hotels Ltd., Taj Enterprises Ltd., Taj Trade & Transport Co. Ltd., Inditravel Ltd., Ideal Ice & Cold Storage Co. Ltd., Taj Rhein Shoes Co. Ltd., Northern India Hotels Ltd. and Piem International (HK) Ltd. became subsidiaries of the Company during the year. The financial position and results of these subsidiaries as included in the consolidated financial statements for the year ended March 31, 2012 are given below:

	Piem Hotels Ltd.	Benares Hotels Ltd.	Taj Enterprises Ltd.	Taj Trade & Transport Co. Ltd.	Inditravel Ltd.	Ideal Ice & Cold Storage Co.Ltd.	Taj Rhein Shoes Co.Ltd.	Northern India Hotels Ltd.	Piem International (HK) Ltd.
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Equity and liabilities									
Share Capital	3.81	1.30	0.50	3.47	0.72	0.45	3.00	0.44	40.93
Reserves and Surplus	422.59	30.34	0.86	10.28	29.52	(1.73)	(22.46)	12.97	143.78
Non-current liabilities	17.61	2.56	-	0.08	0.63	1.32	2.01	0.04	-
Current liabilities	72.70	6.67	0.01	13.85	8.07	-	17.52	0.17	0.03
Assets									
Tangible assets	251.28	25.82	0.18	5.72	0.87	-	-	0.26	-
Intangible assets	0.64	0.02	-	0.02	0.12	-	-	0.01	-
Capital work-in-progress	21.75	3.95	-	-	-	-	-	-	-
Non-current investments	97.26	-	0.12	4.90	9.59	-	-	0.31	152.62
Other non-current assets	4.19	0.68	-	4.53	4.11	0.01	-	0.01	-
Current assets	141.59	10.40	1.07	12.51	24.25	0.03	0.07	13.03	32.12
Income									
Income from operations	239.70	31.09	-	19.05	45.20	-	-	1.45	2.98
Other income	11.59	0.23	0.51	1.10	1.41	-	-	1.19	0.53
Expenses									
Employee benefit expenses	51.95	4.71	-	4.95	5.75	-	-	-	-
Depreciation and amortisation	18.54	1.43	-	1.22	0.12	-	-	0.01	-
Finance costs	-	-	-	0.16	-	-	-	-	-
Other operating and general expenses	124.76	16.09	0.05	13.19	31.77	-	0.01	0.14	0.05
Tax expense/(benefit)	18.58	3.37	0.02	(0.39)	3.08	-	-	0.77	-
Share in the profit of associates	-	-	-	-	-	-	-	-	5.21
Profit/(Loss) After Tax	37.46	5.72	0.44	1.02	5.89	-	(0.01)	1.72	8.67

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(e) The following amounts are included in the financial statements in respect of the jointly controlled entities based on the proportionate consolidation method prescribed in the Accounting Standard relating to 'Financial Reporting of Interests in Joint Ventures' (AS 27) as notified by the Companies (Accounting Standards) Rules, 2006 (as amended):-

	March 31, 2012	March 31, 2011
	₹ crores	₹ crores
Assets		
Fixed Assets (including CWIP)	**308.94**	295.40
Non-current investments	**9.52**	0.22
Other non-current assets	**59.53**	50.64
Current assets	**80.37**	75.70
Liabilities		
Non-current liabilities	**119.80**	136.26
Deferred Tax Liabilities	**24.33**	22.16
Current liabilities	**64.63**	62.43
Contingent Liabilities	**18.37**	15.67
Capital Commitments	**1.66**	8.20
Income		
Income from operations	**169.08**	153.13
Other income	**2.15**	3.50
Expenses		
Food & Beverages consumed	**19.58**	18.48
Employee benefit expenses	**38.24**	33.76
Depreciation	**18.01**	17.84
Finance costs	**10.92**	6.88
Other operating and general expenses	**69.42**	62.90

Note 2 : Significant Accounting Policies

The financial statements are prepared under the historical cost convention, on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006 (as amended). The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under:-

(a) Revenue recognition:

Revenue comprises sale of rooms, food and beverages, allied services relating to hotel operations, including net income from telecommunication services and management and operating fees. Revenue is recognised upon rendering of the service.

(b) Export Benefits Entitlement:

Benefits arising in the nature of Duty Free Scrips are recognised upon the actual utilisation of Duty Credit Scrips for the purchase of Fixed Assets and Inventories and are adjusted against the cost of the related assets.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(c) Employee Benefits:

(i) Defined Contribution Schemes

a. 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 period. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company 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 incurred.

b. Others

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 in the Statement of Profit and Loss.

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 an independent external actuarial valuation 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.

(ii) Gratuity Fund

The Company makes annual contributions to funds administered by the trustees for amounts notified by the funds. 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. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(iii) Post-Retirement Benefits

The net present value of the Company's obligation towards post retirement pension scheme for retired whole time directors and Post employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(iv) Superannuation

The Company has a defined contribution plan, wherein it annually contributes a sum equivalent to the employee's eligible annual basic salary to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which they are incurred.

The Company also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(v) Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation, carried out at the Balance Sheet date.

(vi) Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(d) Fixed Assets:

Fixed assets are stated at cost less depreciation/amortisation and impairment losses, if any. Cost includes expenses incidental to the installation of assets and attributable borrowing costs.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(e) Depreciation and Amortisation:

i. Depreciation:

Indian Entities

Depreciation on assets is provided at the rates as specified in Schedule XIV to the Companies Act, 1956. In respect of Leasehold Land, depreciation is provided from the date the land is put to use for commercial operations, over the balance period of the lease. The renewal of these leases is considered as certain in view of past experience for the purpose of depreciation of building on leased property. In respect of Improvements to Buildings, depreciation is provided @ 6.67% based on its useful life.

In respect of some of the subsidiaries, depreciation is provided under the written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, amounts in respect of which are not material.

International Entities

Assets are depreciated based on the estimated useful life determined by the Management of the respective Subsidiaries, whereof the average rates of depreciation for each category are equal to or higher than the rates prescribed in Schedule XIV to the Companies Act, 1956. 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 subject to minimum rates prescribed as per Schedule XIV to the Companies Act, 1956.

ii. Amortisation:

Intangible assets are amortised on a straight-line basis at rates specified below:

Leasehold Property Rights	6.67%*
Website Development Cost	20.00%
Softwares	16.67%
Management Contract Acquisition Costs	5% to 33.33%**
Service & Operating Rights (Included in Management Contract)	10.00%
Non-Compete Fees	14.29%
Lease Acquisition Cost of Jointly Controlled Entity	5.00%
Brand	10.00%

* Over the term of the lease.
** Based on the terms of the Contract.

(f) Foreign Currency Translation:

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 or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. In case of Group, with respect to long-term foreign currency monetary items that have not been hedged, from April 1, 2011 onwards, the Group has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset;
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Hedge Accounting

In accordance with its risk management policy, the Group has entered into cross currency swap transactions with a view to convert its Indian Rupee borrowings into foreign currency borrowings. To the extent the Company has designated the foreign currency component (and ignoring the impact of interest) of the swap contracts as hedging instruments in a net investment hedging relationship applying hedge accounting principles (prior to the revision of Accounting Standard (AS) 11 on "The Effects of Changes in Foreign Exchange Rates" by notification no. G.S.R.914(E) dated December 29, 2011) ,the exchange difference arising on translation of the borrowing so converted into a foreign currency liability, at the Balance Sheet date, that are designated and are effective hedges is recognised directly in the "Hedge Reserve" account under "Reserve and Surplus" (Note 4) and the ineffective portion is recognised immediately into the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is exercised or cancelled or no longer qualifies for hedge accounting.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Translation of Foreign Operations

Exchange differences on a monetary item that is receivable from or payable to foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future which, in substance, forms a part of the Company's net investment in that foreign operation, are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment. Upon disposal, such accumulation in the Foreign Currency Translation Reserve, or in the case of partial disposal, proportionate share of the related accumulated exchange difference, is recognised as income or as expense in the Statement of Profit and Loss. For this purpose, partial settlement of a monetary item, is considered to be a partial disposal.

The financial statements of integral foreign operations are translated using the principles and procedures as if the transactions of the foreign operations are those of the Company itself.

(g) Derivative Instruments:

Exchange differences arising on repayment/revaluation of derivative contracts, entered into in respect of some of the Group's underlying borrowings, are recognised as income or expense, as the case may be, in the period in which they arise. Interest rate derivatives are accounted, based on an underlying benchmark for the relevant period.

(h) Impairment of Assets:

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount on these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flow to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised.

(i) Assets taken on Lease:

Operating lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight-line basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

(j) Inventories:

Stock of Food & Beverages and Stores & Operating supplies are carried at cost (computed on a Weighted Average basis) or Net Realisable Value, whichever is lower. All other inventories are valued at the lower of Cost and Net Realisable Value. In respect of three subsidiaries and two jointly controlled entities, Stock of Food & Beverages and Stores & Operating supplies are valued at cost on FIFO basis.

(k) Investments:

i. Non-current investments are carried at cost. Provision is made for diminution in value, other than temporary, on an individual basis.

ii. Current investments are carried at the lower of cost and fair value, determined on a category-wise basis.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(l) Taxes on Income:

i. 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 prevailing tax laws. The differences between the taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of timing differences is recognised as a deferred tax asset or deferred tax liability. The tax effect is calculated on accumulated timing differences at the end of the accounting year, based on effective tax rates substantively enacted by the Balance Sheet date.

ii. 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 assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

iii. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. In situations where the Group has unabsorbed depreciation and carried forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

iv. Minimum Alternative Tax (“MAT”) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay current 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 convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(m) Government Grants:

Government grants are recognised on the basis of reasonable certainty. Capital grants relating to specific assets are reduced from the gross value of the respective fixed assets.

(n) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised in terms of Accounting Standard 29 – ‘Provisions, Contingent Liabilities and Contingent Assets’ (AS-29), notified by the Companies (Accounting Standards) Rules, 2006 (as amended), when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognised in the financial statements.

(o) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take 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. Debenture issue costs and the premium on redemption of debentures are adjusted against the available Securities Premium Account in accordance with the provisions of section 78 of the Companies Act, 1956. All other borrowing costs (other than on cross currency interest rate swap which are recognised in the Statement of Profit and Loss in the period in which they accrue) are charged to Statement of Profit and Loss over the tenure of the borrowing.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 3 : Share Capital

	March 31, 2012	March 31, 2011
	₹ crores	₹ crores
Authorised Share Capital		
Ordinary Shares		
100,00,00,000 Ordinary Shares of ₹ 1/- each	**100.00**	100.00
Preference Shares		
1,00,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	**100.00**	100.00
	200.00	200.00
Issued Share Capital		
75,94,89,291 Ordinary Shares of ₹ 1 /- each	**75.95**	75.95
	75.95	75.95
Subscribed and Paid Up		
75,94,72,787 Ordinary Shares of ₹ 1 /- each, Fully Paid (Refer Footnotes v and vi)	**75.95**	75.95
Reduction due to Ordinary Shares owned by Subsidiaries (Refer Footnote ii & vii)	**(0.34)**	-
	75.61	75.95

Footnotes :

(i) The Company has one class of Ordinary 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 the case of an interim dividend. In the event of liquidation, the equity (ordinary) shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	March 31, 2012		March 31, 2011	
	No. of shares	**₹ crores**	No. of shares	₹ crores
As at the beginning of the year	**75,94,72,787**	**75.95**	72,34,72,787	72.35
Less : Reduction due to Ordinary Shares owned by Subsidiaries (Refer Footnote vii)	**33,95,670**	**0.34**	-	-
Add : Issued during the year	**-**	**-**	3,60,00,000	3.60
As at the end of the year	**75,60,77,117**	**75.61**	75,94,72,787	75.95

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(iii) The Company had allotted on preferential basis to Tata Sons Ltd, the Promoter, following securities on December 23, 2010 :

(a) 3,60,00,000 Ordinary Shares of the face value of ₹ 1 each at a premium of ₹ 102.64 per share aggregating ₹ 373.10 crores.

(b) 4,80,00,000 Warrants with an option to subscribe to one Ordinary Share of the face value of ₹ 1 each at a premium of ₹ 102.64 per share for every Warrant held. The option shall be exercisable after April 1, 2011, but not later than 18 months from the date of issue of the Warrants i.e June 23, 2012. Accordingly, the Company has received ₹ 124.37 crores, as 25% advance against the Warrants from the Promoter. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the Warrants.

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

	March 31, 2012		March 31, 2011	
	No. of shares	**% of Holding**	No. of shares	% of Holding
Equity share of ₹ 1 each fully paid				
Tata Sons Ltd.	**14,87,21,334**	**19.58**	14,60,21,334	19.23
Life Insurance Corporation of India	**7,68,79,324**	**10.12**	6,24,39,062	8.22
Sir Dorabji Tata Trust	**5,02,21,040**	**6.61**	5,02,21,040	6.61

(v) Aggregate number of Ordinary Shares issued for consideration other than cash and shares issued on conversion of Foreign Currency Convertible Bonds during the period of five years immediately preceding the year March 31, 2012 :

	March 31, 2012	March 31, 2011
	No. of shares	No. of shares
Shares allotted as fully paid shares, pursuant to amalgamation of Gateway Hotels & Getaway Resorts Ltd. and Indian Resort Hotels Ltd. with the Company	1,62,19,670	1,62,19,670
Shares issued as fully paid shares, pursuant to exercise of option for conversion by holders of Foreign Currency Convertible Bonds	903	1,99,77,743

(vi) 16,504 Ordinary Shares have been issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

(vii) These shares were owned by the entities prior to their becoming subsidiaries.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 4 : Reserves and Surplus

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Capital Reserve		
Opening and Closing Balance	**43.97**	43.97
Capital Reserve on Consolidation		
Opening Balance	**-**	-
Add : Due to dilution of stake in a subsidiary	**95.77**	-
Closing Balance	**95.77**	-
Capital Redemption Reserve		
Opening Balance	**1.12**	1.12
Add : Due to acquisition of new subsidiaries	**9.47**	-
Closing Balance	**10.59**	1.12
Securities Premium Reserve		
Opening Balance	**1,668.80**	1,299.65
Add : On allotment of shares on preferential basis	**-**	369.50
Less : Debenture issue expenses written off (net of tax)	**1.71**	0.35
Closing Balance	**1,667.09**	1,668.80
Revaluation Reserve		
Opening Balance	**28.49**	10.65
Add : Share in Revaluation Reserves of an associate company	**17.84**	11.17
Less : Depreciation transferred during the year	**1.18**	0.80
Add : Foreign Exchange fluctuation for the year (net)	**2.14**	7.47
Closing Balance	**47.29**	28.49
Reserve Fund (In terms of Section 45-IC of the Reserve Bank of India Act,1934)		
Opening Balance	**29.00**	26.80
Add : Transferred from Surplus in Statement of Profit and Loss	**2.35**	2.20
Closing Balance	**31.35**	29.00
Debenture Redemption Reserve		
Opening Balance	**440.97**	327.67
Add : Transferred from Surplus in Statement of Profit and Loss	**-**	113.30
Closing Balance	**440.97**	440.97
Investment Reserve		
Opening and Closing Balance	**5.00**	5.00
Investment Allowance Utilised Reserve		
Opening and Closing Balance	**4.03**	4.03
Export Profits Reserve		
Opening and Closing Balance	**0.41**	0.41
Hedge Reserve (Refer Footnote)		
Opening Balance	**-**	-
Add / (Less) : Exchange translation for the year	**(118.22)**	-
Closing Balance	**(118.22)**	-
Foreign Currency Translation Reserve		
Opening Balance	**84.56**	95.63
Add / (Less) : Transferred to Statement of Profit and Loss on disposal of net investments	**(1.11)**	-
Add / (Less): Foreign Exchange fluctuation for the year (net)	**356.17**	(11.07)
Closing Balance	**439.62**	84.56
Carried over	**2667.87**	2306.35

Notes to Consolidated Financial Statements for the year ended March 31, 2012

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Brought over	**2667.87**	2306.35
Foreign Exchange Earnings Utilised Reserve		
Opening Balance	**2.28**	2.28
Less: Transferred to General Reserve	**2.28**	-
Closing Balance	**-**	2.28
General Reserve		
Opening Balance	**515.08**	497.95
Add : Transferred from Surplus in Statement of Profit and Loss	**26.75**	16.67
Add : Transferred from Foreign Exchange Earnings Utilised Reserve	**2.28**	-
Add : Due to acquisition of new subsidiaries	**13.48**	-
Add / (Less) : Foreign Exchange fluctuation for the year	**-**	0.46
Closing Balance	**557.59**	515.08
Surplus in Statement of Profit and Loss		
Opening Balance	**(253.58)**	37.64
Add : Net Profit / (Loss) for the current year	**3.06**	(87.26)
Add /(Less) : Adjustment on account of change in stake of jointly controlled entities / disposal of a subsidiary	**(1.85)**	16.48
Add : Adjustment on account of change in stake of associates of earlier years	**1.65**	-
Add : Due to acquisition of new subsidiaries	**27.14**	-
Less : Transfer to Debenture Redemption Reserve	**-**	(113.30)
Less : Transfer to General Reserve	**(26.75)**	(16.67)
Less : Transfer to Reserve Fund	**(2.35)**	(2.20)
Less : Proposed Dividend	**(75.95)**	(75.95)
Less : Tax on Dividend	**(12.32)**	(12.32)
Closing Balance	**(340.95)**	(253.58)
	2,884.51	2,570.13

Footnote :

With effect from April 1, 2011, the Parent Company has adopted hedge accounting principles to account for hedging of loans extended to subsidiaries forming part of the Company's net investment in non-integral foreign operations. Effectively, the Parent Company had partially converted its rupee borrowings into foreign currency borrowings, using cross-currency swap derivative instruments, so as to cover the foreign currency fluctuations of its investments in overseas subsidiaries and the foreign currency borrowings. On application of the hedge accounting policy, the foreign currency translation differences of both, the hedging instrument (i.e. the borrowings) and the hedged item (i.e. the net investment in non-integral foreign operation), are recognised under Reserves and Surplus having due consideration to hedge effectiveness. Accordingly, the translation difference on the borrowings amounting to ₹ 118.22 crores for year ended March 31, 2012 forming the effective portion of the hedge has been recognised in the Hedge Reserve Account in the Balance Sheet, whilst the corresponding translation differences of the net investment in non-integral foreign operation of ₹ 183.05 crores for the year ended March 31, 2012 has been recognised under "Foreign Currency Translation Reserve Account" in the Balance Sheet. Had the Company chosen to amortise the foreign currency translation differences over the balance maturity period of such loans the charge to the Statement of Profit and Loss for the year ended March 31, 2012 would have been higher by ₹ 14.01 crores.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 5 : Long-term Borrowings

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Debentures (Refer Footnote i)		
Secured	**968.50**	447.48
Unsecured	**581.68**	388.48
	1,550.18	835.96
Term Loans		
From Banks		
Secured	**1,030.46**	425.11
Unsecured	**486.21**	528.36
	1,516.67	953.47
From Others		
Unsecured	**12.56**	-
	12.56	-
	1,529.23	953.47
Fixed Deposits		
Unsecured		
From Shareholders	**0.60**	61.92
From Others	**-**	226.44
	0.60	288.36
Other Loans and Advances		
From Others		
Unsecured	**2.48**	1.59
	2.48	1.59
	3,082.49	2,079.38

Footnotes :

(i) The Company has entered into currency swap transactions with a view to convert its rupee borrowings into foreign currency borrowing, to hedge its foreign currency assets. Accordingly, the underlying borrowings are translated at the exchange rate prevailing at the Balance Sheet date.

(ii) Current and Non-Current components of Long-Term Borrowing as at:

	March 31, 2012 ₹ crores		March 31, 2011 ₹ crores	
	Non-Current	**Current**	Non-Current	Current
Debentures	**1,550.18**	**90.00**	835.96	1,002.77
Term Loans from Banks	**1,516.67**	**182.47**	953.47	306.71
Term Loans from Others	**12.56**	**-**	-	399.73
Fixed Deposits	**0.60**	**285.40**	288.36	65.82
Other loans and advances	**2.48**	**-**	1.59	-
	3,082.49	**557.87**	2,079.38	1,775.03
Short-Term Borrowings (Refer Note 10, Page 131)	**-**	**165.13**	-	388.60
Total Borrowings	**3,082.49**	**723.00**	2,079.38	2,163.63

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 6 : Deferred Tax Liabilities (net)

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Deferred tax liabilities:		
Depreciation on fixed assets	**333.68**	258.95
Deferred revenue expenditure	**-**	0.15
Total (A)	**333.68**	259.10
Deferred tax assets:		
Provision for doubtful debts	**4.62**	3.85
Premium on Redemption of Debentures	**141.82**	161.01
Provision for Employee Benefits	**14.99**	15.40
Unabsorbed Depreciation (Refer Footnote i)	**18.12**	14.86
Depreciation on fixed assets	**0.34**	-
Others	**23.61**	19.21
Total (B)	**203.50**	214.33
Net Deferred tax liabilities (A-B) (Refer Footnote ii)	**130.18**	44.77

Footnotes :

(i) Deferred tax asset on unabsorbed depreciation has been recognised by a subsidiary to the extent of deferred tax liability arising on timing difference in respect of depreciation on fixed assets of that entity.

(ii) The net deferred tax liabilities include ₹ 13.57 crores for the subsidiaries acquired during the year.

Note 7 : Deferred Tax Assets (net)

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Deferred tax assets:		
Provision for doubtful debts	**1.02**	0.95
Provision for Employee Benefits	**0.18**	0.12
Depreciation on fixed assets (Refer Footnote ii)	**1.40**	-
Others	**0.79**	0.09
Total (A)	**3.39**	1.16
Deferred tax liabilities:		
Depreciation on fixed assets	**0.90**	0.45
Total (B)	**0.90**	0.45
Net Deferred tax assets (A-B) (Refer Footnote i)	**2.49**	0.71

Footnotes :

(i) The net deferred assets include ₹ 1.40 crores for the subsidiaries acquired during the year.

(ii) Deferred tax assets and deferred tax liabilities of entities within the group have been offset as they relate to the same governing taxation laws.

Note 8 : Other Long-term Liabilities

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Creditors for capital expenditure	**2.41**	0.47
Deposits from others		
Secured (Refer Note 15 Footnote iii, Page 135)	**71.10**	22.00
Unsecured	**1.20**	0.79
Unamortised Foreign Currency Monetary Item Translation Difference (Refer Note 37, Page 144)	**9.21**	-
Others	**5.57**	-
	89.49	23.26

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 9 : Long-term Provisions

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Provision for Employee Benefits	**44.48**	32.39
Provision - Others		
Premium on Redemption of Debentures	**560.27**	560.27
Provision for Contingencies (Refer Footnote)	**0.12**	0.12
	560.39	560.39
	604.87	592.78

Footnote :

Provision for contingencies on standard assets has been made by a subsidiary engaged in the business of non-banking financial services

Note 10 : Short-term Borrowings

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Loans repayable on demand		
From Bank		
Secured (Refer Footnote i)	**26.92**	14.13
Unsecured	**9.51**	282.73
	36.43	296.86
Other Short-term Loans		
From Others		
Unsecured (Refer Footnote ii)	**128.70**	91.74
	128.70	91.74
	165.13	388.60

Footnotes:

(i) Secured loans from Bank consist of overdraft facilities. These are secured by hypothecation of operating supplies, stores, food & beverages and receivables

(ii) Unsecured Short-term loans from other consists of inter-corporate deposits, commercial paper and other loans.

Note 11 : Other Current Liabilities

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Current maturities of long-term borrowings (Refer Note 5 (ii), Page 129)		
Debentures	**90.00**	1,002.77
Term Loans	**182.47**	706.44
Fixed Deposits	**285.40**	65.82
	557.87	1,775.03
Payables on Current Account dues	**8.74**	3.66
Deposits	**21.85**	20.21
Interest accrued but not due on borrowings	**40.05**	61.09
Interest accrued and due on borrowings	**3.02**	2.17
Income received in advance	**62.71**	53.25
Advances collected from customers	**51.74**	43.87
Creditors for capital expenditure	**33.88**	20.38
Unclaimed dividends	**3.73**	2.59
Unclaimed Share Application Money	**0.13**	0.13
Unclaimed Matured Deposits and interest accrued thereon	**2.02**	0.59
Unclaimed matured debentures and interest accrued thereon ₹ 25,100 (Previous Year - ₹ 25,100)	**-**	-
Other Liabilities	**204.78**	173.60
	990.52	2,156.57

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 12 : Short-term Provisions

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Provision for Employee Benefits	**43.26**	45.52
Provision - Others		
Provision for Contingent Claims (Refer Footnote i)	**13.31**	7.44
Proposed Dividend	**75.95**	75.95
Tax on Dividend	**12.32**	12.32
Loyalty Programmes (Refer Footnote ii)	**17.54**	14.58
Provision for Tax (net of advances)	**4.75**	1.32
	123.87	111.61
	167.13	157.13

Footnotes :

	Opening Balance ₹ crores	Addition ₹ crores	Closing Balance ₹ crores
(i) Provision for Contingencies include :			
Legal and Statutory matters	**1.12**	**0.32**	**1.44**
	1.12	-	*1.12*
Contractual matters in the course of business	**5.36**	**5.28**	**10.64**
	0.28	*5.08*	*5.36*
Employee related matters	**0.96**	**0.27**	**1.23**
	0.64	*0.32*	*0.96*
	7.44	**5.87**	**13.31**
	2.04	*5.40*	*7.44*

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

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

(ii) Details of Provision for Loyalty Programmes :	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Opening Balance	**14.58**	14.77
Add : Due to new subsidiaries	**2.24**	-
Less : Redeemed during the year	**9.26**	6.93
	7.56	7.84
Add : Provision for the year	**9.98**	6.74
Closing Balance	**17.54**	14.58

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 13 : Tangible Assets (Owned, unless otherwise stated)

	Freehold Land	Leasehold 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	₹ crores
Gross Block at Cost								
At April 1, 2010	419.19	213.69	3,237.32	1,137.14	591.96	73.40	46.68	5,719.38
Translation Adjustment (Refer Footnote iii)	(2.19)	9.88	33.38	3.50	6.16	0.14	(0.04)	50.83
Addition on Revaluation of Assets (Refer Footnote iv)	-	-	11.10	-	-	-	0.07	11.17
Additions	-	-	183.23	145.99	90.62	7.39	1.77	429.00
Disposals	2.62	-	68.09	78.93	39.35	0.56	1.48	191.03
At March 31, 2011	**414.38**	**223.57**	**3,396.94**	**1,207.70**	**649.39**	**80.37**	**47.00**	**6,019.35**
Translation Adjustment (Refer Footnote iii)	35.42	25.41	272.01	8.69	33.87	3.25	0.31	378.96
Addition of new subsidiaries (Refer Footnote ix)	18.61	14.11	161.50	167.11	64.82	12.06	5.19	443.40
Additions	-	-	135.45	139.95	70.91	9.18	2.30	357.79
Adjustments (Refer Footnote vii)	-	-	1.33	10.74	18.34	2.48	-	32.89
Disposals	2.94	-	10.10	40.72	16.62	1.04	4.09	75.51
At March 31, 2012	**465.47**	**263.09**	**3,957.13**	**1,493.47**	**820.71**	**106.30**	**50.71**	**7,156.88**
Depreciation (Refer Footnote vi)								
At April 1, 2010	3.88	23.18	397.02	540.85	353.07	44.14	23.04	1,385.18
Translation Adjustment (Refer Footnote iii)	-	0.89	8.30	1.83	4.64	0.09	(0.02)	15.73
Charge for the year (Refer Footnote v and viii)	-	2.49	86.48	69.02	50.14	8.19	3.86	220.18
Disposals	-	-	10.82	52.44	27.86	0.15	1.22	92.49
At March 31, 2011	**3.88**	**26.56**	**480.98**	**559.26**	**379.99**	**52.27**	**25.66**	**1,528.60**
Translation Adjustment (Refer Footnote iii)	-	3.07	40.91	4.29	20.09	2.22	0.24	70.82
Addition of new subsidiaries (Refer Footnote ix)	-	2.04	28.61	80.45	36.23	7.86	2.85	158.04
Charge for the year (Refer Footnote v and viii)	-	2.44	96.03	80.91	52.55	11.88	4.06	247.87
Adjustments (Refer Footnote vii)	-	-	5.76	14.05	13.39	0.72	-	33.92
Disposals	-	-	1.86	34.44	14.69	0.78	3.64	55.41
At March 31, 2012	**3.88**	**34.11**	**650.43**	**704.52**	**487.56**	**74.17**	**29.17**	**1,983.84**
Net Block								
At March 31, 2011	**410.50**	**197.01**	**2,915.96**	**648.44**	**269.40**	**28.10**	**21.34**	**4,490.75**
At March 31, 2012	**461.59**	**228.98**	**3,306.70**	**788.95**	**333.15**	**32.13**	**21.54**	**5,173.04**

Footnotes :

(i) Gross Block includes buildings constructed on leasehold land and improvements thereto - ₹ 1,966.65 crores; (Previous year - ₹ 1,665.02 crores).

(ii) Furniture, Fixtures and Office Equipments as at the year end include assets on finance lease: Gross Block - ₹ 2.58 crores; (Previous year - ₹ 2.27 crores), Accumulated Depreciation - ₹ 2.58 crores; (Previous year - ₹ 1.45 crores), Depreciation for the year - ₹ 0.93 crore; (Previous year - ₹ 0.89 crore).

(iii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".

(iv) Addition on Revaluation of Assets pertain to revaluation of assets done during the previous year by one of the international jointly controlled entity.

(v) Depreciation / Amortisation for the year includes ₹ 1.18 crores; (Previous year - ₹ 0.80 crore) recouped from Revaluation Reserve.

(vi) Accumulated Depreciation includes adjustment for impairment of ₹ 6.61 crores; (Previous year - ₹ 6.61 crores) including ₹ 3.88 crores; (Previous year - ₹ 3.88 crores) on Freehold Land, made in earlier years.

(vii) Adjustments include cost / depreciation adjustments on de-capitalisation / re-capitalisation of assets on restoration of Taj Mahal Palace, Mumbai, subsequent to receipt of insurance claim during the year.

(viii) Depreciation charge for the year includes ₹ 0.05 crore; (Previous year - ₹ 0.06 crore) which is capitalised during the year.

(ix) Represents assets and accumulated depreciation of certain entities which became subsidiaries during the year. This also includes the impact of increase / decrease in share of the Group in certain jointly controlled entities.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 14 : Intangible Assets

	Goodwill	Leasehold Property Rights	Website Development Cost	Software (Refer Footnote i)	Management Contracts	Brand	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Gross Block at Cost							
At April 1, 2010	-	22.07	4.62	14.76	49.25	4.07	94.77
Translation Adjustment (Refer Footnote ii)	-	0.54	-	-	(0.56)	-	(0.02)
Additions	-	1.76	3.80	4.78	-	-	10.34
Disposals	-	-	-	0.12	-	4.07	4.19
At March 31, 2011	**-**	**24.37**	**8.42**	**19.42**	**48.69**	**-**	**100.90**
Translation Adjustment (Refer Footnote ii)	-	(1.92)	-	3.09	6.94	-	8.11
Addition of new subsidiaries (Refer Footnote iii)	4.76	0.01	0.03	1.98	-	-	6.78
Additions	-	5.98	0.18	3.50	-	-	9.66
Disposals	-	-	4.52	0.03	-	-	4.55
At March 31, 2012	**4.76**	**28.44**	**4.11**	**27.96**	**55.63**	**-**	**120.90**
Amortisation							
At April 1, 2010	-	9.48	4.56	5.34	34.27	1.83	55.48
Translation Adjustment (Refer Footnote ii)	-	0.58	-	-	(0.29)	-	0.29
Charge for the year	-	1.78	0.46	3.62	2.37	0.34	8.57
Disposals	-	-	-	0.03	-	2.17	2.20
At March 31, 2011	**-**	**11.84**	**5.02**	**8.93**	**36.35**	**-**	**62.14**
Translation Adjustment (Refer Footnote ii)	-	(0.44)	0.02	0.49	5.45	-	5.52
Addition of new subsidiaries (Refer Footnote iii)	4.76	-	-	1.20	-	-	5.96
Charge for the year	-	1.50	0.85	3.47	2.61	-	8.43
Disposals	-	-	4.52	0.02	-	-	4.54
At March 31, 2012	**4.76**	**12.90**	**1.37**	**14.07**	**44.41**	**-**	**77.51**
Net Block							
At March 31, 2011	**-**	**12.53**	**3.40**	**10.49**	**12.34**	**-**	**38.76**
At March 31, 2012	**-**	**15.54**	**2.74**	**13.89**	**11.22**	**-**	**43.39**

Footnotes :

(i) Software includes Customer Reservation System and 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) Represents assets and accumulated depreciation of certain entities which became subsidiaries during the year. This also includes impact due to increase / decrease in stake in respect of shareholding for certain jointly controlled entities.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 15 : Non-current Investments (at cost)

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Trade Investments :		
Equity Investments in Associate Companies (Refer Note 1(b)(iii), Page 118)		
[Includes Goodwill of ₹ 75.12 crores (Previous year - ₹ 85.91 crores) and is net of capital reserve of ₹ 0.68 crore (Previous year - ₹ 1.18 crores) arising on the acquisition of associates]	**283.31**	478.37
Investments in Shares		
Quoted (Refer Footnote i and ii)	**1,340.89**	1,169.18
Unquoted (Refer Footnote iii)	**217.04**	204.34
Total Long Term Investments - Gross	**1,841.24**	1,851.89
Less : Provision for Diminution in value of Investments	**0.09**	0.42
Total Long Term Investments - Net	**1,841.15**	1,851.47

Footnotes :

		March 31, 2012	March 31, 2011
(i) Aggregate of Quoted Investments - Gross	: Cost / Carrying value	**1,340.89**	1,169.18
	: Market Value	**414.23**	394.54

(ii) The Group, holds shares costing ₹ 1,339.45 crores [US$ 262 million] (Previous year - ₹ 1,169.00 crores [US$ 262 million]) in Orient-Express Hotels Ltd., ("Orient-Express") an entity whose shares are listed on the New York Stock Exchange. However, the market value of these shares as at the Balance Sheet date has declined by ₹ 960.00 crores; [US$ 188 million] (Previous year - ₹ 775.00 crores [US$ 174 million]). There has been a noticeable improvement in the performance of Orient-Express and consequently, the Company expects improvement in the value of this investment in the future.

(iii) Unquoted Investment, includes Investment in TRIL Infopark Ltd. for which transfer of shares are restricted due to an 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 as Option Deposit, which shall be adjusted upon exercise of the option or refunded.

Note 16 : Long-term Loans and Advances

(Unsecured, considered good unless stated otherwise)

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Capital advances	**31.58**	6.12
Long-term security deposits placed for Hotel Properties	**134.50**	125.02
Deposits with Public Bodies and Others	**35.93**	24.71
Other loans and advances		
Advance Income Tax paid (net)	**72.61**	80.33
MAT credit entitlement	**69.11**	32.66
Others	**51.66**	82.05
	193.38	195.04
	395.39	350.89

Note 17 : Other Non-current Assets

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Deposits with Banks (Refer Note 21, Page 137)	**25.78**	4.79
Unamortised borrowing costs (Refer Note 23, Page 137)	**11.11**	2.90
Interest receivable	**1.33**	1.33
	38.22	9.02

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 18 : Current Investments

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Investments in Mutual Fund Units (Unquoted)	**62.75**	654.34
Investments in Subsidiaries (Refer Footnote)		
BAHC 5 Pte Ltd.	**-**	-
1 (Previous year Nil) equity shares of US $ 1 each (₹ 51 (Previous year - ₹ Nil))		
Premium Aircraft Leasing Corporation Ltd.	**-**	-
10 (Previous year Nil) equity shares of US $ 1 each (₹ 512 (Previous year - ₹ Nil))		
	62.75	654.34

Footnote :

These shares are held for disposal.

Note 19 : Inventories (At lower of cost and net realisable value)

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Food & Beverages	**36.55**	23.97
Stores and Operating Supplies	**41.44**	26.00
Apartment held for sale	**8.36**	8.56
	86.35	58.53

Note 20 : Trade Receivables

(Unsecured)

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Outstanding over six months :		
Considered good	**10.49**	17.82
Considered doubtful	**18.22**	14.93
	28.71	32.75
Others :		
Considered good	**273.28**	184.15
Considered doubtful	**-**	-
	273.28	184.15
	301.99	216.90
Less : Provision for doubtful trade receivables	**18.22**	14.93
	283.77	201.97

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 21 : Cash and Bank Balances

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Cash and Cash Equivalents		
Cash on hand	**4.15**	2.79
Cheques, Drafts on hand	**11.22**	10.84
Balances with banks in current account	**115.81**	98.23
Balances with banks in call and short-term deposit accounts (less than 3 months)	**22.53**	77.83
	153.71	189.69
Other Balances with Banks		
Call and Short-term deposit accounts	**18.89**	1.08
Deposits pledged with others	**1.25**	1.20
Margin money deposits	**3.85**	0.01
Earmarked balances	**20.68**	3.58
	44.67	5.87
	198.38	195.56
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 (Refer Note 17, Page 135)	**25.78**	4.79
	172.60	190.77

Note 22 : Short-term Loans and Advances

(Unsecured, considered good unless stated otherwise)

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Short-term loans and advances (Refer Note 39, Page 148)	**69.38**	75.48
Deposit with public bodies and others	**14.15**	17.39
Other advances		
Considered good	**178.75**	182.38
Considered doubtful	**5.94**	2.17
	184.69	184.55
Provision for doubtful Advances	**5.94**	2.17
	178.75	182.38
	262.28	275.25

Note 23 : Other Current Assets

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Interest receivable	**16.46**	8.55
On current account dues	**6.16**	2.94
Unamortised Borrowing Costs		
Opening Balance	**9.96**	22.59
Add : Additions during the year	**12.56**	0.05
Add : Translation adjustment	**0.90**	0.14
Less : Amortised during the year (Refer Footnote)	**(8.41)**	(12.82)
Closing Balance	**15.01**	9.96
Less : Unamortised borrowing costs - Non-current (Refer Note 17, Page 135)	**11.11**	2.90
	3.90	7.06
	26.52	18.55

Footnote:
Represents expenses on borrowings amortised over the tenure of the loan.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 24 : Rooms, Restaurants, Banquets and Other Operating Income

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Room Income	**1,689.27**	1,416.57
Food, Restaurants and Banquet Income	**1,425.26**	1,125.03
Shop rentals	**28.65**	32.78
Membership fees	**42.81**	37.11
Management and operating fees	**75.24**	93.75
Others	**171.48**	157.23
	3,432.71	2,862.47

Note 25 : Other Income

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Interest Income		
Inter-corporate deposits	**12.07**	11.62
Deposits with banks	**2.80**	9.72
Interest on Income Tax Refunds	**1.62**	7.08
Others	**3.67**	1.77
	20.16	30.19
Dividend Income from Long-term Investments	**5.25**	4.85
Dividend Income from Current Investments	**11.58**	13.04
Profit on sale of Investments (net)		
From Long-term Investments	**0.45**	4.03
From Current Investments	**0.01**	0.05
Exchange Gain (net)	**8.56**	3.81
Others	**24.93**	13.76
	70.94	69.73

Note 26 : Employee Benefit Expenses and Payment to Contractors

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Salaries, Wages, Bonus etc.	**899.97**	738.59
Company's Contribution to Provident & Other Funds (Refer Note 38, Page 144)	**63.66**	63.42
Payment to Contractors	**77.49**	68.20
Staff Welfare Expenses	**108.00**	92.77
	1,149.12	962.98

Note 27 : Finance Costs

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Interest Expense		
Interest Expenses on borrowings	**263.00**	306.20
On Income Tax Demand	**-**	0.17
	263.00	306.37
Less : Interest recovered on currency swaps relating to above	**36.12**	12.36
Less : Interest capitalised (Refer Footnote)	**13.34**	12.65
	213.54	281.36

Footnote :

The Group has capitalised the interest cost on borrowings utilised for projects under construction.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 28 : Operating and General Expenses

		March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
(i)	**Operating Expenses consist of the following :**		
	Linen and Room Supplies	**59.90**	55.82
	Catering Supplies	**33.46**	26.16
	Other Supplies	**21.60**	19.98
	Fuel, Power and Light	**242.40**	194.30
	Repairs to Buildings	**42.32**	36.12
	Repairs to Machinery	**52.18**	41.67
	Repairs to Others	**39.08**	32.90
	Linen and Uniform Washing and Laundry Expenses	**27.23**	20.81
	Payment to Orchestra Staff, Artists and Others	**24.35**	19.75
	Guest Transportation	**16.87**	13.40
	Travel Agents' Commission	**42.19**	31.45
	Discount to Collecting Agents	**42.56**	34.10
	Other Operating Expenses	**84.13**	48.93
		728.27	575.39
(ii)	**General Expenses consist of the following :**		
	Rent	**93.78**	82.59
	Licence Fees	**123.87**	109.84
	Rates and Taxes	**72.61**	66.16
	Insurance	**18.96**	19.22
	Advertising and Publicity	**104.93**	96.50
	Printing and Stationery	**14.25**	13.12
	Passage and Travelling	**17.28**	18.96
	Provision for Doubtful Debts and advances	**2.21**	4.15
	Professional Fees	**62.61**	66.58
	Exchange Loss (net)	**-**	-
	Loss on Sale of Fixed Assets (net)	**4.62**	0.82
	Impairment of Goodwill	**-**	3.26
	Payment made to Statutory Auditors (Refer Footnote)	**6.19**	5.06
	Directors' Fees and Commission	**2.84**	1.86
	Other Expenses	**122.90**	88.64
		647.05	576.76
		1,375.32	1,152.15

Footnote:

Payment made to Statutory Auditors:

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
As auditors	**4.63**	3.89
For other services (including tax audit and company law matters)	**1.28**	1.08
Expenses and incidentals	**0.28**	0.09
	6.19	5.06

Note 29 : Exceptional Items

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Exceptional Items comprises of the following :		
Profit on sale of hotel property	**11.40**	4.29
Notional exchange Gain / (Loss) (Refer Footnote)	**(13.48)**	12.84
Interest Income net of expenditure on surrender of project	**11.37**	-
Short fall of business interruption insurance claim (Taj Mahal Palace, Mumbai)	**(8.73)**	-
Expenditure on discontinued project charged off for commercial reasons	**-**	(5.20)
Settlement of claims due to disposal of a subsidiary	**(1.02)**	-
	(0.46)	11.93

Footnote :

Exchange difference on revaluation of long-term foreign currency monetary items.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 30 : Shareholder's Agreement of a Subsidiary

As per Share Subscription Agreement and Shareholders' Agreement dated March 16, 2011 entered into with Omega TC Holdings Pte Ltd. ("Investor"), subject to the terms and conditions stated therein, the Investor has agreed to subscribe and the subsidiary company has agreed to issue and allot such number of equity shares as is equal to the aggregate consideration of ₹ 50 crores on or before March 31, 2013. The investor also has an option but not the obligation to subscribe such number of Equity Shares as is equal to the aggregate consideration of upto ₹ 100 crores on or before March 31, 2014.

Note 31 : Contingent Liabilities (to the extent not provided for)

(a) On account of Income Tax matters in dispute:

In respect of tax matters for which Group appeals are pending - ₹ 29.15 crores (Previous year - ₹ 15.42 crores). The said amounts have been paid/adjusted and will be recovered as refund if the matters are decided in favour of companies of the Group.

In respect of other tax matters ₹ 3.57 crores (Previous year ₹ 0.04 crore)

(b) On account of other disputes in respect of:

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Luxury tax	**0.55**	0.45
Entertainment tax	**0.53**	0.53
Sales tax/VAT	**17.23**	8.88
Property and Water tax	**11.58**	11.57
Stamp Duty	**0.60**	2.34
Service tax	**12.86**	-
Excise	**13.63**	-
Others	**12.72**	22.15

(c) Other claims against the Group not acknowledged as debt:

Legal and statutory matters ₹ 16.57 crores (Previous year ₹ 12.87 crores)

(d) In a hotel situated on land under a license agreement, there is a demand in the Group for increased rentals with effect from 2006-07 amounting to ₹ 161.26 crores (Previous year ₹ 129.55 crores) and interest thereon. The Group has been legally advised that the demand is not sustainable as it is not in accordance with principles/guidelines laid down by the Honourable Supreme Court. The Group has contested the claim and does not expect any additional liability in this regard. In another hotel under licence agreement of the Group, the authorities have sought to revise licence fees with effect from 1986-87 amounting to ₹ 25.95 crores (Previous year ₹ 24.24 crores) and interest thereon due to a difference in interpretation. The Group has contested the same, but provided for a sum of ₹ 10.00 crores and no additional liability is anticipated. In some other hotels of the Group, proposed revisions in property taxes are being contested, amounts of which are indeterminate.

(e) Guarantees given by the Group in respect of loans obtained by other companies and outstanding as on March 31, 2012 - ₹ 32.55 crores (Previous year - ₹ 46.18 crores).

(f) In respect of a subsidiary, the Airport Authority of India (AAI) had leased a plot of land to set up flight catering operations to serve the airlines at the respective airports. The charges of AAI envisaged lease rentals (compounded) increase of 10% each year and 2% of gross turnover. AAI has unilaterally taken a decision to revise the rate of Airport lease from 2% to 13% with effect from April 1, 2008. The subsidiary has valid agreements which do not provide for an increase in the proportion of Gross Turnover payable to AAI. The subsidiary has, therefore, contested the claim of increase from 2% to 13% of the turnover based Airport levy. Therefore, the amount of ₹ 15.25 crores is being treated as contingent liability (Previous year - ₹ 11.29 crores). Should the subsidiary be liable to make any payment to AAI authorities against the aforementioned claims, the Management believes that the same would be fully recoverable on a back to back basis from various airline companies in view of the subsidiary's agreement/ understanding with them.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 32 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 136.52 crores (Previous year – ₹ 123.47 crores).

Note 33 : Other Commitments

(a) The Company owns 19.90% of the issued share capital of Lands End Properties Private Ltd. (LEPPL), a Company owning 67% interest in the Hotel Sea Rock Property through its wholly-owned subsidiary, Sky Deck Properties & Developers Private Ltd. (SDPDPL). LEPPL has raised a debt of ₹ 400 crores by issuance of zero coupon Non-Convertible Debentures, redeemable at a premium. In respect of the debentures issued by LEPPL, the Company has:-

i. the first right to purchase the entire shareholding of SDPDPL held by LEPPL for an aggregate value of ₹ 525.65 crores; or

ii. the obligation to make good the value of the shortfall if the lenders of LEPPL realise an amount lower than the redemption amount on sale of the shares of SDPDPL in case the right referred in (i) above is not exercised.

(b) The Company has given an option to certain shareholders of ELEL Hotels & Investment Ltd., a company having an underlying lease of the Hotel Sea Rock Property as under:-

i. Shareholders holding 3,98,090 shares have an option to sell these shares to the Company. The option is exercisable at a price to be determined based on fulfilment of certain obligations by the holders of these shares on January 1, 2011 or July 1, 2011 or January 1, 2012 or July 1, 2012. Since the shareholders are yet to fulfill their obligations, the option has not been exercised.

ii. Shareholders holding 5,36,339 shares have an option to sell these shares to the Company. The option is exercisable at a price to be determined based on fulfilment of certain obligations by the holders of these shares at an agreed fixed return, payable from June 25, 2009 at a price so determined. The shareholders can exercise the option on January 1, 2013 or July 1, 2013 or January 1, 2014 or July 1, 2014. The Company also has an option to purchase these shares at the same price on April 1, 2013 or September 1, 2013 or April 1, 2014 or September 1, 2014.

Note 34 : Guarantees and Undertakings given

(a) Undertakings given:

The Group has given the following undertakings as at the Balance Sheet date:

i. The Group has entered into a Share Retention Agreement with International Finance Corporation, Washington, USA ("IFC") in November 2003, in consideration of IFC having provided loan facilities to a subsidiary of a jointly controlled entity, TAL Maldives Resorts Private Ltd. ("TMPL"). The Group, of which TIHK is a member, has also agreed to maintain at least a 26% aggregate effective shareholding in TMPL and to retain effective control of TMPL, so long as any amount remains outstanding under the loan agreement between TMPL and IFC.

ii. The Group has given an undertaking to a lender of Taj Air Ltd. (TAL) not to transfer, assign, dispose of or encumber its holding in the shares of TAL without the said lender's prior written approval except for changes in the shareholding of TAL between specified entities.

(b) Shares of St. James Court Hotel Ltd. with a net book value of ₹ 218.91 crores (US $ 42.79 million) have been pledged and guarantees have been issued in respect of a bank loan to Bjets Pte Ltd (Bjets), an associate company, for losses that might incur as a result of granting the loan to Bjets to the extent of approximately ₹ 133.01 crores (US $ 26 million) without charge. As at the Balance Sheet date, the Group does not consider it probable that a claim will be made against the Group under these guarantees. The maximum liability of the Company at the end of the reporting period under these guarantees is approximately US $ 25 million, representing the loan drawn down by Bjets as at the end of the reporting period.

(c) The Group has pledged its investment in BAHC 5 Pte Ltd. (BAHC 5) with a net book value of US $ 1 and issued guarantees in respect of a loan from a third party to BAHC 5 for losses that might incur as a result of granting the loan to BAHC 5 to the extent of approximately US $ 65 million without charge. As at the end of the Balance Sheet date, the Group does not consider it probable that a claim will be made against the Company under these guarantees. The maximum liability of the Company at the end of the reporting period under these guarantees is approximately US $ 65 million, representing the loan drawn down by BAHC 5 as at the end of the reporting period.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 35 : Operating and Finance Leases

(a) IHMS Inc. formed IHMS LLC ("New York LLC") under the laws of the State of Delaware, U.S.A. The New York LLC was formed to acquire the lease with 795 Fifth Avenue Corporation, its affiliates 795 Fifth Avenue Ltd. Partnership, Barneys New York and individual apartment owners, which encompass the facilities of the Hotel Pierre.

The New York LLC has entered into lease agreements for the use of various facilities at the Hotel Pierre for the purpose of operating a hotel business. Under the terms of the various agreements, the New York LLC is required to:

(i) Provide an irrevocable unconditional letter of credit in the amount of ₹ 25.58 crores (US $ 5 million), as to be renewed annually until expiration of the lease.

(ii) Spend not less than ₹ 156.28 crores (US $ 35 million) on renovations of the property not later than June 30, 2007.

(iii) In November 2007, the New York LLC entered into a lease modification agreement with its landlord. The principal modification extended the lease term for an additional 10 years, to June 30, 2025, and increased the New York LLC's renovation commitment to ₹ 409.25 crores (US $ 80 million). The New York LLC spent approximately ₹ 535.30 crores (US $104.64 million) towards the renovation project and substantially completed the renovation project on June 30, 2010

Future fixed and minimum rentals, exclusive of formula or percentage rentals for the period ending March 31, are approximately as under:-

	March 31, 2012 ₹ **crores**	March 31, 2011 ₹ crores
Not later than one year	**10.07**	8.79
Later than one year but not later than five years	**40.28**	28.57
Later than five years	**83.10**	-

(iv) Lease on cooperative apartments and ballroom

The New York LLC assumed a lease agreement with Barney's New York, currently scheduled to expire in August 2013, for the use of Hotel Pierre's ballroom and with some other individuals for the use of their cooperative apartments as hotel rooms and suites. Such leases require the New York LLC to pay minimum rent which increase annually by the change in the Consumer Price Index and to reimburse the owners for their actual cooperative maintenance charges. On March 12, 2012, the lease agreement with Barney's was amended wherein, among other things, the scheduled expiration was extended to December 31, 2018 and the annual fixed rent was increased to US $ 1.70 million. ("Amended Lease Agreement"). In addition, the Amended Lease Agreement required a one-time rent adjustment fee of US $ 1 million ("Rent Adjustment"). The Rent Adjustment is included in intangible assets and will be expensed over the term of the Amended Lease Agreement. Accumulated amortisation of the Rent Adjustment amounted to ₹ 0.12 crore (US $ 24,096) at March 31, 2012. Future fixed minimum rentals, exclusive of formula or percentage rentals for the years ending March 31 are approximately as follows:

	March 31, 2012 ₹ **crores**	March 31, 2011 ₹ crores
Not later than one year	**9.37**	3.82
Later than one year but not later than five years	**37.48**	6.64
Later than five years	**15.22**	0.58

(b) IHMS New York LLC, IHMS San Francisco LLC and IHMS Boston LLC, as lessors under various operating leases, will receive base rents over the next five years and in the aggregate, over the remaining terms of the leases as follows:-

	San Francisco LLC ₹ **crores**	**Boston LLC** ₹ **crores**	**New York LLC** ₹ **crores**	**Total** ₹ **crores**
Not later than one year	**0.31**	**2.23**	**1.54**	**4.08**
	0.23	*2.01*	*1.71*	*3.95*
Later than one year but not later than five years	**0.80**	**8.92**	**6.15**	**15.87**
	0.87	*7.76*	*4.71*	*13.34*
Later than five years	**-**	**0.37**	**6.57**	**6.94**
	-	*2.27*	*4.99*	*7.26*

Figures in italics are in respect of previous year

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(c) Apart from the operating lease as mentioned in Note 35 (a) above, the Group has also taken certain assets on operating lease, the minimum future lease rentals payable on which are as follows:

	March 31, 2012	March 31, 2011
	₹ crores	₹ crores
Not later than one year	**26.90**	31.77
Later than one year but not later than five years	**92.35**	115.32
Later than five years	**931.06**	841.64

A subsidiary company is liable, in certain cases, to pay variable rent based on fulfilment of certain operational parameters. The total amount charged to Statement of Profit and Loss in respect thereof is ₹ 0.11 crore (Previous year ₹ 0.12 crore).

(d) The Group has taken assets on finance lease, certain assets, the minimum future lease rentals and present value of minimum lease rentals payable are as follows:

	March 31, 2012	March 31, 2011
	₹ crores	₹ crores
Minimum lease rentals payable as on Balance Sheet date	**-**	0.38
Present value of Minimum lease rentals payable at discounted rate implicit in lease agreement	**-**	0.37

	Minimum lease payment		**Present value of minimum lease payment at discounted rate implicit in lease agreement**	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011
	₹ crores	₹ crores	**₹ crores**	₹ crores
Not later than one year	**-**	0.18	**-**	0.17
Later than one year but not later than five years	**-**	0.11	**-**	0.11
Later than five years	**-**	0.09	**-**	0.09
	-	0.38	**-**	0.37

Note 36 : Derivative Instruments and Unhedged Foreign Currency Exposure

The Company 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:-

(a) Derivative Instruments outstanding:

Nature of Derivative	**Risk Hedged**	**March 31, 2012**		March 31, 2011	
		Currency million	**₹ crores**	Currency million	₹ crores
Option Contract	US$/₹	**30.00**	**141.47**	30.00	132.00
	GB£/US$	**-**	**-**	144.00	-
Libor Cap	US$	**70.00**	**-**	73.15	-
	GB£	**20.00**	**-**	61.01	-
Interest Rate Swap	₹/US$	**63.34**	**-**	-	-
	GB£	**20.00**	**-**	-	-
	US$	**8.13**	**-**	-	-
Forward Contracts	US$	**0.68**	**-**	-	-
	GB£/US$	**-**	**-**	15.00	-

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(b) Unhedged Foreign currency exposure receivable/(payable):

Currency	**March 31, 2012**	March 31, 2011
	₹ crores	₹ crores
United States Dollar (Million)*	**(106.92)**	88.05
South African Rand (Million)	**(60.23)**	(50.01)

* Net of foreign currency liability of US$ 186.38 million (Previous year – US$ 97.47 million).

Note 37 : Foreign Currency Monetary Item Translation Difference Account

The Company has exercised the option granted vide notification No. G.S.R.225(E) dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No G.S.R.378(E) (F.No17/133/2008-CL.V) dated May 11, 2011 and Amendment Notification No G.S.R.914(E) dated December 29, 2011 incorporating the new paragraph 46(A) relating to Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates" and accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items for the year ended March 31, 2012 have been accumulated in "Unamortised Foreign Currency Monetary Item Translation Difference" and amortised over the balance period of such long term asset or liability, by recognition as income or expense in each of such periods. Foreign currency monetary items outstanding as at March 31, 2012 are accounted as per Company's Policy on Transactions in Foreign Exchange (Refer Note 2(f), Page 122).

Note 38 : Employee Benefits

(a) The Group has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds":

	March 31, 2012	March 31, 2011
	₹ crores	₹ crores
Provident Fund	**19.24**	16.57
Superannuation Fund	**8.49**	6.84
Others	**0.52**	0.23
	28.25	23.64

(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:**
- Pension to Executive Directors and Employees – Post retirement minimum guaranteed pension scheme for certain retired executive directors and certain categories of employees, which is unfunded.
- 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(d) Defined Benefit Plans:

The disclosure given below exclude amount of entities who have not obtained such information as these have been classified as small and medium company and have been exempt from making such disclosure:-

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	**169.06**	**-**	**-**	**-**	**4.72**
	134.96	*-*	*-*	*-*	*4.75*
Present Value of Unfunded Obligations	**-**	**2.62**	**5.69**	**1.71**	**-**
	-	*0.73*	*5.11*	*1.75*	*-*
Fair Value of Plan Assets	**(162.73)**	**-**	**-**	**-**	**(6.14)**
	(133.24)	*-*	*-*	*-*	*(5.24)*
Unrecognised Past Service Cost	**-**	**-**	**-**	**-**	**(1.90)**
	-	*-*	*-*	*-*	*(1.90)*
Adjustment to Plan Asset	**-**	**-**	**-**	**-**	**0.70**
	-	*-*	*-*	*-*	*0.36*
Net (Asset) / Liability	**6.33**	**2.62**	**5.69**	**1.71**	**(3.26)**
	1.72	*0.73*	*5.11*	*1.75*	*(2.59)*

ii. Expenses recognised in the Statement of Profit and 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	**8.92**	**-**	**0.63**	**-**	**0.14**
	7.24	*-*	*0.61*	*-*	*0.13*
Interest Cost	**11.86**	**0.05**	**0.43**	**0.13**	**0.36**
	9.33	*0.10*	*0.37*	*0.18*	*0.34*
Expected return on Plan Assets	**(10.17)**	**-**	**-**	**-**	**(0.37)**
	(8.38)	*-*	*-*	*-*	*(0.29)*
Actuarial Losses/(Gain) recognised in the year	**15.00**	**(0.04)**	**0.80**	**0.22**	**(0.67)**
	13.61	*(0.70)*	*0.90*	*(0.46)*	*0.24*
Past service Cost	**0.08**	**-**	**-**	**-**	**-**
	0.02	*-*	*-*	*-*	*0.38*
Effect of the limit on Plan Asset	**-**	**-**	**-**	**-**	**0.35**
	(0.02)	*-*	*-*	*-*	*0.36*
Expense	**25.70**	**0.01**	**1.86**	**0.35**	**(0.19)**
	21.81	*(0.60)*	*1.88*	*(0.28)*	*1.16*

Notes to Consolidated Financial Statements for the year ended March 31, 2012

iii. Reconciliation of Defined Benefit Obligation

	Gratuity Funded ₹ crores	Post Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Opening Defined Benefit Obligation	**134.96**	**0.73**	**5.11**	**1.75**	**4.60**
	114.43	*1.34*	*3.93*	*2.43*	*4.24*
Additions Due to Acquisitions	**10.72**	**-**	**-**	**-**	**-**
	-	-	-	-	-
Current Service Cost	**8.84**	**1.91**	**0.63**	**-**	**0.14**
	6.81	-	*0.61*	-	*0.13*
Interest Cost	**11.75**	**0.05**	**0.43**	**0.13**	**0.36**
	9.34	*0.10*	*0.37*	*0.18*	*0.34*
Contribution by Plan Participants	**1.26**	**-**	**-**	**-**	**-**
	-	-	-	-	-
Actuarial Losses/(Gain)	**14.00**	**(0.04)**	**0.80**	**0.22**	**(0.35)**
	13.93	*(0.70)*	*0.90*	*(0.47)*	*0.05*
Benefits Paid	**(12.55)**	**(0.03)**	**(1.28)**	**(0.39)**	**(0.03)**
	(9.57)	*(0.01)*	*(0.70)*	*(0.39)*	*(0.01)*
Past Service Cost	**0.08**	**-**	**-**	**-**	**-**
	0.02	-	-	-	-
Closing Defined Benefit Obligation	**169.06**	**2.62**	**5.69**	**1.71**	**4.72**
	134.96	*0.73*	*5.11*	*1.75*	*4.75*

iv. Reconciliation of Fair Value of Plan Assets

	Gratuity Funded ₹ crores	Post Employment Medical Benefits Unfunded ₹ crores	Pension Top-up Unfunded ₹ crores	Pension Director Unfunded ₹ crores	Pension Staff Funded ₹ crores
Opening Fair Value of Plan Assets	**133.24**	**-**	**-**	**-**	**5.24**
	114.85	-	-	-	*3.85*
Additions Due to Acquisitions	**11.95**	**-**	**-**	**-**	**-**
	-	-	-	-	-
Expected return on Plan Assets	**10.53**	**-**	**-**	**-**	**0.37**
	8.40	-	-	-	*0.29*
Actuarial (Gain)/Loss	**(1.06)**	**-**	**-**	**-**	**0.32**
	0.27	-	-	-	*(0.19)*
Contribution by Employer	**19.47**	**0.03**	**1.28**	**0.39**	**0.25**
	19.30	*0.01*	*0.70*	*0.39*	*1.30*
Contribution by Plan Participants	**1.26**	**-**	**-**	**-**	**-**
	-	-	-	-	-
Benefits Paid	**(12.65)**	**(0.03)**	**(1.28)**	**(0.39)**	**(0.04)**
	(9.57)	*(0.01)*	*(0.70)*	*(0.39)*	*(0.01)*
Closing Fair Value of Plan Assets	**162.73**	**-**	**-**	**-**	**6.14**
	133.24	-	-	-	*5.24*
Expected Employer's contribution next year	**7.30**	**0.21**	**0.93**	**0.39**	**-**
	8.40	*0.10*	*1.01*	*0.39*	-

Notes to Consolidated Financial Statements for the year ended March 31, 2012

v. Description of Plan Assets (Managed by an Insurance Company)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Government of India Securities	**7%**	**-**	**-**	**-**	**41%**
	3%	*-*	*-*	*-*	*0%*
Corporate Bonds	**62%**	**-**	**-**	**-**	**54%**
	54%	*-*	*-*	*-*	*10%*
Equity	**13%**	**-**	**-**	**-**	**0%**
	14%	*-*	*-*	*-*	*0%*
Others	**18%**	**-**	**-**	**-**	**5%**
	29%	*-*	*-*	*-*	*90%*
Grand Total	**100%**	**-**	**-**	**-**	**100%**
	100%	*-*	*-*	*-*	*100%*

vi. Actuarial Assumptions

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount Rate (p.a.)	**8.60%**	**8.60%**	**8.60%**	**8.60%**	**8.60%**
	8.15%	*8.15%*	*8.15%*	*8.15%*	*8.15%*
Expected Rate of Return on Assets (p.a.)	**7.50%**	**-**	**-**	**-**	**7.50%**
	7.50%	*-*	*-*	*-*	*7.50%*
Salary Escalation Rate (p.a.)	**6.00%**	**-**	**6.00%**	**4.00%**	**0.00%**
	6.00%	*-*	*6.00%*	*4.00%*	*0.00%*
Mortality Table (LIC)	**1994-96**	**1994-96**	**1994-96**	**1994-96**	**1994-96**
	1994-96	*1994-96*	*1994-96*	*1994-96*	*1994-96*

vii. Effect of Change in Assumed Health Care Cost

	1% Increase ₹ crores	1% Decrease ₹ crores
Effect on the aggregate of service cost and interest cost (1% increase - ₹ 49,753) (1% decrease - ₹ 43,426)	**-**	**-**
	0.01	*(0.01)*
Effect of defined benefit obligation	**0.06**	**(0.05)**
	0.07	*(0.06)*

Notes to Consolidated Financial Statements for the year ended March 31, 2012

viii. Experience Adjustments

	2011-12	2010-11	2009-10	2008-09	2007-08
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Defined Benefit Obligation	**184.99**	146.92	125.93	124.34	99.38
Plan Assets	**168.98**	138.50	118.68	85.67	87.18
Deficit	**(16.01)**	(8.42)	(7.25)	(38.67)	(12.20)
Experience Adjustment on Plan Liabilities	**21.12**	5.26	3.08	10.00	8.89
Experience Adjustment on Plan Assets	**(0.55)**	0.26	9.54	(10.17)	7.29

Footnotes:

i. Figures in italics under (i) to (vii) are of the previous year.

ii. The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Note 39 : Related Party Disclosures

(a) The names of related parties of the Group are as under:

i. Company having substantial interest

Tata Sons Ltd.

ii. Associates and Jointly Controlled Entities

The names of all the associates and jointly controlled entities are given in Note 1 (b)

iii. Investing Parties

Singapore Airport Terminal Services Ltd. (SATS)

Malaysian Airline Systems

Tourism Resorts Kerala Ltd.

Zinc Holdings Ltd.

And Beyond Holdings Pty. Ltd.

iv. 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.

v. Following are the Key Management Personnel:

Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operation
Mehernosh S. Kapadia	Executive Director - Corporate Affairs

Notes to Consolidated Financial Statements for the year ended March 31, 2012

(b) **Details of related party transactions during the year ended March 31, 2012 and outstanding balances as at March 31, 2012:**

	Company having substantial interest ₹ crores	Key Management Personnel ₹ crores	Associates and Jointly Controlled Entities ₹ crores	Investing Parties ₹ crores
Interest Paid / Provided	**-**	**-**	**0.59**	**-**
	-	*-*	*0.31*	*-*
Interest received / accrued	**-**	**-**	**3.56**	**-**
	-	*-*	*3.52*	*-*
Dividend Paid	**14.87**	**-**	**0.15**	**-**
	-	*-*	*-*	*-*
Dividend Received	**3.60**	**-**	**8.34**	**-**
	-	*-*	*11.03*	*-*
Operating /License Fees Paid / Provided	**-**	**-**	**0.56**	**-**
	-	*-*	*-*	*0.44*
Operating / License Fees Received / Accrued	**-**	**-**	**46.82**	**-**
	-	*-*	*71.52*	*-*
Purchase of goods and services	**3.12**	**-**	**1.65**	**0.31**
	2.56	*-*	*27.00*	*-*
Sale of goods and services	**1.82**	**-**	**4.26**	**1.03**
	0.79	*-*	*8.96*	*2.97*
Allotment of Shares	**-**	**-**	**-**	**-**
	373.10	*-*	*-*	*-*
Allotment of Warrants	**-**	**-**	**-**	**-**
	124.37	*-*	*-*	*-*
Subscription of Shares	**-**	**-**	**24.80**	**-**
	-	*-*	*-*	*-*
Remuneration paid / payable	**-**	**12.90**	**-**	**-**
(Refer Footnote ii)	*-*	*11.56*	*-*	*-*
Balances outstanding at the end of the year				
Trade receivables	**0.24**	**-**	**22.94**	**0.11**
	-	*-*	*9.34*	*-*
Trade payables	**2.45**	**-**	**0.01**	**0.01**
	-	*-*	*11.40*	*0.10*
Due from/(to) on Current A/c	**0.28**	**-**	**1.22**	**(0.10)**
	(1.19)	*-*	*7.01*	*1.21*
Deposits (net)	**-**	**-**	**11.77**	**-**
	25.05	*-*	*42.05*	*-*
Loans given Outstanding	**-**	**-**	**18.81**	**-**
	-	*-*	*3.61*	*-*

Footnotes:

i. Figures in italics are of the previous year.

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, 2012

(c) Statement of Material Transactions

	March 31, 2012 ₹ **crores**	March 31, 2011 ₹ crores
Company having substantial interest		
Tata Sons Ltd.		
Allotment of shares	**-**	373.10
Allotment of warrants	**-**	124.37
Dividend received	**3.60**	-
Dividend paid	**14.87**	-
Purchase of goods and services	**3.12**	2.56
Sale of goods and services	**1.82**	0.79
Trade payables	**2.45**	1.19
Associates		
Taida Trading & Industries Ltd.		
Interest received/accrued	**0.62**	-
Due on current account (net) - Receivable	**1.59**	1.03
ICD placed during the year	**8.04**	-
ICD closing position - Receivable	**8.04**	-
Oriental Hotels Ltd.		
Interest paid/provided	**0.11**	0.31
Interest received/accrued	**0.45**	1.34
Dividend received	**5.33**	2.53
Operating/Licence fees paid/provided	**0.56**	-
Operating/Licence Fees received/accrued	**22.69**	22.15
Purchase of goods and services	**1.37**	-
Sale of goods and services	**2.73**	-
Due on current account (net) - Payable	**1.12**	-
Trade receivables	**8.95**	-
ICD placed during the year	**70.00**	-
ICD encashed during the year	**60.00**	47.00
ICD raised during the year	**15.50**	-
ICD repaid during the year	**16.00**	71.43
ICD closing position - Payable	**5.50**	
Loans given - Outstanding	**-**	3.43
Loans borrowed during the year	**1.34**	-
Kaveri Retreats and Resorts Ltd.		
Interest received/accrued	**0.59**	0.47
Subscription of shares	**24.80**	-
ICD placed during the year	**15.10**	-
ICD encashed during the year	**22.20**	-
ICD closing position - Receivable	**9.10**	16.20

Notes to Consolidated Financial Statements for the year ended March 31, 2012

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
BJets Pte Ltd.		
Interest received/accrued	**0.66**	-
Loans given outstanding	**12.79**	
Piem Hotels Ltd.		
Dividend received	-	3.52
Operating/Licence fees received/accrued	-	25.05
Sale of goods and services	-	2.58
Benares Hotels Ltd		
Due on current account (net) - Receivable	-	10.41
Inditravel Ltd.		
Purchase of goods and services	-	8.18
Dividend Received	-	1.28
Due on current account (net) - Receivable	-	0.94
Trade Payables	-	1.20
Ideal Ice and Cold Storage Co. Ltd.		
Due on current account (net) - Payable	-	0.34
Lanka Island Resort Ltd.		
Due on current account (net) - Payable	-	0.12
Jointly Controlled Entities		
Taj GVK Hotels & Resorts Ltd.		
Dividend received	**2.38**	2.38
Operating/Licence fees received/accrued	**13.79**	14.33
Due on current account (net) - Payable	**0.57**	0.47
Trade receivables	**7.19**	-
ICD given outstanding	-	3.72
TAL Hotels & Resorts Ltd.		
Interest received/ accrued	**0.50**	0.44
Operating/Licence fees received/accrued	**5.08**	-
Due on current account (net) - Receivable	**0.51**	-
Loans granted during the year	**5.92**	-
Loans given outstanding	**5.92**	9.63
ICD given outstanding	-	4.19
Trade receivables	-	4.27

Notes to Consolidated Financial Statements for the year ended March 31, 2012

	March 31, 2012 ₹ crores	March 31, 2011 ₹ crores
Taj Kerala Hotels & Resorts Ltd.		
Interest paid/provided	**0.31**	-
ICD repaid during the year	**7.53**	-
ICD closing position - Payable	**0.90**	-
Trade receivable	**-**	1.24
Due on current account (net) - Payable	**-**	0.41
Taj Madras Flight Kitchen Pvt. Ltd.		
Interest paid/provided	**0.17**	-
ICD raised during the year	**2.50**	-
ICD closing position - Receivable	**2.50**	-
Taj Karnataka Hotels & Resorts Ltd.		
Due on current account (net) - Receivable	**1.21**	-
Taj Safaris Ltd.		
Interest received/ accrued	**0.44**	
ICD closing position - Receivable	**3.53**	
ICD given during the year	**-**	3.47
Due on current account (net) - Receivable	**-**	1.22
Trade receivable	**-**	2.28
IHMS Hotels (SA) (Proprietary) Ltd.		
Deposits placed		11.61
Deposits given outstanding	**-**	20.51
Investing parties		
Malaysian Airlines Systems		
Sale of goods and services	**0.89**	2.79
Tourism Resorts Kerala Ltd.		
License fees paid	**-**	0.44

Footnote:

Transactions with related parties excludes recovery of spends on their behalf.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 40 : Segment Information

The Group regards the business segment as primary segments. The business segments have been classified as follows:

- Hoteliering
- Others – comprising of Air catering and investing activities

The disclosures in respect of the above business segments are as under:

	Hoteliering		Others		Total	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011
	₹ crores	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores
Segment Revenue	**3,165.56**	2,572.90	**267.15**	289.57	**3,432.71**	2,862.47
Unallocated Income					**70.94**	69.73
Total Revenue					**3,503.65**	2,932.20
Segment Results	**273.48**	235.88	**17.15**	(12.95)	**290.63**	222.93
Add: Unallocated Income (Other than Interest)					**50.78**	39.54
Interest Income					**20.16**	30.19
Interest Expenses					**213.54**	281.36
Profit Before Tax					**148.03**	11.30
Add/(Less): Exceptional Income					**(0.46)**	11.93
Profit/(Loss) before tax					**147.57**	23.23
Less: Provision for tax					**121.75**	92.10
Profit/(Loss) After Tax					**25.82**	(68.87)
Profit attributable to Minority Interest					**(38.40)**	(11.66)
Share of Profit of Associates					**15.64**	29.24
Profit/(Loss) After Minority Interest & Share of Associates before prior period item					**3.06**	(51.29)
Share of Loss of an Associate for prior period					**-**	(35.97)
Profit/(Loss) After Tax and prior period item					**3.06**	(87.26)
Segment Assets	**6,075.36**	5,476.37	**384.62**	247.42	**6,459.98**	5,723.79
Unallocated Assets					**2,768.83**	3,153.57
Total Assets					**9,228.81**	8,877.36
Segment Liabilities	**709.24**	644.50	**69.85**	87.63	**779.09**	732.13
Unallocated Liabilities					**5,365.23**	5,234.78
Total Liabilities					**6,144.32**	5,966.91
Depreciation	**239.14**	212.07	**15.93**	15.82	**255.07**	227.89
Significant Non Cash Expenditure other than Depreciation	**8.95**	12.50	**1.29**	1.86	**10.24**	14.36
Capital Expenditure	**300.49**	434.83	**6.58**	4.51	**307.07**	439.34

Notes to Consolidated Financial Statements for the year ended March 31, 2012

The disclosures in respect of the geographic segments are as under

	Domestic		International		Total	
	March 31, 2012	March 31, 2011	**March 31, 2012**	March 31, 2011	**March 31, 2012**	March 31, 2011
	₹ crores	₹ crores	**₹ crores**	₹ crores	**₹ crores**	₹ crores
Segment Revenue	**2,548.12**	2,069.99	**884.59**	792.48	**3,432.71**	2,862.47
Segment Assets	**3,688.42**	3,029.40	**2,771.56**	2694.39	**6,459.98**	5,723.79
Capital Expenditure	**87.98**	397.2	**219.09**	42.14	**307.07**	439.34

Footnotes:

(i) Unallocated assets include Goodwill on consolidation, Non - current Investments, Current and Non-current Borrowings, Interest accrued but not due, Interest accrued and due, Cash and Bank Balance, Deferred Tax Assets, Advance Tax and other current assets which are not directly attributable to segments.

(ii) Unallocated Liabilities includes Long-Term Borrowings, Deferred Tax Liabilities, Provision for tax, Minority Interest, Short-Term Borrowings, Premium on redemption of debenture and Other Current Liabilities which are not directly attributable to segments

(iii) Figures pertaining to subsidiaries and jointly controlled entities have been reclassified wherever necessary in order to confirm to the presentation in the consolidated financial statements.

Note 41 : Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 – 'Earnings Per Share' - (AS-20), notified by the Company's (Accounting Standards) Rules, 2006 (as amended).

	March 31, 2012	March 31, 2011
Profit/(Loss) after tax - (₹ crores)	**3.06**	(87.26)
Number of Ordinary Shares	**75,94,72,787**	75,94,72,787
Less: Reduction due to Ordinary Shares owned by Subsidiaries	**33,95,670**	50,900
Net Number of Ordinary Shares	**75,60,77,117**	72,94,21,887
Weighted Average Number of Ordinary Shares	**75,60,77,117**	73,32,37,171
Earnings Per Share - (₹) Basic and Diluted	**0.04**	(1.19)

Footnote:

Since the exercise price of the Warrants issued by the Company is more than the fair value of the Ordinary Shares and thereby being anti-dilutive in nature, these Warrants have not been considered for the calculation of Diluted Earnings Per Share.

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 42 : Information of Subsidiaries in terms of Section 212(8) of the Companies Act, 1956

The Company has given these particulars pursuant to letter No. - 51/12/2007-CL-III dated February 8, 2011 issued by the Department of Company Affairs.

Domestic Companies

	TIFCO Holdings Ltd.	Residency Foods & Beverages Ltd.	KTC Hotels Ltd.	United Hotels Ltd.	Taj Sats Air Catering Ltd.	Roots Corporation Ltd.	Taj Enterprises Ltd.	Taj Trade & Transport Ltd.	Inditravel Ltd.	Ideal Ice & Cold Storage Co. Ltd.	Benares Hotels Ltd.	Piem Hotels Ltd.	Taj Rhein Shoes Co. Ltd.	Northern India Hotels Ltd.
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Capital	81.50	19.30	0.60	8.40	17.40	80.41	0.50	3.47	0.72	0.45	1.30	3.81	3.00	0.44
Reserves	123.43	(17.05)	2.99	16.94	200.86	164.12	0.86	10.28	29.52	(1.73)	30.34	422.59	(22.46)	12.97
Total Liabilities	0.18	0.05	4.30	10.67	78.93	77.63	0.01	13.94	8.71	1.33	9.23	90.31	19.53	0.21
Total Assets	205.11	2.30	7.89	36.01	297.19	322.16	1.37	27.69	38.95	0.05	40.87	516.71	0.07	13.62
Investments	131.00	-	-	6.26	0.01	-	0.05	4.69	6.92	-	-	67.34	-	0.21
Total Income	12.52	0.17	0.61	36.76	243.68	89.43	0.51	22.89	54.79	-	35.19	296.65	-	2.64
Profit/(Loss) Before Taxation	12.46	(0.93)	0.53	8.38	5.78	9.79	0.47	0.21	10.45	-	9.62	82.85	(0.01)	2.50
Provision for Taxation	0.80	0.03	0.17	2.81	1.67	-	0.02	(0.43)	3.51	-	3.42	21.76	-	0.78
Profit/(Loss) After Taxation	11.66	(0.96)	0.36	5.57	4.11	9.79	0.45	0.64	6.82	-	6.19	61.09	(0.01)	1.72
Proposed / Interim Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-

International Companies

	Samsara Properties Ltd.	Apex Hotel Management Services (Pte) Ltd	Chieftain Corporation NV	IHOCO BV	St. James Court Hotel Ltd.	Taj International Hotels Ltd.	IHMS (Australia) Pty. Ltd.	International Hotel Management Services Inc.	Taj International Hotels (HK) Ltd.	Piem International (HK) Ltd.	BAHC 5 Pte Ltd.	Premium Aircraft Leasing Co Ltd
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Capital	102.32	-	0.08	12.71	462.39	-	26.92	2,010.45	511.57	40.93	-	-
Reserves	(362.53)	-	94.80	90.06	(39.54)	14.60	(90.37)	(948.11)	39.07	143.78	(105.84)	(0.07)
Total Liabilities	1,757.43	0.31	5.33	2.38	387.56	15.85	149.33	576.62	1,872.16	0.03	344.36	0.07
Total Assets	1,497.22	0.31	100.21	105.15	810.41	30.45	85.88	1,638.96	2,422.80	184.74	238.52	-
Investments	1,339.45	-	-	-	-	-	-	-	89.90	2.77	-	-
Total Income	-	1.63	0.26	0.43	219.62	59.32	54.02	490.94	21.29	3.51	-	-
Profit/(Loss) Before Taxation	(39.55)	0.01	0.20	0.34	14.71	0.29	0.35	(171.97)	10.84	3.45	(29.05)	(0.02)
Provision for Taxation	-	0.01	-	0.03	-	0.18	-	1.27	-	-	-	-
Profit/(Loss) After Taxation	(39.55)	-	0.20	0.31	14.71	0.11	0.35	(173.24)	10.84	3.45	(29.05)	(0.02)
Proposed/ Interim Dividend	-	-	-	-	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2012

Note 43 : Presentation under Revised Schedule VI of the Companies Act 1956

During the year ended March 31, 2012 the Revised Schedule VI notified under the Companies Act 1956, has become applicable for preparation and presentation of financial statements. The preparation of financial statements based on the Revised Schedule VI does not impact the recognition and measurement principles followed for preparation of the financial statements. However, it has significant impact on the presentation and disclosures made in the financial statements. Previous year's figures have been regrouped/re-classified to conform to the current year's presentation.

For and on behalf of the Board

Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director – Finance
Abhijit Mukerji	Executive Director – Hotel Operations
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 28, 2012

TAJ
Hotels Resorts and Palaces

Financial Statistics

Year	Share Capital	Reserves and Surplus	Borrowing	Gross Block	Net Block	Investment	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit before Taxes	Prov. Taxes	Profit/(Loss) after Tax @	Net Transfer to General Reserves	Earning Per Share (Basic)*	Earning Per Share (Diluted)*
	Capital Accounts						Revenue accounts								
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	In ₹	In ₹
2001-02	45.12	981.09	1436.65	1934.43	1538.47	404.47	826.97	839.68	78.85	30.99	17.67	21.80	10.60	4.83	4.83
2002-03	45.12	1023.08	1374.91	2002.40	1569.72	390.22	894.74	887.51	75.65	26.96	18.03	28.07	5.95	6.22	6.22
2003-04	45.12	1025.40	2074.97	2158.55	1646.08	432.12	1039.76	1004.41	87.83	80.51	28.34	71.99	6.07	15.96	15.47
2004-05	¶ 50.25	1269.92	1969.33	2950.18	2263.48	457.06	1337.94	1198.53	111.73	139.67	60.23	128.50	11.00	25.55	22.47
2005-06	¶ 58.41	1873.73	1500.95	3160.73	2334.34	581.93	1874.73	1570.19	127.35	314.07	90.35	248.74	20.00	42.58	42.41
2006-07	▲ 60.29	2036.33	2055.14	4416.09	3382.08	514.27	2601.13	2076.87	160.67	532.55	196.52	370.31	35.00	6.14	6.14
2007-08	60.29	2188.83	3466.83	4646.45	3514.37	1541.94	3012.62	2416.84	167.62	560.52	246.98	354.98	38.00	5.43	5.43
2008-09	Ω 72.34	3105.55	4646.88	5376.11	4072.03	2407.68	2756.63	2615.91	188.53	158.51	155.77	12.46	35.09	0.15	0.15
2009-10	# 72.35	2352.80	4460.69	5814.15	4373.49	1905.42	2562.53	2659.71	218.54	(33.69)	84.71	(136.88)	18.94	(1.99)	(1.99)
2010-11	& 75.95	2570.13	4243.01	6120.25	4529.51	2505.81	2932.20	2920.90	227.89	23.23	92.10	(87.26)	16.67	(1.19)	(1.19)
2011-12	α 75.61	2884.51	3805.49	7277.78	5216.43	1903.90	3503.65	3355.62	255.07	147.57	121.75	3.06	26.75	0.04	0.04

¶ Conversion of foreign currency bonds into share capital.

▲ Split of Shares of face value ₹ 10/ each to share of Face value ₹ 1/- each

Ω After Rights issue of Ordinary Shares in the Ratio of 5:1

Issue of Ordinary Shares,being warrants exercised pursuant to Rights Issue of Ordinary shares

& Allotment of Shares on Preferential basis to Promoters

α Reduction due to Ordinary Shares owned by entities prior to their becoming subsidiaries

@ Profit/(Loss) after Tax is after Eliminating Minority's Share of Profit/(Loss) and after Considering Share of Profit/(Loss) in Associates

* Earning Per Share is after extraordinary item

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THE TAJ ENTERTAINS

Laura Hamilton, the vivacious and golden voiced French Canadian chanteuse often performed with Mickey Correa's band.

The first jazz band to play at the Taj was Harrold Elms, who came over from Oddenino's in London. Other great jazz combos - the band of Hal Green, Lazlo Szabo, Chris Beard, Jos Ghisleri, Mickey Correa and Chic Chocolate, Crickett Smith and his Symphonies, Teddy Weatherford and his Vagabonds, the Leo Martinez band, Mink Devine and his Mayfair Serenaders and others followed. Many had renowned instrumentalists and singers who brought a wealth of musical talent to enliven and entertain Bombay through the war years.

The jazz musician Leon Abbey, who brought swing to Bombay in 1935, at both the Taj and Greens.

THE TAJ AND ITS FIRSTS

Amongst some of the many celebrities who stayed at the Taj in the 1950s and 1960s: Astronauts Michael Collins, Neil Armstrong and Edwin Aldrin.

A catalogue of firsts makes the Taj Mahal Palace a leader in the hospitality and tourism industry. It's only fitting then, that the first hotel in India to have electricity, the hotel where Independent India's first speech to industry was made, the hotel housing Bombay's first ever licensed bar, should also be host to first ladies, the first man on the moon and the first African American US President.

Lord Mountbatten addresses the audience from the stage of the Taj Ballroom as part of the Independence celebrations in Bombay.

THE TAJ STANDS TALL

The three visionaries (from right to left)
Ratan Tata, Chairman, R. K. Krishna Kumar, Vice-Chairman and Raymond Bickson, Managing Director & CEO.

It is a curious but undeniable fact which outsiders might find hard to comprehend, that all who work for the Taj Group, in whatever capacity, high or low, consider themselves to be part of the Taj family - albeit, a family that keeps on growing as the Taj Group of hotels continue to expand and diversify.

THE INDIAN HOTELS COMPANY LIMITED
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A TATA Enterprise
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Hotels Resorts
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