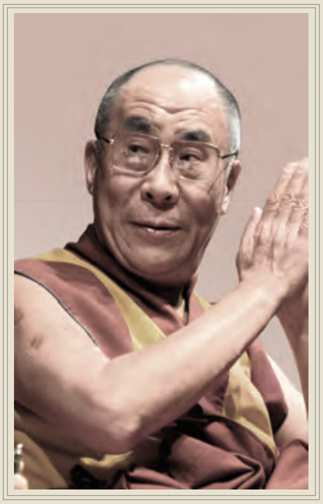
TAJ
Hotels Resorts and Palaces

THE INDIAN HOTELS COMPANY LIMITED

A TATA Enterprise

110TH ANNUAL REPORT 2010 - 2011

TAJ FOREVER



THE DALAI LAMA
Buddhist Leader

BARACK AND MICHELLE OBAMA
President & First Lady of the United States of America

MANMOHAN SINGH
Prime Minister of India

Home to heads of state, industry moguls, and idols alike, the Taj Mahal Palace is a name that is synonymous with hospitality. Since 1903 it has defined the Mumbai skyline with exquisite refinement, inventiveness and warmth. In the words of the President of the United States of America, Barack Hussein Obama, "The Taj has been the symbol of strength and resilience of the Indian people." While condemning the 26/11 attacks, President Obama went on to say, "....The resolve and the resilience of the Indian people during those attacks stood in stark contrast to the savagery of the terrorists. The murderers came to kill innocent civilians that day. But those of you here risked everything to save human lives. You were strangers who helped strangers; hostages who worked together to break free and escape; hotel staff who stayed behind to escort guests to safety.... Those who attacked Mumbai wanted to demoralize this city and this country. But they failed. Because the very next day, Mumbaikars came back to work. Hotel staff reported for their shifts. Workers returned to their businesses. And within weeks, this hotel was once again welcoming guests from around the world."

In our guestbook lies a list of illustrious guests - an inventory of names that the world recognises and admires.

The world is familiar with these names.
We know them as our guests.

HILLARY CLINTON
Secretary of State,
United States of America

DMITRY MEDVEDEV
President of the Russian Federation

NICOLAS SARKOZY
President of the French Republic

DAVID CAMERON
Prime Minister, The United Kingdom

WEN JIABAO
Premier of the People's
Republic of China

HORST KÖHLER
Former President of the
Federal Republic of Germany

TAJ
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and Palaces

Contents

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	
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director – Finance
Abhijit Mukerji	Executive Director – Hotel Operations

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: 2202 6260, Fax: 2202 7442
Email: investorrelations@tajhotels.com

Website: www.tajhotels.com

Management

Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director – Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Ajoy K. Misra	Sr. Vice President – Sales & Marketing
H. N. Shrinivas	Sr. Vice President – Human Resources
Prakash Shukla	Sr. Vice President - Technology & CIO
Rajiv Gujral	Chief Operating Officer and Sr. Vice President – Mergers, Acquisitions & Development
Yannick Poupon	Chief Operating Officer - Luxury Hotels (International)
Jyoti Narang	Chief Operating Officer - Luxury Hotels (India)
P. K. Mohan Kumar	Chief Operating Officer - Gateway Hotels
Veer Vijay Singh	Chief Operating Officer - Vivanta Hotels
Beejal Desai	Vice President - Legal & Company Secretary

Solicitors

Mulla & Mulla & Craigie Blunt & Caroe

Auditors

Deloitte Haskins & Sells
N. M. Raiji & Co.

Bankers

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

Financial Highlights

		₹ crores
	2010-11	2009-10
Gross Revenue	**1,724.92**	1,520.36
Profit Before Tax	**222.95**	218.25
Profit After Tax	**141.25**	153.10
Dividend	**75.95**	72.35
Retained Earnings	**161.44**	173.78
Funds Employed	**5,608.12**	5,365.56
Net Worth	**3,228.66**	2,688.75
Borrowings	**2,338.67**	2,650.55
Debt : Equity Ratio	**0.72:1**	0.99:1
Net Worth per Ordinary Share of ₹ 1/- each - In Rupees*	**40.87**	37.16
Earnings per Ordinary Share (Basic & Diluted) - In Rupees	**1.93**	2.12
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 TENTH 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 5, 2011, at 3.00 p.m. to transact the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2011, 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 the place of Mr. Ratan N. Tata, who retires by rotation and is eligible for re-appointment.

4. To appoint a Director in the place of Mr. Deepak Parekh, who retires by rotation and is eligible for re-appointment.

5. To appoint a Director in the place of Mr. R. K. Krishna Kumar, who retires by rotation and is eligible for re-appointment.

6. **To appoint Auditors and fix their remuneration**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s Deloitte Haskins & Sells, Chartered Accountants, (Firm No. 117366W) and M/s. PKF Sridhar & Santhanam, Chartered Accountants (Firm No. 003990S) be and are hereby re-appointed / appointed respectively as Joint Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, to examine and audit the Books of Accounts of the Company for the financial year 2011-12 on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus reimbursement of service tax, out-of-pocket and travelling expenses actually incurred by them in connection with the audit."

NOTES :

1. The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item No. 6 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 22, 2011 to Friday, August 5, 2011, 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 6, 2011, to the Members whose names appear on the Company's Register of Members on August 5, 2011. 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 21, 2011.

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, 2004 is due for transfer to the IEPF on October 15, 2011.

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 a physical form and who are desirous of availing of 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.

By Order of the Board of Directors

Raymond N. Bickson
Managing Director

Mumbai, May 24, 2011

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

In order to improve the corporate contribution to the environment, 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. Accordingly, your Company proposes to henceforth effect electronic delivery of communication /documents including the Annual Reports and such other necessary communication / documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP)/ Company as the case may be. Members who wish to inform any changes of their e-mail addresses, are requested to promptly update / change the same with their DP, from time to time. Members holding shares in physical form and who are desirous of receiving the communication /documents in electronic form, are requested to please promptly inform their e-mail address to the Company. A separate communication to this effect has already been issued earlier.

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 No. 6 mentioned in the accompanying Notice dated May 24, 2011.

Item No. 6

2. M/s. N. M. Raiji & Co., Chartered Accountants, Mumbai, the retiring Auditors have informed the Company of their decision not to seek re-appointment as Joint Auditors of the Company. The Board wishes to place on record its appreciation of the services rendered by M/s. N. M. Raiji & Co. to the Company during their tenure as Auditors of the Company.

3. The Board of Directors at its meeting held on May 24, 2011 have recommended the appointment of M/s PKF Sridhar & Santhanam, Chartered Accountants and re-appointment of M/s Deloitte Haskins & Sells as Joint Auditors of the Company. The Company has received a Special Notice from a Member of the Company, in terms of Section 224, 225 and other applicable provisions of the Act, signifying his intention to propose the appointment of M/s PKF Sridhar & Santhanam, Chartered Accountants, as the Joint Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. M/s PKF Sridhar & Santhanam, have expressed their willingness to act as Auditors of the Company, if appointed and have confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

4. Section 224A of the Act, provides that in the case of a public company, in which not less than 25% of the subscribed share capital of the company, is held, whether singly or in any combination by Financial Institutions, Nationalised Banks, Insurance Companies and other Bodies specified in that Section, the appointment of Auditors is to be made by way of a Special Resolution.

5. The shareholdings of the Financial Institutions, Nationalised Banks, etc. as on the date of the accompanying Notice is close to 25% of the subscribed share capital of the Company and it may, by the date of the Annual General Meeting, exceed 25% of the subscribed share capital of the Company. Hence, the resolution for re-appointment of M/s Deloitte Haskins & Sells, Chartered Accountants and appointment of M/s PKF Sridhar & Santhanam, Chartered Accountants, is being proposed as a Special Resolution. As required under Section 224 of the Act, certificates have been received from the Auditors to the effect that their appointments, if made, will be in accordance with the limits specified under Section 224(1B) of the Act.

6. The Members' approval is also being sought to authorise the Board of Directors to determine the remuneration payable to the Auditors in consultation with them. The Board commends the Resolution for approval by the Members.

7. None of the Directors of the Company are in any way, concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

By Order of the Board of Directors

Raymond N. Bickson
Managing Director

Mumbai, May 24, 2011

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. Ratan N. Tata**	**Mr. Deepak Parekh**	**Mr. R. K. Krishna Kumar**
Date of Birth	December 28, 1937	October 18, 1945	July 18, 1938
Date of Appointment	January 9, 1984	April 9, 2000	August 29, 1997
Expertise in specific functional areas	Eminent industrialist with wide business experience across a variety of industries	Banking & Finance	Management
Qualifications	B.Sc. Architecture with Structural Engineering from Cornell University, Ithaca, New York (including one year at the Cornell Graduate School of Business Administration)	B. Com, FCA (England & Wales)	M.A.
Details of shares held in the Company	59,792	1,845	-
List of Companies in which outside Directorships held as on March 31, 2011 (excluding private & foreign companies)	Tata Sons Ltd. Tata Industries Ltd. Tata Steel Ltd. Tata Motors Ltd. Tata Chemicals Ltd. The Tata Power Company Ltd. Tata Global Beverages Ltd. The Bombay Dyeing & Manufacturing Co. Ltd. Tata Consultancy Services Ltd. Tata Teleservices Ltd.	Housing Development Finance Corporation Ltd. Infrastructure Development Finance Co Ltd. GlaxoSmithKline Pharmaceuticals Ltd. Mahindra & Mahindra Ltd. Hindustan Unilever Ltd. Castrol India Ltd. Hindustan Oil Exploration Company Ltd. HDFC Asset Management Company Ltd. HDFC Standard Life Insurance Company Ltd. HDFC Ergo General Insurance Company Ltd. Siemens Ltd. Airports Authority of India Exide Industries Ltd. (Alternate Director) Borax Morarji Ltd. (Alternate Director) Zodiac Clothing Ltd. (Alternate Director) Bharat Bijlee Ltd. (Alternate Director)	Tata Coffee Ltd. Tata Global Beverages Ltd. Tata Industries Ltd. Tata Sons Ltd. Oriental Hotels Ltd. Piem Hotels Ltd. Ewart Investments Ltd. Tata Housing Development Company Ltd. INFINITI Retail Ltd. Tata Realty & Infrastructure Ltd.
Chairman / Member of the *Committees of other Companies on which he is a Director as on March 31, 2011	-	**Audit Committee** GSK Pharmaceuticals Ltd. Mahindra & Mahindra Ltd. Castrol India Ltd. Hindustan Unilever Ltd. Siemens Ltd. **Share Transfer & Investors' Grievance Committee** GSK Pharmaceuticals Ltd.	**Audit Committee** Tata Global Beverages Ltd. **Share Transfer & Investors' Grievance Committee** Tata Coffee Ltd.

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

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the 110th Annual Report of the Company together with its Audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet as on that date:

FINANCIAL RESULTS

		₹ crores
Particulars	**2010-11**	2009-10
Total Income	**1724.92**	1520.36
Profit before Depreciation, Interest and Tax	**471.40**	427.38
Less: Depreciation	**108.46**	104.14
Less: Interest	**122.85**	152.90
Profit before Tax & Exceptional Item	**240.09**	170.34
Less: Exceptional Items	**17.14**	(47.91)
Profit before Tax	**222.95**	218.25
Less: Provision for Tax	**109.00**	62.46
Add : MAT Credit	**32.63**	-
Less: Short Provision of Tax of earlier years (Net)	**5.33**	2.69
Profit after Tax	**141.25**	153.10
Add: Balance brought forward from the previous year	**454.58**	539.25
Amount available for Appropriation	**595.83**	692.35
APPROPRIATIONS		
(i) General Reserve	**14.13**	15.31
(ii) Dividend:		
A dividend of 100% i.e. ₹ 1/- per Ordinary Share was recommended by the Board of Directors on May 24, 2011.		
(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**	72.35
Tax on Dividend	**12.32**	11.11
(iii) Transfer to Debenture Redemption Reserve	**113.30**	139.00
(iv) Balance carried to Balance Sheet	**380.13**	454.58
	595.83	692.35

INCOME

The total income for the year ended March 31, 2011 at ₹ 1724.92 crores was higher than that of the previous year by 13%. Room Income was higher than the previous year by 19%. The Average Room Rate (ARR) increased by 9% over the previous year. Food & Beverage (F&B) income also increased by 19% over the previous year, enabled by a healthy growth in banqueting income, which grew by 22% over the previous year.

DEPRECIATION AND INTEREST

Depreciation for the year was higher due to incremental depreciation on the newly opened Taj Falaknuma Palace, Hyderabad, as also on account of capitalisation of the replaced assets at the Taj Mahal Palace, Mumbai and the ongoing renovations across select hotels.

The net interest cost for the year ended March 31, 2011 at ₹ 122.85 crores was lower than the net interest cost of the preceding year by ₹ 30.05 crores. The gross interest cost for the year decreased by ₹ 18.19 crores due to retirement of debt during the year and increase in capitalisation of interest on hotel projects under construction. Interest income for the year was higher due to currency swap gains earned on the Company's foreign currency loans.

PROFITS

Profit before Tax at ₹ 222.95 crores was higher than the previous year by 2%. Profit after Tax at ₹ 141.25 crores was lower by 8% over the previous year, mainly due to a higher incidence of tax on business profits.

CONSOLIDATED FINANCIAL RESULTS

The consolidated turnover of the Company for the year ended March 31, 2011 aggregated to ₹ 2914.90 crores as against ₹ 2562.53 crores for the previous year. Loss after Tax which aggregated to ₹ 87.26 crores for the year reduced in comparison with the Loss after Tax of ₹ 136.88 crores for the previous year.

The consolidated turnover increased by 14% with improved domestic tourism and corporate travel which favourably impacted ARRs and occupancies across not just the Company's hotel portfolio but also the hotels in its joint ventures, subsidiaries and associates. There was an improvement in the Management Fee income from hotels under operation. The restored Taj Mahal Palace, Mumbai, the full year impact of new inventory at Taj Lands End and the recently opened Taj Falaknuma Palace, Hyderabad contributed to improved results of the Company. Among the Company's domestic subsidiaries, the subsidiary in the economy hotels segment grew its hotel portfolio thus improving its turnover. The profitability of the Company's subsidiary in the flight catering segment continued to be impacted by the pressures being faced in the aviation sector. During the year, the Company exited from its investment in the frozen foods sector. Subsequent to the successful launch of The Gateway hotels brand in 2009/10, during the year the Company launched the Vivanta by Taj brand, the response to which from our guests and the trade has been very favourable. Effectively, the Company operates its portfolio of hotels now under 4 clear and well defined brands, namely Taj Luxury Hotels, Vivanta by Taj, The Gateway hotel and Ginger hotels, each addressing opportunities at varying price points and providing to our guests well defined and consistent products, services and experiences. The Company's US subsidiary continued to be impacted by the slower-than-expected recovery in the US economy. The losses from the US portfolio have reduced and all efforts are underway to turn the portfolio profitable in the near term. The re-opening of The Pierre after renovation has resulted in turnover growth which along with other US hotels has registered increasing occupancies, the pressure on ADRs notwithstanding. The Company's UK subsidiary continued to register a good performance in line with the previous year. The international joint venture with hotels in the Maldives registered improved performance taking the benefit of full year operations of the renovated Vivanta by Taj, Coral Reef, Maldives.

DIVIDEND

Your Directors, in anticipation of a turnaround in the business, are pleased to recommend a dividend of 100 % or ₹ 1/- per Ordinary Share for the year ended March 31, 2011.

EQUITY SHARE CAPITAL

During the year, the Company 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 raised ₹ 373.10 crores towards equity issue and ₹ 124.37 crores being 25% of the aggregate exercise price of the warrants. The Company would further receive ₹ 373.11 crores, if the warrants are exercised by the Tata Sons Limited at any time after April 1, 2011 but before June 23, 2012.

BORROWINGS

The total borrowings stood at ₹ 2338.67 crores as at March 31, 2011 as against ₹ 2650.55 crores as on March 31, 2010, a reduction of ₹ 311.88 crores.

CAPITAL EXPENDITURE

During the year under review, the Company incurred ₹ 307.46 crores towards capital expenditure. Major expenditure was incurred on the Company's projects covering the Taj Falaknuma Palace, Hyderabad, Vivanta by Taj Hotels at Dwarka, Bangalore and towards the restoration of Taj Mahal Palace, Mumbai.

BUSINESS OVERVIEW

Travel & Tourism in Asia Pacific grew very strongly in 2010 in line with the recovery from the global recession. All Asia Pacific sub-regions made strong gains in 2010, but the best growth was in South Asia, boosted by a visible recovery in India, Sri Lanka and the region.

In the year 2010, the tourism sector in India witnessed substantial growth as compared to 2009. The Foreign Tourist Arrivals (FTA) in India during 2010 were 5.58 million as compared to the FTAs of 5.17 million during 2009, showing a growth of 8.1%. The FTA growth rate during 2009 over 2008 was (2.2)%. Foreign Exchange Earnings (FEE) from tourism during 2010 were ₹ 64,889 crores as compared to ₹ 54,960 crores during 2009, registering a growth rate of 18.1%. The growth rate in FEE from tourism during 2009 over 2008 was 8.3%. The domestic tourist traffic is also estimated to have increased by approximately 15%.

The fully restored heritage block of the Taj Mahal Palace, Mumbai reopened its doors to guests on August 15, 2010. The spectacular Falaknuma Palace, another significant addition to the Company's Palaces portfolio was opened in November, 2010 and has been well received. Four new Ginger hotels at Manesar, Chennai, East Delhi and Indore commenced operations during the year. On the International front, Taj Cape Town, South Africa with an inventory of 155 rooms and 22 apartments opened with a grand launch event. The inventory of the Taj Group of Hotels now stands at 107 hotels with 12,849 rooms. Further details on the new properties launched, product upgradation, and expansion in domestic and international markets are provided under the section Management Discussion and Analysis.

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 Auditors, form a part of the Annual Report and are reflected in the consolidated accounts.

Innovative Foods Limited is no longer a subsidiary of The Indian Hotels Company Limited with effect from February 11, 2011 due to the sale of stake by Residency Foods & Beverages Limited.

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 Bombay Stock Exchange 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 redeemed the following debentures:

(i) 3,000 - 9.86% Secured Non-Convertible Redeemable Debentures of the face value of ₹ 10,00,000/- each (Rupees Ten Lakhs only) issued on private placement basis were redeemed on September 7, 2010 for an aggregate value of ₹ 300,00,00,000 /- (Rupees Three Hundred Crores only).

(ii) 6,02,76,898 - 6% Secured Non-Convertible Redeemable Debentures of the face value of ₹ 100 /- each (Rupees Hundred only) issued on rights basis were redeemed on May 13, 2011 for an aggregate value of ₹ 602,76,89,800 /-(Rupees Six Hundred and Two Crores Seventy Six Lakhs Eighty Nine Thousand and Eight Hundred only).

FIXED DEPOSITS

Your Company's Fixed Deposit Scheme inviting deposits from the general public at a rate of 9.5% p.a. for a period of two years and 10% p.a. for a period of three years with a minimum amount of deposit being ₹ 25,000 was kept open until July 13, 2009. Your Company has since stopped accepting deposits from the general public and shareholders.

The outstanding amount of fixed deposits placed with your Company amounted to ₹ 354.18 crores (Previous year ₹ 357.49 crores) excluding ₹ 0.28 crores (Previous year ₹ 0.27 crores), which remained unclaimed by depositors as on March 31, 2011.

DIRECTORS

In accordance with the Companies Act, 1956, and the Articles of Association of the Company, three of your Directors, viz., Mr. Ratan N. Tata, Mr. R. K. Krishna Kumar and Mr. Deepak Parekh 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 Auditors' Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report.

AUDITORS

M/s N. M. Raiji & Co., Chartered Accountants, have not offered themselves for re-appointment as the Joint Auditors of the Company. The Board wishes to place on record its appreciation of the services rendered by M/s. N. M. Raiji & Co., to the Company during their tenure as Auditors of the Company.

At the Annual General Meeting, the Members will be requested to re-appoint M/s Deloitte Haskins & Sells, Chartered Accountants (Firm No. 117366W), and to appoint M/s. PKF Sridhar & Santhanam, Chartered Accountants (Firm No. 003990S) as the Joint Auditors 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 22, 23 and 24 (Refer page 97) of the Notes to the Accounts.

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, 2011 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 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 24, 2011

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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, 2010 to March, 2011 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.

An Overview of the Global & Indian Tourism Industry

The international travel and tourism industry is currently on a recovery path from the impact of the financial and economic crisis of the last two years and is on its way to return to the pre-crisis peak levels. As per World Travel and Tourism Council (WTTC) estimates, the travel and tourism sector, from both direct and indirect activities combined, accounts for 9.2% of global GDP, 4.8% of world exports and 9.2% of world investment. According to the UN World Tourism Barometer, International tourist arrivals globally were up by almost 7% from 874 million in 2009 to 935 million in 2010, following the 4% decline in 2009, the year hardest hit by the global economic crisis.

In terms of regional performance in 2010, Asia Pacific leads the pack in Revenue Per Available Room (RevPAR) growth at 21.8 percent over 2009 and will continue to be the key growth market in the coming years.

As per statistics updated by the Indian Ministry of Tourism, the Foreign Tourist Arrivals (FTAs) in India for 2010 has been 5.58 million, which is a 9.4% increase over 5.1 million tourists of 2009 – better than the global scenario. It is important to note that this is also a 5.7% increase over the peak year of 2008 when the FTAs were 5.2 million. The growth has been observed to begin starting December 2009 when the economic situation started stabilizing. Foreign Exchange Earnings from tourism increased to ₹ 64,889 crores in 2010 from ₹ 54,960 crores in 2009 with a growth rate in earnings of 18.1% over 2009.

As per the Travel and Tourism Competitiveness Report 2011 by the World Economic Forum, India is ranked 12th in the region and 68th overall in its Travel and Tourism Competitiveness Index. India is well assessed for its natural resources (ranked 8th) and cultural resources (24th), with many World Heritage sites, both natural and cultural, rich fauna, many fairs and exhibitions and strong creative industries. India also has good air transport (ranked 39th), particularly given the country's stage of development and reasonable ground transport infrastructure (ranked 43rd).

Future Trends

Following a year of global recovery in 2010, growth is expected to continue for the tourism sector in 2011, but at a slower pace. United Nations World Trade Organisation (UNWTO) forecasts international tourist arrivals to grow in the range of 4% to 5% in 2011, a rate slightly above the long-term average. As per UNWTO, foreign tourist arrivals to India are forecast to grow at a rate of 9% - 10% in the next few years.

According to Euromonitor International, Asia will see growth in the luxury market and this will be a key emerging trend in 2011. Demand levels are likely to improve in the coming year guided by the fact that the economic growth estimate is at over 8%. Economic growth, improving business travel, increased tourism numbers and visa relaxation for some countries are all positives for India as we look into 2011.

Companies are likely to increase spends on corporate travel. With expectations of healthy salary increases within the corporate world, discretionary spending is expected to increase further, especially on leisure travel.

Domestic short haul travel across Asia Pacific is a growing trend although long haul travellers from America and Europe will continue to be the biggest contributors to the tourism industry here.

According to the STR Global Construction Pipeline Report, the Asia Pacific hotel development pipeline comprises over 1,000 hotels and over 2.6 lakhs rooms. Among the Chain Scale segments, the Upscale segment accounted for the largest portion of rooms in the total active pipeline with 25%, followed by the Upper Upscale segment at 23.3% and the Luxury segment at 18.5%. Among the countries in the region, India has the largest increase in supply at 31.4%. The organized hospitality sector in India currently has around 1,10,000 rooms. The additional supply coming would take it to just a notch under 150,000 operational rooms by 2013.

In this scenario, Taj is well poised for growth in various brands with its distinct brand "Taj" in the Luxury space, "Vivanta by Taj" in the Upper Upscale space, "The Gateway Hotel" in the Upscale space and Ginger hotels in the Budget space. As per a Credit Suisse Research Institute Study, Taj is one of the **27 Great Brands of Tomorrow**, the only hospitality brand recognised by this study. The key catalyst identified for Taj by this study is the successful emergence of our new brands and our ability to leverage these brands across customer segments and geographies.

Update on Key Initiatives

The Company continued its focus on consolidating past commitments in terms of project completion and growth through management contracts in the Domestic and International markets.

New Properties Opened

The Company's efforts of restoring the once resplendent Falaknuma Palace, Hyderabad eventually fructified with the grand opening of the Taj Falaknuma Palace in November 2010, with an exclusive get together of global connoisseurs of luxury who came together in Hyderabad for this occasion.

Expansion in Domestic and International Markets

After witnessing a period of economic slowdown for the past 2 years, the world markets witnessed signs of recovery, resulting in increase in travel and leisure business. Your Company ventured into new geographies by entering into management contracts in Mexico and British Virgin Islands for development of high end Luxury Resorts with 100 and 206 keys respectively. The Company has also recently signed a management contract for establishing a Taj Luxury Hotel in Marrakech, Morocco, which is expected to open by the last quarter of 2011.

The Company continued its thrust on flagging properties under the "Gateway" brand in prominent economic, commercial and industrial centres of India by signing management contracts for hotels in Chandigarh, Ludhiana and Kolhapur. The Company also signed management contracts in leisure destinations such as Shimla and Rishikesh for a Gateway and Vivanta by Taj resort respectively. Furthermore, the Company entered into MOUs for Gateway Hotels in Chiplun, Maharashtra and in Faridabad, NCR.

Update on Key ongoing Expansion Initiatives

Due to politically unstable conditions in the Middle East, your Company's management contract projects are moving at a slow pace in this region.

The design planning of your Company's management contract project in Beijing, China, is underway. However, the Hainan Project is undergoing updation to the masterplan in wake of amended coastal regulatory advisory in this region.

Last year your Company acquired the erstwhile "Sea Rock" Hotel in Mumbai with the intention of redeveloping it in conjunction with the existing Taj Lands End Hotel, Bandra. The dismantling works have been completed during the year and currently design planning is underway for developing this property into a landmark hotel of the city. Preliminary construction works for its Premium Hotel project in Guwahati have commenced and your Company's Vivanta by Taj hotel project in Amritsar, through one of its associate companies, is progressing well in terms of design planning. The Vivanta by Taj hotel in Yeshwantapur, Bangalore is nearing completion and is expected to open by second quarter of 2011. The construction of the Vivanta by Taj hotel project in Dwarka, New Delhi is progressing well.

Your Company invested through one of its subsidiaries in 'Vivanta by Taj' resort at Coorg, which is scheduled to open by end of 2011. The resort shall be operated by your Company on a management contract basis. Of the 64 room expansion of Vivanta by Taj Fisherman's Cove hotel in Chennai, 48 rooms are currently operational and work on the balance 16 rooms is in progress. Vivanta by Taj hotels in Coimbatore and Hyderabad being developed by your Company's associates are expected to open during the current financial year.

Your Company's management contract projects under the Vivanta and Gateway brands are progressing rapidly. In April 2011, your Company made a foray into one of India's most beautiful destinations – Jammu & Kashmir by opening an 89 room Vivanta by Taj resort in Srinagar. The Vivanta by Taj projects in Bekal, Gurgaon and The Gateway Hotel in Kolkata are expected to open during the current financial year. Reinforcing the Group's growing interest in the state of Gujarat, the erstwhile Gir Lodge is being renovated to re-brand and re-launch as The Gateway Hotel – Gir Forest by the second quarter of this financial year.

Product Upgradation

The restoration of the Taj Mahal Palace, Mumbai was concluded with the opening of rooms and suites in the resurrected heritage block. At Taj Palace, Delhi, your Company renovated and re-opened select banquet areas and one floor of guestrooms. The hotel also opened the 6500 sq.ft. "Tata Suite" in November 2010 with the French and Russian Presidents as some of the first few guests of the Suite.

Your Company undertook renovation projects for certain key properties of Associate Companies as per the ongoing product upgradation initiatives. Vivanta by Taj Blue Diamond, Pune, saw the re-opening of the renovated Coffee Shop and Banquet Hall in a contemporary avatar, corresponding to the "Vivanta" brand's design philosophy. At the Vivanta by Taj President, Mumbai, one guestroom floor was renovated and opened to guests during first quarter of the current financial year. The Coffee Shop at The Gateway Hotel, Ernakulam, was renovated and re-lauched as a contemporary all day diner. The Lobby, 'Chambers' and select meeting spaces were renovated at the Taj Coromandel Hotel, Chennai.

Ginger Hotels

Your Company's subsidiary under the Ginger brand added four new Ginger Hotels during the year at Manesar (Management contract), Chennai, East Delhi and Indore. Further projects are at various stages of construction in Bangalore-Koramangala, Tirupur, Noida, Jaipur, Faridabad, Greater Noida, Chandigarh and Amritsar. Durg property, which was operated as a management contract was moved out of the portfolio with effect from December 31, 2010. As on March 31, 2011, there were 23 owned / leased Hotels (with a room inventory of approximately 2250 rooms), in addition to one hotel under management contract (with a room inventory of 100 rooms).

To provide a consistent brand experience for customers and following the positive feedback to the upgraded product in new hotels such as in Surat, Pune-Wakad and East Delhi, the look and feel of the restaurants in older hotels such as those in Bhubaneswar and Pune-Pimpri was also upgraded.

Corporate Business from the contracted large companies continued to be the focus area for majority of the hotels. Many new companies were brought on board, including from the new source market for the company, Chennai. The focus at the units and the source markets continues to be on getting permanent rooms, long-stay business, Groups and conferences from the Corporate segment.

To effectively and efficiently cater to the growth plans of the Company, the promoters after discussions with a few Private Equity players have finalised Omega TC Holdings Pte. Ltd. ('the Investor') as the Private Equity investor for infusion of equity into a Subsidiary. The Investor will invest an amount of ₹ 150 crores in various tranches, which will give the Investor a minority stake. The first tranche of ₹ 50 crores was allotted to the Investor in April, 2011.

Wildlife Lodges

Your Company's Joint Venture Taj Safaris Limited operates four lodges viz. Mahua Kothi at Bandhavgarh, Baghvan at Pench, Pashan Garh at Panna and Banjaar Tola at Kanha. The four spectacular lodges complete the tiger wilderness circuit in all the well known Tiger Reserves in the state of Madhya Pradesh.

Jiva Spa

The philosophy of our spas is rooted inherently in India's ancient approach to wellness. The ethos of our carefully recreated treatments is drawn on the rich and ancient wellness heritage of India; the fabled lifestyle and culture of Indian royalty and the healing therapies that embrace Indian spirituality. Jiva Spa is an eco-sensitive brand, hence 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.

In the year 2010-11, we launched one new Jiva Spa at The Taj Falaknuma Palace, Hyderabad, which boasts of two generously sized single massage suites, one couple massage suite, two rooms dedicated to beauty, steam, chill showers, regular showers and a gymnasium. The Jiva Spa at Taj Falaknuma Palace has already made it to the Condé Nast Traveller's Hot List Spas 2011.

As on March 31, 2011, the following 22 Jiva Spas are operational in Taj Hotels Resorts and Palaces in India and international locations.

Jiva Grande

1. Taj Wellington Mews, Mumbai
2. Taj Exotica Resort & Spa, Maldives
3. Umaid Bhavan Palace, Jodhpur
4. Rambagh Palace, Jaipur
5. Taj Cape Town, South Africa

Jiva

6. Taj Falaknuma Palace, Hyderabad
7. Taj Lake Palace, Udaipur and the Jiva Spa Boat
8. Nadesar Palace, Varanasi
9. Usha Kiran Palace, Gwalior
10. Taj Mahal Palace, Mumbai
11. Vivanta by Taj - President, Mumbai
12. Taj Exotica, Goa
13. Vivanta by Taj - Fort Aguada & Holiday Village, Goa
14. Vivanta by Taj - Panaji, Goa
15. Vivanta by Taj – M.G. Road, Bangalore
16. Vivanta by Taj - Whitefield, Bangalore
17. Vivanta by Taj - Fisherman's Cove, Chennai
18. Vivanta by Taj - Malabar, Cochin
19. Vivanta by Taj – Kovalam, Kerala
20. Vivanta by Taj – Bentota, Sri Lanka
21. Vivanta by Taj - Coral Reef, Maldives
22. Taj Tashi Thimphu, Bhutan

Jiva Spa also runs non-branded spas under the brand "The Spa". As of today, we are operating 14 'The Spas', as under:

1. Taj Chandigarh
2. Vivanta by Taj - Blue Diamond, Pune
3. Vivanta by Taj - Connemara, Chennai
4. Vivanta by Taj - Ambassador, New Delhi
5. Vivanta by Taj - Gomti Nagar, Lucknow

6. Vivanta by Taj - Trivandrum, Kerela
7. Vivanta by Taj - Hari Mahal, Jodhpur
8. Gateway Hotel, Bangalore
9. Gateway Hotel, Vizag
10. Gateway Hotel, Mangalore
11. Gateway Hotel, Varanasi
12. Taj Mahal, New Delhi
13. Taj West End, Bangalore
14. Taj Residency, Aurangabad

Awards & Accolades

1. **Gallivanter's Award**

   Jiva Grande, Umaid Bhawan Palace, Jodhpur has been voted the 4th 'Best Hotel Spa Worldwide' in 'The 2010 Gallivanter's Awards for Excellence', as voted for by readers in the Gallivanter's Guide Annual Reader Poll.

2. **Les Nouvelles Esthetiques Spa Awards**

   The Jiva Grande Spa at Taj Cape Town, South Africa, has won its first spa award in October, for the category Best Unique Spa Concept in South Africa.

3. **Conde Nast Traveller Spa Special Magazine- 2011 Reader's Spa Awards**

   Jiva Spa at Taj Exotica, Goa, has been voted as the 6th in the 'Asia and the Indian Subcontinent' category.

4. **Luxury Travel Readers award survey – Gold List 2010.**

   Jiva Grande at Taj Exotica Resort & Spa, Maldives was voted in the 'Best Oversees Spa Resort' category as No. 3 worldwide.

5. **6th Annual AsiaSpa Awards 2010.**

   Jiva Spa at Taj Hotels Resorts and Palaces, were nominated in the following categories

   a. Urban Spa of the Year – Taj Wellington Mews Luxury Residences, Mumbai
   b. Most innovative Spa of the Year – Jiva Spa, Taj Hotels

Guest Experience

Taj Luxury Hotels, India

Your Company continues in its quest for excellence by constant enhancement of the Guest Experience through improved service levels and product upgrades.

Taj Palace Hotel, one of your Company's hotels in New Delhi opened the spectacular, 16 bay, Tata Suite. The suite was very well received and was a key differentiator that facilitated in the hotel garnering high profile business from heads of state and corporate leaders. Some of the recent guests to have stayed in the Tata suite are the President of France, the President of Indonesia and the President of the Russian Federation. Taj Palace Hotel, New Delhi, renovated an additional 3 suites and 55 Luxury rooms on the 5th Floor. Taj Coromandel, Chennai renovated its lobby, porch and driveway. To enhance the luxury image of Taj Krishna, Hyderabad, a newly renovated retail arcade was opened which includes a delicatessen with select food and beverage offerings.

The focus for the first half of the year was on the re-launch of our flagship hotel, The Taj Mahal Palace, Mumbai and the opening of the iconic Taj Falaknuma Palace, Hyderabad. Both hotels have been very well received and have earned much acclaim in key source markets.

Your Company commissioned a study to understand the key drivers of customer satisfaction amongst Luxury hotel guests. The findings of this study will be used to improve key products and service offerings. With the intention of moving guest satisfaction to the higher order of engagement, a new guest engagement program was successfully piloted at The Taj Mahal Palace, Mumbai. As guests who have been touched by it had much higher levels of satisfaction and loyalty, this initiative has been rolled out to all Luxury hotels. In order to position The Taj Mahal Palace, Mumbai as the best hotel in the world, an internationally renowned company, Yates and Partners, was commissioned to enhance service levels at the hotel.

Your Company wanted to take the Grand Palace experience to the next level and hence launched 19 common initiatives at the Grand Palaces. These have been very well received as your guests feel they create memories that they will cherish for a lifetime.

Your Company undertakes several initiatives to develop the competencies of our associates. The associates in your Company are provided continuous training inputs through Learning and Development Managers and specially designated ‘Certified Taj Departmental Trainers’. We continue to utilise e–Learning modules covering the Taj Leadership System, Taj Leadership Behaviour and Tata Code of Conduct to help associates learn in their own time and at their own pace. The learning experience is further enhanced using varied processes such as Cross Exposure Training and a Systematic Induction Programme.

To strengthen the operational focus and develop attention to detail, the Learning and Development team has actively embarked upon various “Back to basics” skill training - The Spirit of the Taj, certification of key skills in operational departments, listening skills etc. are some examples. In addition, specifically tailored programs for all levels of associates to focus on improving and delivering consistent, high quality service were conducted for key associates such as butlers and bartenders.

The outcome of all these activities and the continuous drive for quality has led to several of our hotels being recognised by prestigious global institutions –

- The Taj Mahal Palace, Mumbai being recognised twice in the 1st quarter of 2010. The hotel was voted the World’s Favourite Indian Hotel by Conde Nast Traveller, at the Readers’ Travel Awards 2010.
- The Taj Mahal Palace, Mumbai, the Rambagh Palace, Jaipur and The Taj West End, Bengaluru have received awards from Conde Nast Traveller.
- Travel and Leisure USA also awarded The Taj Mahal Palace, Mumbai, the Taj Lake Palace, Udaipur, the Umaid Bhawan Palace, Jodhpur and the Rambagh Palace, Jaipur.
- Taj Lake Palace, Udaipur and Rambagh Palace, Jaipur featured prominently in the Trip Advisor, 2011 Travellers choice awards, amongst others, the Taj Lake Palace, Udaipur was awarded the first position among the top ten luxury hotels in India followed by the Rambagh Palace, Jaipur and Umaid Bhavan Palace, Jodhpur which were awarded the second and the fifth position respectively.
- Taj Falaknuma Palace, Hyderabad featured in the December 2010 issue of Travel and Leisure as one of the “Hot hotels in perfect destinations for winter travel”.
- Every year travellers rank the top 25 business hotels worldwide in the Travel and Leisure survey. The Taj Mahal Hotel, New Delhi, received an overall score of 94.67 and was ranked among the top 25 business hotels worldwide.
- The speciality Japanese restaurant, Wasabi by Morimoto at The Taj Mahal Palace, Mumbai, was ranked 54 in the S. Pellegrino List of Top 100 Restaurants in the World 2010. The list is the result of an extensive poll of the world’s most celebrated chefs, renowned food critics, leading restaurateurs and well-travelled gourmands. Significantly, Wasabi is the only restaurant in India on the list.

Taj Luxury Hotels, International

Enhancing guest experience continues to be your Company’s focus area. Apart from product upgrades, we achieve this through sustained efforts to improve service levels.

High quality service is ensured by making our work processes robust using TBEM framework and Balanced Scorecard. The hotels in our SBU continue to build a sustainable culture of improvement with well trained teams working on Continuous Improvement Projects.

Taj Luxury Experience Training and Audit, Cross Exposure Training and Systematic Induction Programmes continue to be our basic training modules for ensuring consistent service. Additionally, Guest Engagement Programme was successfully launched in some of our hotels during the year. In this programme, the associates were trained to share their guest experiences and thus take anticipatory service a notch higher. With enthusiastic participation of the associates, the guests' Overall Satisfaction scores have shown significant improvement in the hotels.

In order to lead the market, your Company continually upgrades the product and introduces new offerings in our hotels. The 5 new refurbished 51 Buckingham Gate suites have been launched during the year and the response has been very positive, fetching us fantastic ARR. 27 rooms of 2nd floor refurbishment project in Crown Plaza / St. James also returned to inventory. In view of the forthcoming Olympics, project for the renovation of additional 26 Rooms in Crown Plaza / St. James and 3 Suites in 51 Buckingham Gate has commenced during the year.

Taj Exotica Resort & Spa, Maldives, has got the renovated Presidential Suite, 3 new Beach Villas and 1 Lagoon Villa suite ready in December, 2010. All have been well received during the Holiday Season with ADR reaching over US$ 2,000. Your resort continues to win numerous prestigious international awards; it received 12th International recognition of the year in January, 2011 when Trip Advisor, Traveler's Choice 2011 voted the resort as one of the 'Top 10 Luxury Hotels in Asia'.

Taj Cape Town had a successful grand opening with a red-carpet event on 28th August, 2010 in the presence of your Chairman, Vice Chairman and Managing Director. Your hotel features in the UK Conde Nast Traveller 2010 Hot List, List of Best 2010 Hotels of US Travel + Leisure and in Wallpaper Magazine Feb 2011 Best Business Hotels 2010. The spa has also received recognition as the Best Unique Spa Concept in South Africa.

Our innovative food and beverage offerings also got their due recognition. While your restaurant Quilon in London retained its Michelin Star, Michelin Guide San Francisco, Bay Area & Wine Country 2011, has recognised renowned San Francisco landmark Campton Place Restaurant with a star in its latest annual dining guide.

Vivanta By Taj

The Taj Group of Hotel's Upper Upscale segment continued with its branding strategy with the launch of the Vivanta by Taj brand in September 2010. The launch witnessed the introduction of 19 hotels within the portfolio and led to the introduction of a service style designed for the 'work-hard-play-hard' global traveller. Creating unique guest experiences is the forte of the brand and Vivanta by Taj is sharply defined with a set of unique values and a distinctive brand identity. All the guest experiences have arisen out of a deep understanding of the targeted customer groups and have been in tune with their needs and aspirations. The introduction of in car amenity kits, special children experiences, hi energy bars, lounges, the pet policy and "Night rider" services (offer of a chauffeured car drop post a night out advocating safe drinking) are but a few experiences and services provided to cater to the ever changing needs of today's clientele. The Motifs, specially curated and handpicked by each individual hotel offer signature experiences which are cued around the property and the destination they represent be it the Coral propagation initiative at Maldives or a stroll through Goa's culinary history with Chef Rego at Holiday Village or a guided visit to the village of Aymenem at Kumarakom, Kerala. In keeping with our endeavor of addressing the "bon vivant" each of the 20 hotels offer these handpicked experiences as distinct value additions and ensure that the guest is "touched" by the brand values of Vivanta by Taj.

Vivanta by Taj is also one of the fastest growing within the Company. The year 2011-12 will have 7 hotels open under the brand, with venues ranging from quintessential paradise at Srinagar to the bustling settings in Gurgaon, from exotic Bekal and commercial centers at Yeshwantpur-Bangalore, Coimbatore, Begumpet – Hyderabad to the sylvan surroundings of Coorg. Each of the upcoming hotels are specifically thought of and designed for the global traveler looking for a complete travel experience, irrespective of the venue.

The SBU has also experienced a spate of renovations and new introductions within existing properties so as to enhance guest experiences. The introduction of Resto bars 'Bait' at the Vivanta by Taj – Kovalam & 'Syn' at the Taj Deccan, Hyderabad has helped boost the already impressive image of the SBU's Food & Beverage prowess. Similarly the recent renovations of restaurants such as 'Saki', at the Vivanta by Taj, Lucknow, 'Latitude' the ADD at Vivanta by Taj – Pune & 'YBR' at the Vivanta by Taj – Delhi has helped elevate the service standards of these outlets as per the Vivanta philosophy.

There has been tremendous focus on employee engagement and initiatives within the SBU as this directly contributes in creating unique experiences for the guest. Workshops like 'I Am Vivanta' and 'Brand Standard Focus' have helped reinforce the brand behavior within individuals working at every level within the hotels. Pre-opening workshops such as the 'Ready to Rumble' (a service culture workshop consisting of a 6 day count down at a new opening hotel) have helped the associates acclimatise to the behavior and nature of the brand and its service philosophy, apart from this other extensive training modules are conducting to ensure that effective trained staff and processes are in place prior to the opening of new hotels. These associates are knowledgeable on the various brand specific services available and are far more responsive towards the needs of their guests, hence, taking the guest's stay experience to a whole new level.

The Gateway Hotel

The Gateway Hotel is the upscale, full-service brand from the Taj Hotels Resorts and Palaces portfolio. Spread across India, the brand caters to our guests with a redefined product and service offering.

The Gateway Hotels are divided into seven zones - Stay, Hangout, Meet, Work, Workout, Unwind and Explore, in line with the brand philosophy of keeping things simple and flexible. The brand's uniqueness is its 24/7 concept on essential services, menus and facilities.

Team Gateway's intense focus on total guest satisfaction through excellence in product and service, deep guest engagement and total service recovery makes it a differentiating experience. The Gateway Hotel's main theme is holistic wellness which is reflected in its new age lifestyle activities like - instructional yoga videos on in house TV, round the clock fitness and pool facilities. A new age culinary innovation which promotes "Active Foods" that features fresh, high-energy, natural ingredients that go into creating delicious yet healthy signature dishes. Brand USP – regional home style meals, "Breakfast Gateway", "Chef's hat @ Gateway" – co-creating with the customer, dynamic price point, right size portioning, have received very high visibility and recognition.

Post Gateway brand Launch there is an active and ongoing program of renovation / refurbishment & upgradation of the hotels to bring them to the brand standards. In the past year, many rooms, lobbies and restaurants have been renovated and refurbished in The Gateway Hotels.

The specialty restaurants operating in some of our hotels, are Varuna at The Gateway Hotel-Varanasi, Narmada at The Gateway Hotel - Ahmedabad, Bubble Café at The Gateway Hotel - Ernakulam, KaiAsia at The Gateway Hotel - Vadodara, Ashiyana at The Gateway Hotel - Agra, Ming Garden at The Gateway Hotel - Vishakhapatnam, Onyx Bar at The Gateway Hotel - Bangalore. All the re-launched Food & Beverage outlets have been very well received by the market. Extensive media coverage on the new concepthasled to a good overall performance.

The Gateway Hotel - Madurai has been awarded as the best hotel in the 5 Star Category for the National Tourism Award by Government of India-Ministry of Tourism. The Gateway Hotel - Ernakulam has been awarded Expedia 2010 Insiders' Select (one of the World's Best Hotels for Value and Quality, Based on One Million Qualified Traveler Reviews) & Best Five Star Hotel in Kerala Awarded by Kerala State Tourism Board.

The Gateway brand has continued to dominate markets in all the 21 locations, where it has been launched.

Sales & Marketing

Key Initiatives:

- **Taj Mahal Palace, Mumbai** - reopened its Palace wing on August 15, 2010. A press conference was held to announce the same and a huge amount of visibility was generated. The Chairman, Mr. Ratan Tata, was present at the occasion and a ceremony honouring the founder of the Tata Group J N Tata was held in the hotel. The entire staff of the hotel pledged to the Chairman to reinvent the magic that made the Taj the institution it is. The Taj Mahal Palace welcomes its guests to an inventory of 289 rooms; including the Presidential Tata Suite, 46 grand suites, 82 Taj club rooms and 161 grand luxury rooms. The reopening of the hotel was accompanied with the launch of the new "Taj Forever" brand campaign.

- **Brand Architecture:** Nineteen hotels migrated to the Upper Upscale brand at the Vivanta by Taj – Hotels & Resorts Brand Launch in September, 2010 in Bangalore. Sixteen erstwhile Taj Hotels joined the three existing Vivanta by Taj hotels to create a brand which has a footprint of 19 hotels and nearly 2400 rooms. Vivanta by Taj offers a fresh, vivacious & stylish take on 'cool luxury'. With innovative cuisine concepts, the smart use of technology & experiences that seek to constantly engage, energize and relax, it appeals to the cosmopolitan world-traveler synced into an immersive and sensory lifestyle.
- **Taj Cape Town Grand opening -** The Taj Cape Town was officially inaugurated by the Chairman at a red-carpet event attended by over 300 guests that included government officials, corporates, key trade and media. The historic structure of the Taj Cape Town is home to the Heritage Rooms and Suites, Tower Rooms and Suites, The Presidential Suite and the Taj Club. These 177 exquisite rooms offer guests old-world quality complemented by modern features and luxury amenities.
- **Taj Falaknuma Palace opening and grand launch event -** The grand launch of the Palace was celebrated in November, 2010, with an exclusive get together of global connoisseurs of luxury who came together in Hyderabad for this occasion. The Palace now stands proud and ready to resume its status as Hyderabad's most exclusive address with its 60 restored rooms and suites. To commemorate the occasion, Mr. Ratan Tata along with Prince Mukkaram Jah VIII launched a book on *'The Falaknuma Palace'*.
- **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. This year saw the launch of the much awaited palatial Presidential Suite – The Tata Suite at the recently reopened The Taj Mahal Palace, Mumbai and Taj Palace Hotel, New Delhi, which have become the most preferred address for visiting dignitaries and Heads of States. Some of the heads of states who chose to stay at Taj hotels included:
  - President of United States Barack Obama and First Lady Michelle Obama – The Taj Mahal Palace, Mumbai
  - H. E. David Cameron, Prime Minister of the United Kingdom – Taj Mahal Hotel, New Delhi
  - H.E. Wen Jiabao, Premier of the People's Republic of China – Taj Palace Hotel, New Delhi
  - H.E. Dmitry A Medvedev, President of the Russian Federation – Taj Palace Hotel, New Delhi
  - H.E. Nicolas Sarkozy, President of France – Taj Palace Hotel, New Delhi / The Taj Mahal Palace, Mumbai
- **Re-launch of Surprises campaign:** We first launched the Surprises campaign in 2009-10 and based on the tremendous success of the campaign in driving revenues during the tough years we decided to continue with the same in 2010-11 as well. The Surprises campaign was re-launched for the period May - July, 2010 with an objective to drive revenues during the lean season. The various initiatives undertaken for this campaign are :
  - Stay a bit longer
  - Suite surprises
  - Taj Holidays Bonus Rewards
  - Taj Holidays Monsoon Tactical
  - Taj Inner Circle milestone based rewards and incentives
  - Urban Sanctuary - Experimental and Value vouchers.
  - ***"Suite Celebrations"*** – An initiative to drive incremental suite sales and revenues was launched across Luxury hotels worldwide in December 2010. The basis for the campaign was feedback from a Customer Survey on Suite Usage, internal Suite usage analysis for the last 2 years and a thorough competitive scan.
- **Harvard Business School Case Studies on Taj** – Harvard Business School has come out with 2 case studies on Taj Hotels Resorts and Palaces which emerge from our business practices. The first is on the Crisis Management during and post 26/11 which focuses on the work culture, employee engagement and bravery, HR initiatives and crisis management communication. The second is on the overall Brand Architecture initiative at Taj resulting in 4 distinct brands catering to different consumer segments and the launch of Vivanta by Taj brand.

- **PATA awards for Taj Forever campaign** - PATA, the prestigious Travel Association that spans The America and Asia, at its 60th anniversary celebrations, adjudged the Taj Forever Campaign, as the winner in the Marketing for Hospitality category, amongst all the entries from this region which has some of the finest hotel companies in the world. This campaign celebrated the re-opening of The Taj Mahal Palace, the launch of Taj Falaknuma Palace and was also a brand campaign for the company. Taj Forever was created by Agency Sacks in New York, photographed by the world renowned Daniela Federici and had Liz Hurley as the lead model.
- **Frequent Traveler Awards 2010 for Taj InnerCircle** - The Taj InnerCircle was voted the 'Hotel Program of the Year' for Asia, Oceania and the Middle East in the Frequent Traveler Awards of 2010. The Frequent Traveler awards are an offshoot of the prestigious 'Freddies' awards that recognized the best in frequent guest programs. Marriott won the award in the Americas and in Europe, and the Taj InnerCircle for Asia, Oceania and the Middle East.

Environmental Initiatives

Your Company recognises the imperative need to contribute to reducing the impact of its daily operations on the environment & make a contribution.

Sustainability Reporting, GRI and UNGC disclosures:

Based on international guidelines for Corporate Sustainability Reporting, your Company has been submitting its Corporate Sustainability Report to the United Nations Global Compact every year since 2004-05.

We are happy to announce that this year your Company's Corporate Sustainability Report 2009-10 has been graded **"A+"** based on the GRI (Global Reporting Initiative) G3 guidelines by an external auditor (KPMG). This is the highest possible rating that can possibly be attained by a company.

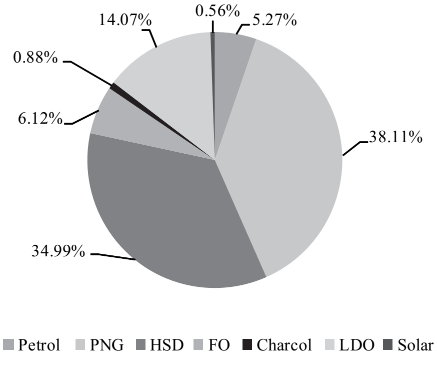
Your Company continues to voluntarily participate in the globally recognised Carbon Disclosure Project to demonstrate its commitment towards performance in climate change mitigation.

We strive to reduce our environmental impact across our operations while positively contributing to environment where ever possible. Our hotels have adopted environmental and safety management systems and many of them are now certified for ISO 14001. We have undertaken the globally recognized EarthCheck certification to benchmark our sustainability performance with international best practices. EarthCheck certification is an international recognition for environmental excellence in the hospitality and tourism industry. The certification is a result of extensive assessments and audits by EarthCheck. The key parameters for assessing the performance are energy, water and waste management and management of social and cultural issues.

Your Company continues to focus on the following key areas:

Energy management

Energy management over the past few years has received renewed focus. We are working towards lower energy consumption and higher efficiency which will not only benefit us through economic savings but also places less load on the planet. Our direct energy footprint was equal to about 9,55,891.58 GJ, the break-up of the same is given as follows:



We are progressively pursuing the utilisation of solar energy across our operations to reduce the load on non-renewable energy sources purchased. This year we were able to utilise about 2,212.13 GJ of solar energy. Initiatives are taken across all our properties to further maximize the solar power utilization. We have also commenced use of bio-mass based energy through organic waste generated from our daily operations.

A pioneering initiative of Ginger hotels, the installation of solar panels as water heating systems, reinforces the concept of convenient, cost-efficient and sustainable business. Since the 2008 initiation, over 90% of the existing Ginger hotels are equipped with solar heating panels. The initial investment of putting this process into place is set off in less than three and a half years, due to the long term benefits of this technology.

Our energy use (direct and indirect) result in emission of Green House Gases (GHG). Our total direct GHG emissions due to direct energy consumption was about 62,929.95 tons CO2e. Indirect energy consumption contributes about 1,70,644.96 tons CO2e. Our efficiency improvement measures, energy saving initiatives and renewable energy procurements helped in achieving a reduction of a 4,919.26 tons CO2e and 1,054.53 tons CO2e of direct and indirect GHG emissions respectively.

Water management

We manage our water requirement responsibly. Our endeavour is to decrease the fresh water intake by recycling and reusing effluents while enhancing availability of water through rain water harvesting initiatives. We consumed 61,69,205 cubic meters of fresh water of which 81,666 cubic meters was harvested rain water. While water recycling and reusing for non–potable use is a common feature in our hotels, we are making enhanced efforts to maximize the water harvesting at all our locations. We were able to recycle and reuse 31% of water amounting to 19,12,482 cubic meters thus helping us to reduce fresh water intake.

Several of our hotels are zero discharge hotels utilizing 100% of treated effluents for landscaping or operational purposes. We intent to progressively make all our hotels zero discharge hotels. The effluent generated is treated discharged through authorized municipal drains. This year the waste water discharged was 27,46,212.43 cubic meters, 44.52% of the total water intake.

Waste management

Hotels use various materials/inputs ranging from food and beverage raw materials, oils, linen to chemicals required for house keeping, stationery, IT goods, and guest amenities. Amongst all these consumptions, food and beverages raw materials constitute a major portion. Our focus remains to reduce the material consumption without compromising on the ‘Taj experience’. Our internal Kaizen initiatives have yielded a reduction of provisions, butchery items, stationery, liquor, guest room supplies, discarded linen, water, non moving capital goods and engineering items realizing an economic savings of ₹ 68.39 million. We also engage with our suppliers to reduce the packaging materials for products supplied to us.

A substantial portion of the waste generated by our operations and services is bio-degradable waste in terms of kitchen and food waste. This year about 9.44% of total kitchen and food waste generated was reused as manure. Similarly 40% of horticulture waste generated was also converted to manure. Nearly 10.69% of metal scrap is either recycled or reused within the hotels. We are further building our capacities across all our properties for optimum utilization/disposal of waste generated.

E-waste generated is disposed in an environmentally sound manner to an authorized vendor for further recycling of the wastes. All the printer and toner cartridges are recycled

Safety:

To further improve safety consciousness & implementation across all levels in the organization your Company has engaged the services of a ‘Safety Consultant’ who is in the process of putting ‘Safety Systems & procedures’ in place at our hotels.

Business Excellence

Tata Business Excellence Model

Your Company continues to apply for assessment as one organization under the Tata Business Excellence Model (TBEM). Using the feedback provided by the team of external assessors has helped to improve processes and guest satisfaction scores. New courses to impart knowledge on excellence and quality improvement methodologies have been conducted so that associates across the organization are able to improve the processes that they work with.

Participation in an External Assessment process as a Mentor or a team member is a great opportunity for leaders to learn and develop their own business management skills.TBEM Blitzes are conducted at hotels, to assess process readiness and drive improvements, establishing synergies across hotels and regions.

Balanced Scorecard Automation

Your Company has initiated a project to automate the Balanced Scorecard, which is in the first phase of implementation. This has helped your Company evolve from using the Balanced Scorecard as a simple performance measurement framework to a full strategic planning and management system.

With IT connectivity across hotels helping to establish synergy of metrics, the automation project is translating the organization's strategic plan into the "marching orders" for the organization on a daily basis. It provides a framework that not only provides performance measurements, but helps managers identify what should be done and measured and enables them to execute the strategy.

Guest Feedback Management

Your Company continues to use feedback from guests to identify opportunities for improvement. Analysis of data, prioritization of improvement opportunities and action plans implemented by hotel teams and cross functional teams help to improve satisfaction scores. Your Company reviews guest feedback at regular forums to ensure continued focus on creating Guest Delight.

Your Company measures guest perception of the Brands through inclusion of Brand specific parameters.

HR Initiatives

HR initiatives during the last year were focused on further enhancing the engagement within the workforce, sustaining workforce cost & productivity and enabling a responsive system to the business challenges through optimized use of technology platforms.

Gallup Global Great Workplace Award, 2011

The Gallup Global Great Workplace Award has been conferred upon Taj Hotels, Resorts and Palaces for the second year in a row. In 2011, this award has recognized 29 best organizations across the world for having the most productive and engaged workforce. More than a million workgroups are assessed by the Gallup organization to identify those with maximum engagement and productivity. Taj is among the only two organizations from India which have been selected for this award.

A. HR initiatives for building a high performance work culture

IT Initiatives - The Oracle HRMS system which was launched last year has been implemented across most hotels in India. This has provided a platform for conducting day to day HR through an electronic medium and has also enhanced reach to the workforce. An online Performance Management System module for has been developed and will be available for use in the next cycle. Along with achieving efficiencies in people processes, the implementation of these modules is crucial in creating and sustaining a robust capability assessment and development system.

The organization has launched an online Learning Management System with over 300 training modules available for operations and support functions. With addition of more modules in the coming year MiUniversity would emerge to be a robust capability building platform for the workforce.

In order to systematically execute and measure the organization's strategic objectives, an online tool for managing the Balanced Score Card has been implemented. This software system is currently being implemented in all hotels and will provide complete visibility of the organization's strategic direction after implementation.

The organization has also launched a computer literacy drive across its workforce with the intention of having a 100% computer literate workforce.

Year of the Associate (YOA +) Program - After the success of the Year of the Associate program which demonstrated a sharp increase in employee engagement, a fresh set of engagement initiatives branded as Year of the Associate Plus was launched in 2010. These initiatives are carefully planned to imbibe and further enhance bonding and belongingness in the workforce and create a highly engaged workplace.

SPEED Plus Program: The organization had launched a fast track career enhancement program for high performing staff and supervisors in the previous year. The program has been enhanced and extended as SPEED Plus to the junior management levels in line with the organization's commitment to recognize and promote the best talent. The program has received enthusiastic response, especially from the younger management cadres and is now an institutionalized process for identifying and developing talent for operational roles.

All initiatives specified above 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 (2010-11)

Minimal addition to Workforce: Continuing from the previous year's focus to achieve operating efficiencies and enhancing overall productivity levels within the Company, new hiring have been rationalized and vacancies have been filled through internal transfers except in certain niche skill areas. This has contributed to enhanced productivity and overall workforce strength has increased marginally, even with new hotels opening up.

Filling most positions in the new hotels through internal redeployment: The practice of redeploying staff from current hotels to new openings have been continued through this year. This practice has provided faster career progression opportunities to the existing workforce along with highly trained staff in the new openings and has helped build the Taj culture from the first day of the operation.

Management Discussion and Analysis of Operating Results and Financial Positions

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

Results of Operations for the year ended March 31, 2011

Standalone Financial Results

The following table sets forth financial information for the Company for the year ended March 31, 2011

₹ crores

Particulars	**Year ended**	
	March 31, 2011	**March 31, 2010**
Income		
Sales & Other operating income	**1724.92**	1520.36
Expenditure		
Consumption of Raw Materials	**136.18**	112.58
Staff Costs	**416.48**	359.56
Licence Fees	**105.51**	90.39
Fuel, Power and Light	**115.26**	100.67
Depreciation/Amortisation	**108.46**	104.14
Other Expenditure	**490.97**	438.24
Less: Unallocated expenditure during construction period transferred to Fixed Assets	**(10.88)**	(8.46)
Total Expenditure	**1361.98**	1197.12
Profit before Interest and Tax	**362.94**	323.24
Interest (net)	**122.85**	152.90
Profit before Tax and Exceptional Items	**240.09**	170.34
Exceptional Items	**(17.14)**	47.91
Profit before Tax	**222.95**	218.25
Less: Provision for tax (including for earlier years)	**114.33**	65.15
Add: MAT Credit	**32.63**	-
Profit after Tax	**141.25**	153.10

Revenues:

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

₹ crores

Particulars	Year Ended		% Change
	March 31, 2011	**March 31, 2010**	
Room Income	**834.52**	699.63	19
Food, Beverage & Banqueting Income	**636.70**	536.34	19
Other Operating Income	**202.28**	237.32	(15)
Non-Operating Income	**51.42**	47.07	(9)
Total Income	**1724.92**	1520.36	13
Statistical Information			
Average Room Rate (₹)	**9,582**	8,792	9
Occupancy (%)	**67**	64	3

- Room sales showed a healthy growth over previous year as a result of higher room rates and occupancies. Besides, the increase can also be attributed to the reopening of rooms at Taj Mahal Palace, Mumbai and launch of Taj Falaknuma Palace, Hyderabad during the year.
- Food & Beverages grew by 19% over previous year.
- Other operating income mainly includes income from management fees, laundry, spa and health club, telephone, business centre rents, etc. Other Operating Income were lower than previous year as previous year had accrual of business interruption insurance claim of ₹ 64.35 crores.
- Non-operating income was lower than the previous year, since in the previous year, we had accrued ₹ 39.08 crores on account of profit on sale of long term investments.

Operating expenses:

The operating expenses increased by 14% from ₹ 1197.12 crores to ₹ 1361.98 crores. Variable operating costs increased with a higher volume. Further, payroll costs were higher in the current year as compared to previous year due to a higher provisioning of retirement benefits, operating cost of new hotels opened as also on account of increase in payroll of existing staff. During the year the Company invested towards the promotion of the reopening of the Heritage wing of Taj Mahal Palace, Mumbai, launch of Taj Falaknuma Palace, Hyderabad besides the launch of the Vivanta by Taj brand.

Depreciation for the year increased from ₹ 104.14 crores to ₹ 108.46 crores due to capitalisation of new properties.

Profit before Interest and Tax (PBIT):

The PBIT increased by 12% from ₹ 323.24 crores to ₹ 362.94 crores. The current year's operations are not strictly comparable to the results as reported for 2009-10 as the latter had the benefit of ₹ 64.35 crores accrued towards compensation for Loss of Profit for Taj Mahal Palace, Mumbai.

Interest costs (Net):

Net Interest cost was lower at ₹ 122.85 crores for the year ended March 31, 2011 as compared to ₹ 152.90 crores in the previous year. The gross interest cost for the year decreased by ₹ 18.19 crores due to retirement of debt during the year and increase in capitalisation of interest on hotel projects under construction. Interest income for the year was higher due to currency swap gains earned on the Company's foreign currency loans.

Profit before Tax:

Profit before Tax, increased by 2% from ₹ 218.25 crores to ₹ 222.95 crores.

Profit after Tax:

Profit after tax declined by 8% as against previous year from ₹ 153.10 crores to ₹ 141.25 crores.

Cash Flow Data:

₹ crores

Particulars	Year Ended	
	March 31, 2011	**March 31, 2010**
Net Cash from operating activities	**467.23**	450.62
Net cash used for investing activities	**(748.95)**	(649.90)
Net cash (used for) / from financing activities	**(70.09)**	622.96
Net (Decreased) / Increase in cash and cash equivalents	**(351.81)**	423.68

Operating Activities:

Net cash from operating activities was higher at ₹ 467.23 crores as compared to ₹ 450.62 crores in the previous year.

Investing Activities:

During the year under review, the Company incurred ₹ 307.46 crores towards capital expenditure. Major expenditure was incurred on the Company's projects covering the Taj Falaknuma Palace, Hyderabad, Vivanta by Taj Hotels at Dwarka, Bangalore and towards the restoration of Taj Mahal Palace, Mumbai.

As on March 31, 2011, ₹ 617.47 crores were also invested in Liquid Mutual Funds.

Financing Activities:

During the year, your Company 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 Ltd., through the preferential allotment, the Company raised ₹ 373.10 crores towards equity issue and ₹ 124.37 crores being 25% of the aggregate exercise price of the warrants. The Company also retired Non-Convertible Debentures of ₹ 300 crores during the year.

Certain Financial Ratios for Standalone Financials:

₹ crores

Particulars	Year Ended	
	March 31, 2011	**March 31, 2010**
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	**0.41**	0.45
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	**0.69**	0.82

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 practices 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 a one-line consolidation of share of profit after tax.

The following table sets forth the Consolidated Financial results for the year ended March 31, 2011

₹ crores

Particulars	**Year Ended**	
	March 31, 2011	**March 31, 2010**
Income		
Sales & Other operating income	**2862.52**	2521.02
Other Income	**52.38**	41.51
Share of Loss in Associates	**29.24**	(4.57)
Total Income	**2944.14**	2557.96
Expenditure		
Consumption of Raw Materials	**296.52**	254.69
Staff costs	**967.07**	847.67
Licence Fees	**110.42**	98.39
Fuel, Power & Light	**196.23**	172.96
Depreciation	**227.95**	218.54
Other Expenditure	**854.38**	761.32
Less: Unallocated Expenditure during construction period transferred to Fixed Assets	**(14.52)**	(12.16)
Total Expenditure	**2638.05**	2341.41
Profit Before Interest and Tax	**306.09**	216.55
Interest (Net)	**251.15**	306.14
Profit/(Loss) before Tax and Exceptional Items	**54.94**	(89.59)
Exceptional Items	**(0.91)**	51.33
Profit/(Loss) before Tax	**54.03**	(38.26)
Provision for Tax (including for earlier years)	**93.66**	84.71
Less: Share of Loss of an Associate for prior period	**35.97**	-
Loss after Tax before minority interest	**(75.60)**	(122.97)
Minority Interest	**11.66**	13.91
Loss after Tax	**(87.26)**	(136.88)

Revenues:

The Company, its Subsidiaries and its Jointly Controlled Entities (the Group) are primarily engaged in the business of hoteliering with the exception of two Jointly Controlled Entities, which are engaged in the business of Air Catering. The other areas of business primarily included Ready to Eat / Ready to Cook foods business, from which the company has since exited.

₹ crores

Particulars	**Year Ended**	
	March 31, 2011	**March 31, 2010**
Hoteliering	**2603.36**	2265.99
Air Catering	**256.62**	248.05
Others	**32.95**	28.41
Unallocable Income	**21.97**	20.08
Share of Loss in Associates	**(6.73)**	(4.57)
Total Revenue	**2908.17**	2557.96

- 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. By the year end, the Company's full hotel inventory was operational.
- The Air Catering business continues to be under pressure due to the continued slow down in the domestic aviation sector coupled with increasing migration of domestic airlines to low cost carriers.
- Un-allocable Income represents Dividend Income and Profit on sale of Investments.
- Share of Loss in Associates represents Company's proportionate share in Loss After tax of its associates. The performance of associate companies was impacted by the declining demand in the hoteliering business as well as aviation charters.

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 Interest and Tax:

Profit Before Interest and Tax at ₹ 270.12 crores improved by 25% over the corresponding PBIT for the preceding year.

Interest costs:

The net consolidated interest cost at ₹ 251.15 crores was lower than the net interest cost of the preceding year by ₹ 54.99 crores as a result of the various deleverage initiatives undertaken by the Management in the course of the year.

Profit/(Loss) after Tax:

Loss after tax for the year was ₹ 87.26 crores as compared to a loss of ₹ 136.88 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, 2011	**March 31, 2010**
Net Cash from operating activities	**512.83**	427.15
Net cash (used for) / from investing activities	**(783.34)**	304.43
Net cash used for financing activities	**(85.82)**	(423.64)
Net Increase/(Decrease) in cash and cash equivalents	**(356.33)**	307.94

Operating Activities:

Net Cash from operating activities was higher at ₹ 512.83 crores as compared to ₹ 427.15 crores in the previous year, mainly due to improved operational performance.

Investing Activities:

Net cash from Issue of Share Warrants & Issue of Ordinary shares amounting to ₹ 498.04 crores was utilised for Purchase of Investments.

Financing Activities:

Opening balance of cash and cash equivalent and net cash from operating activities have been utilised for financing activities.

Certain Financial Ratios for Consolidated Financials:

₹ crores

Particulars	Year Ended	
	March 31, 2011	**March 31, 2010**
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	**0.59**	0.62
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	**1.46**	1.61

Risks & Concerns

Industry Risk

General economic conditions

Hotel business in general is sensitive to fluctuations in the economy. The hotel sector may be unfavourably affected 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 natural and social factors. Since demand for hotels is affected by world economic growth, a global recession could 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:

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 Asia Pacific with high growth rates have become the focus area of major international chains. Several of these chains have announced their plans to establish hotels 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 of the Indian Rupee resulted in destinations like Europe, South East Asia and Australia becoming more affordable to the average Indian traveler. 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 'Premium', '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

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 and control and provides a score, allowing the Unit to improve on high risk and weak areas.

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

- 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 them.

Taj Public Service Welfare Trust

Background:

Your Company established the Taj Public Service Welfare Trust (The Trust) in response to the terror attack on the city of Mumbai in 2008. The Trust receives donations from well wishers in Mumbai and across the globe who were keen to contribute for the welfare of the persons affected by the aftermath of the 26/11 terror attack.

The Trust has been registered as a Public Charitable Trust and was granted permission by the Government of India to accept foreign contributions, in foreign currencies. The Trust now accepts donations in all foreign currencies either by cash /cheque /demand draft.

Objective of the Trust:

Funds will provide further support to the Trust to discharge its mandate to the fullest in the coming years - a mandate to cover relief to victims of sudden acts of violence, natural disasters and other tragic events that inflict damage to life and property. The Trust has used its funds that have benefitted :

- 249 families and victims of the 26/11 terror attack
- 307 families in the fire & cyclone disaster in Bihar
- 285 families in the cloudburst in Leh

The Human Touch

The Trust has adopted the Building Sustainable Livelihood approach, which has been implemented in a different manner in each of the disaster response that the Trust has carried out.

26/11 terror attack

The emphasis this year was to streamline the education support program of the Trust. The trustees inducted the wives of two of our staff who lost their lives during the terror incident at the Taj in the activities of the Trust. Their involvement in Trust activities like meeting the affected families and school visits has helped in reduction of their own consumption of depression related medicines, as well as utilization of their support has improved the education program. The Trust has now extended its reach to 108 children under this program.

Apart from education, the Trust laid strong emphasis on setting up of micro-enterprise and encouraged women to pursue a course whereby they can earn a livelihood. A batch of 16 youth benefited from the Hospitality Skill Training provided to them. Work is in progress at the ITI facility in Lonavla for setting up of the hostel and Centre of Excellence premises to impart Hospitality Skill Training to future disaster affected youth.

Fire and Cyclone disaster in Bihar

Due to the fire and cyclone in Bihar, 1100 families across three villages lost their homes and sources of livelihood. The Trust assessed the needs and adopted one village of 307 families, where the maximum number of families belonged to the SC/ST and BPL (Below Poverty Line) category. Using the PRA (Participatory Rural Approach) in consultation with the local community, the Trust along with the local NGO partner helped out the affected families.

Cloudburst in Leh

The other disaster which the Trust responded to was to the families affected by the cloudburst in Leh. The Trust partnered with Sir Dorabji Tata Trust to identify the NGO partner. The Trust has worked with this NGO in three villages to remove debris from the agricultural fields, provide them cash for work and has given them seeds to grow crops and thus make the families self sustainable. The local government authorities have appreciated this cost effective approach and are now using the same technique in other effected villages of Leh.

The Trust continues to take up various initiatives to alleviate the burden of affected people, in the best possible way.

AWARDS AND ACCOLADES

Date	Hotel and Details of the Award
GROUP	**Taj Hotels Resorts and Palaces**
Oct '10	Taj Hotels Resorts and Palaces has been voted 2nd best Overseas Hotel Group in the Guardian Travel Awards 2010.
April '10	The Taj Hotels Resorts and Palaces has been voted as India's Favourite Hotel Chain, in the Conde Nast Readers Travel Awards India Special.
LUXURY HOTELS	
	Taj Falaknuma Palace, Hyderabad
June '11	Travel+Leisure, USA It List: Taj Falaknuma is featured in the sixth annual list of 'It' otels. Editors scoured the globe for the best new properties as they do every year, T+L editors and writers logged thousands of miles in search of the next best new hotels for you to lay your head.
May '11	Taj Falaknuma Palace, Hyderabad - Conde Nast Traveler, USA - The Hot List 2011 - 124 Best New Hotels in the World.
Dec '10	**Accolade:** Taj Falaknuma Palace is featured in the December 2010 issue of Travel + Leisure as one of the "Hot hotels in perfect destinations for winter travel".
	The Taj Mahal Palace, Mumbai
June '11	TMPM in the T+L Editors' Choice Awards 2011 'It' list of the Top 5 City Hotels in Asia with a score of 96.49%.
Jan '11	Travel+Leisure, USA - World's Best 500 Hotels 2011 - TMPM 93.83%.
Jan '11	**Accolade:** 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". The Taj Mahal Palace, Mumbai is No. 23 in the list.
Dec '10	Taj Mahal Palace & Tower has once again won the Best Hotel in Mumbai award by Destinasian Magazine.
Sept '10	Conde Nast Traveller Readers' Travel Awards: The Taj Mahal Palace, Mumbai with a score of 74.66% was voted 20th in the Overseas Business Hotels for Asia and the Indian Subcontinent.
April '10	The legendary Wasabi at The Taj Mahal Palace & Tower, Mumbai has been voted 54th in the top 100 restaurants of the world in the Ninth annual listing of The S. Pellegrino World's Best Restaurants, USA.
April '10	**Accolade:** Conde Nast Special India Awards, 2010 : The Taj Mahal Palace & Tower, Mumbai were also conferred a special commendation for the resilience and strength the staff demonstrated in the last year.
	Taj Lake Palace, Udaipur
Jan '11	Travel+Leisure, USA - World's Best 500 Hotels 2011 - Taj Lake Palace, Udaipur 93.46%.
April '10	Conde Nast Special India Awards, 2010 - The first runner up in the Favourite Palace Hotels category is Taj Lake Palace, Udaipur.

Date	Hotel and Details of the Award
	Umaid Bhawan Palace, Jodhpur
Jan '11	Travel+Leisure, USA - World's Best 500 Hotels 2011 - Umaid Bhawan Palace, Jodhpur 90.96%.
April '10	Conde Nast Special India Awards, 2010 - The second runner up in the Favourite Palace Hotel is Umaid Bhawan Palace, Jodhpur.
	Rambagh Palace, Jaipur
Jan '11	Travel+Leisure, USA - World's Best 500 Hotels 2011 - Rambagh Palace 93.60%.
Sept '10	Conde Nast Traveller, UK 2010 Readers' Travel Awards - Rambagh was voted 5th in the Best Overseas Leisure Hotels in Asia and the Indian Subcontinent and No.91 Best in the world across all categories.
April '10	Conde Nast Special India Awards, 2010 - The Rambagh Palace, Jaipur was voted the Favourite Palace Hotel.
	Taj Palace Hotel, New Delhi
Jan '11	Travel+Leisure, USA - World's Best 500 Hotels 2011 - Taj Palace 89.39%.
	Taj Mahal Hotel, New Delhi
Nov '10	USA: Travellers rank the top 25 business hotels worldwide in Travel + Leisure's survey - World's Best Business Hotels 2010, overall score: 94.67%.
	Taj Safari Lodges
Jan '11	Banjaar Tola was named to the coveted list, which is comprised of Mr. Harper's 19 favorite properties visited within the past calendar year in the January 2011 issue of Andrew Harper's Hideaway Report of THE 2011 GRAND AWARD WINNERS and online at www.AndrewHarper.com on January 3, 2010.
May '10	Taj Banjaar Tola (Mukki), Kanha National Park, has been selected to receive the award in the "Wildlife Sector Hotel" category of State Tourism Awards.
April '10	Conde Nast Special India Awards, 2010 - Banjaar Tola at Kanha National Park was the first runner up in Favourite Leisure Hotel category.
	Taj Exotica Resort & Spa, Maldives
Jan '11	Trip Advisor has bestowed on Taj Exotica Resort & Spa the "2011 Traveller's Choice Award" under the Top 10 Luxury Hotels in Asia. This award was based on the reviews and opinions of millions of travellers around the globe.
Sept '10	Conde Nast Traveller, UK 2010 Readers' Travel Awards - TERS Maldives was voted 10th in the Overseas Leisure Hotels in the Middle East, Africa & the Indian Ocean Islands category.
April '10	TERS Maldives - Readers' Choice Finalist in The Luxury Travel Gold List 2010 - Australia.
	Crowne Plaza, London St. James, U.K.
May '10	TATLER's Ninth Annual Restaurant Awards 2010 - Best Front of House to Arun Harnal at Bombay Brasserie.
	Taj Boston, USA
Dec '10	Travel + Leisure, USA - World's Best Hotels 2011 Taj Boston with a score of 88.

Date	Hotel and Details of the Award
	Taj Campton Place, USA
Oct '10	**Accolade:** CAMPTON PLACE RESTAURANT AWARDED MICHELIN STAR. 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.
	Taj Cape Town, South Africa
April '11	**Accolade:** Taj Cape Town has been chosen by Centurion magazine readers as their second favourite hotel in the category Business Hotel Africa & Middle East in the Centurion Magazine Readers' Choice 2010.
VIVANTA HOTELS	
June '11	Vivanta Hotels & Resorts by Taj is featured in the T+L Editors' Choice Awards 2011 'It' list on Spin-Off Brands.
	Vivanta by Taj – Kumarakom, Kerala
March '11	Department of Tourism (National Tourism Awards)-Best 4 star Hotel in India.
Jan '11	Trip Advisor Top 10 Hotels for Romance in India.
Jan '11	Trip Advisor - Best 25 hotels in India.
Jan '11	Trip Advisor Top 10 Relaxation/Spa Hotels in India.
	Jai Mahal Palace, Jaipur
March '11	Best 5 Star Deluxe Hotel by Department of Tourism, Government Of India.
Feb '11	Trip Advisors' Travellers' Choice 2011 award for top 10 Family Hotels in India.
	Vivanta by Taj - Exotica, Goa
Feb '11	Rated by Trip Advisor – top 10 Luxury hotels in India and top 25 hotels in India.
	Vivanta by Taj - Kovalam, Kerala
March '11	Trip Advisor, India's top family friendly hotels.
	Nadesar Palace, Varanasi
August '10	Vogue India Beauty Awards 2010 Spa and Welness - Nadesar Palace, Varanasi Best Destination Spa.
	BLUE, Sydney
Oct '10	Conde Nast Traveller, USA 23rd Annual Readers' Choice Awards 2010 – BLUE Sydney is the winner in the 'Top Hotels Oceana' category.
GATEWAY HOTELS	
	The Gateway Hotel Pasumalai, Madurai
March '11	National Tourism Award, Department of Tourism, Government of India - Best 5 Star Deluxe Hotel.

REPORT ON CORPORATE GOVERNANCE

Philosophy on Corporate Governance

Corporate Governance describes the multifaceted system that directs the operations of a corporation. It includes the rights and duties of a corporation's stakeholders, Board of Directors and management. It enhances wealth creation through increased accountability, whilst concurrently protecting and enhancing the interest of all stakeholders, including the environment and society at large.

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. Non-Executive Directors comprise more than 70% of the Board of Directors, with the Chairman being a Non-Executive Director. The Directors possess experience in fields as varied as banking, finance 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 other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which, in the judgement of the Board, may affect the independence of judgement of the Director, comprise more than 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 26, 2010	April to June
2	July 30, 2010	July to September
3	October 27, 2010	October to December
4	January 31, 2011	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-Whole-time 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, are ₹ 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. 43 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, 2011. 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 website. The Annual Report of the Company contains a Certificate duly signed by the Managing Director (CEO) in this regard.

9. Other than 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. 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. Oversight 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 has 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 details of the composition, names of Members and Chairman as well as the number of meetings held and Directors attendance thereat during the year are as under:

NO.	MEMBERS	ATTENDANCE AT AUDIT COMMITTEE MEETINGS HELD ON					
		21.05.2010	26.05.2010	28.07.2010	06.09.2010	25.10.2010	27.01.2011
1	Mr. K. B. Dadiseth – Chairman	3	3	3	3	3	3
2	Mr. Deepak Parekh	3	-	-	-	-	-
3	Mr. Jagdish Capoor	3	3	3	3	3	3

The Committee met six times during the period under review.

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. Due to unavoidable circumstances, the Chairman of the Audit Committee, was unable to attend the last Annual General Meeting of the Company. However, a member of the Audit Committee was present at the 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.

The Committee met twice during the period under review.

NO.	MEMBERS	ATTENDANCE AT SHARE TRANSFER & SHAREHOLDERS' / INVESTOR GRIEVANCE COMMITTEE MEETINGS HELD ON	
		August 2, 2010	December 27, 2010
1	Mr. R. K. Krishna Kumar	3	3
2	Mr. Raymond N. Bickson	3	-
3	Mr. Abhijit Mukerji	3	3

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. All share transfers lodged up to March 31, 2011 have been processed by the Committee. The status of the complaints received from shareholders from 01.04.2010 to 31.03.2011 is as under:

Complaints received	Pending as on March 31, 2011
9	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*
2003-04	August 10, 2004	October 15, 2011
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

* 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/ Depositors who have not claimed the dividend or interest. Special mailers were sent by different modes to reach the Members/ Depositors. As a result, the Company did achieve a limited success and was able to arrange payment of a sum of ₹ 3,42,160/-. Despite this the Company was statutorily required to transfer the following amounts to IEPF of the Central Government as at March 31, 2011.

Particulars		₹
Amounts transferred upto March 31, 2010	(a)	2,70,30,968.67
Amounts transferred during financial year 2010-11:		
- Unpaid / unclaimed dividend with the Company		12,31,347.00
- Unpaid / unclaimed matured deposits with the Company		2,64,656.00
- Unpaid matured debentures with the Company		-
- Interest accrued on the unpaid matured deposits		1,08,339.00
- Interest accrued on the unpaid matured debentures		-
Total	(b)	16,04,342.00
Amount transferred upto March 31, 2011 (a+b)		**2,86,35,310.67**

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 Listing Agreement with the Stock Exchanges provides that a Company may appoint a Committee for recommending managerial remuneration payable to the Directors. The Company has in place a Remuneration Committee for the said purpose. The main function of the said Committee is to determine the remuneration payable to the Whole-time Directors.

The Chairman of the Remuneration Committee was present at the last Annual General Meeting of the Company. During the year, the Committee met once as under:

NO.	MEMBERS	ATTENDANCE AT THE REMUNERATION COMMITTEE MEETING HELD ON JUNE 11, 2010
1.	Mr. Jagdish Capoor - Chairman	3
2.	Mr. Ratan N. Tata	3
3.	Mr. R. K. Krishna Kumar	3

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 profit of the Company calculated in accordance with provisions of Section 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 up to 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 up to 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 up to and including March 16, 2013, 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, 2011, 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, 2010	3.00 p.m.
	August 3, 2009	3.00 p.m.
	August 14, 2008	3.30 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 had successfully completed the process of obtaining the approval of its Members vide Postal Ballot on the following resolutions during the year:

a. Ordinary Resolutions under Sections 293(1)(a) read with 192A of the Companies Act, 1956, pertaining to the sale of Hotel City Inn, Baramati and to create charge on the Company's existing and future assets to secure the borrowings of the Company upto Rupees Three Thousand Crores.

b. Special Resolution under Sections 81 (1A) read with 192A of the Companies Act, 1956, pertaining to raising of long term funds by the issue of (i) up to 3,60,00,000 (Three Crores Sixty Lakhs) Equity Shares of ₹ 1 each and (ii) up to 4,80,00,000 (Four Crores Eighty Lakhs) Warrants on preferential basis, to Tata Sons Limited, the main Promoter of the Company.

Mr. Shreepad M. Korde, Practicing Company Secretary, was appointed as the Scrutinizer for both the Postal Ballots, who had carried out the Postal Ballot process in a fair and transparent manner.

Voting Pattern and Procedure for Postal Ballot:

i. The Board of Directors of the Company had, vide its Board Circular dated April 30, 2010 and at its meeting held on October 27, 2010, respectively, appointed Mr. Shreepad M. Korde, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot voting process for the aforementioned resolutions respectively.

ii. The postal ballot forms had been kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

iii. All postal ballot forms received/receivable up to the close of working hours on June 17, 2010 and December 13, 2010, respectively, being the last date and time fixed by the Company for receipt of the forms, had been considered by him in his scrutiny for both the Postal Ballots.

iv. Envelopes containing postal ballot forms received after close of working hours on June 17, 2010 and December 13, 2010, respectively, had not been considered for scrutiny.

v. The results of the Postal Ballot were announced on June 18, 2010 and December 14, 2010, respectively, at the Registered Office of the Company as per the Scrutinizer's Report as under:

Postal Ballot Summary:

Particulars	Sale of Hotel City Inn, Baramati	Creation of charge on existing and future assets	Preferential Allotment to Tata Sons Limited
Number of valid postal ballot forms received	7,404	7,404	7,542
Votes in favour of the Resolution	38,50,73,715	35,43,36,522	29,44,06,509
Votes against the Resolution	17,33,971	3,19,21,560	75,80,087

Accordingly, the Ordinary Resolutions set out in the Notice dated May 7, 2010 and the Special Resolution set out in the Notice dated October 27, 2010 were duly approved by the requisite majority of the Members.

TAJ Hotels Resorts and Palaces

Board of Directors:

Names	Category	Remuneration paid ₹			No. of outside Directorships		No. of outside Committee Positions Held		No. of Board Meetings attended	Attendance at the last Annual General Meeting held on August 5, 2010
		Salary & Perks 2010-2011	Sitting Fees 2010-2011	Commission 2009-2010	Indian	Foreign	as Member	as Chairman		
Mr. Ratan N. Tata (Chairman)	Promoter Non-Executive	-	60,000	32,00,000	10	11	-	-	2	Yes
Mr. R. K. Krishna Kumar (Vice Chairman)	Promoter Non-Executive	-	1,20,000	31,00,000	10	13	1	1	4	Yes
@Mr. N. A. Soonawala	Promoter Non-Executive	-	-	21,00,000	-	-	-	-	-	-
*Mr. S.K. Kandhari	Non-Executive Independent	-	-	23,00,000	-	-	-	-	-	-
Mr. K. B. Dadiseth	Non-Executive Independent	-	1,80,000	26,00,000	6	2	3	2	3	No
Mr. Deepak Parekh	Non-Executive Independent	-	40,000	10,00,000	16	1	1	5	1	No
Mr. Jagdish Capoor	Non-Executive Independent	-	2,00,000	15,00,000	4	-	-	1	3	Yes
Mr. Shapoor Mistry	Non-Executive Independent	-	60,000	7,00,000	11	-	2	-	3	Yes
Mr. Nadir Godrej	Non-Executive Independent	-	60,000	7,00,000	12	6	2	1	3	Yes
Mrs. A. R. Aga	Non-Executive Independent	-	40,000	3,00,000	2	-	-	-	2	Yes
Mr. Raymond N. Bickson	Executive	6,68,09,892	-	1,10,00,000	8	7	4	2	4	Yes
Mr. Anil P. Goel	Executive	1,16,69,270	-	85,00,000	6	11	4	-	4	Yes
Mr. Abhijit Mukerji	Executive	90,31,917	-	85,00,000	3	-	2	-	4	Yes

* Retired as Director on August 15, 2009 @ Resigned effective March 31, 2010

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 ₹ 1.75 Crores has been provided as commission to Non – Executive Directors for the year 2010-11. An amount of ₹ 2.80 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 were published in leading English and vernacular newspapers viz. Business Standard, The Financial Express, The Indian 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.

The Stock Exchanges have the Corporate Filing and Dissemination System (CFDS) which is a portal jointly owned, managed and maintained by the Bombay Stock Exchange 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.corpfiliing.co.in. Hard copies of the said disclosures and correspondence are also filed with the BSE and NSE.

Reminders are sent each year to investors for unclaimed dividend or unclaimed interest on debentures.

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

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, 2011.

Risk Management

The Company has in place 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.

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.

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. Further, the Company actively endorses the 'Green Initiative' as advocated by the Ministry of Corporate Affairs. Accordingly, a half yearly declaration of financial performance, including summary of the significant events, is presently not being sent to each household of shareholders individually.

4. Audit qualifications : For the financial year 2010-11, 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. To safeguard the interests of the investors, they also play a control role. In important Committees of the Board like the Audit Committee, the Remuneration Committee etc., they play an important role by contributing to the deliberations of the Committee Meetings. 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 the 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 5, 2011 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
E-mail	investorrelations@tajhotels.com

Financial Calendar

Financial reporting for:

● Quarter ending 30th June, 2011	August 2011
● Quarter ending 30th September, 2011	October 2011
● Quarter ending 31st December, 2011	January 2012
● Quarter ending 31st March, 2012	May 2012

Date of Book Closure	July 22, 2011 to August 5, 2011 (both days inclusive)
Dividend Payment Date	On or after August 6, 2011

Listing

➢ **Ordinary Shares**	Bombay Stock Exchange Ltd. National Stock Exchange of India Ltd.
➢ **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 2011-2012.

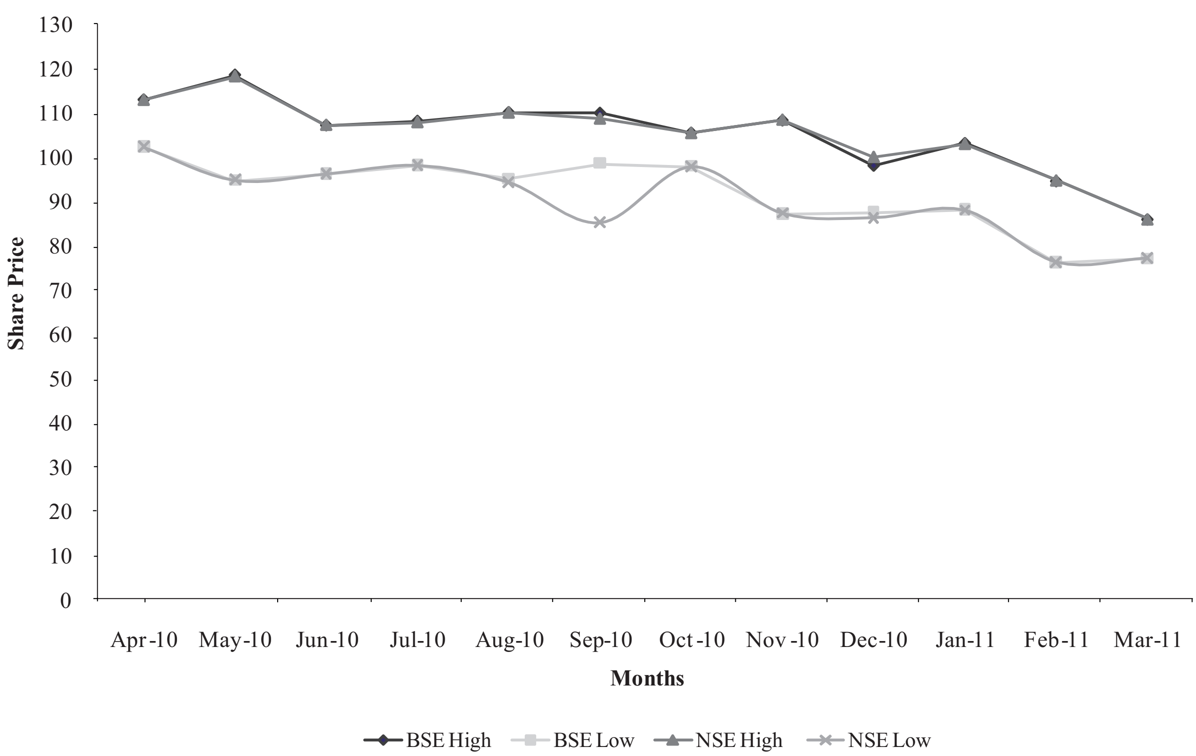
Stock Codes

STOCK EXCHANGE	STOCK CODE
Bombay Stock Exchange Ltd.	500850
National Stock Exchange of India Ltd.	INDHOTEL EQ
London Stock Exchange plc.	IHTD

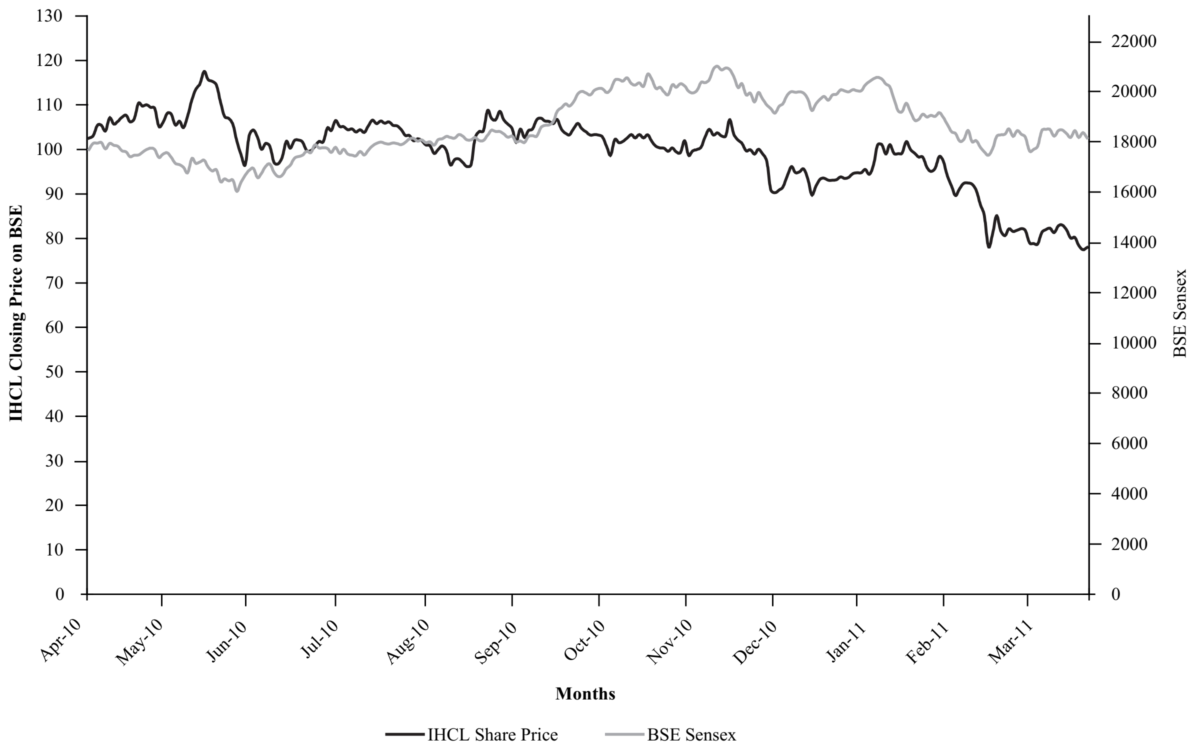
Market Price Data : High, Low during each month in last financial year

Months	BSE High	BSE Low	No. of Shares traded	NSE High	NSE Low	No. of Shares traded
Apr-10	112.80	102.25	55,35,282	112.70	102.20	2,78,60,674
May-10	118.35	94.65	63,17,830	118.00	94.65	2,85,96,401
Jun-10	107.05	96.10	40,41,138	107.10	96.10	2,45,00,425
Jul-10	108.00	98.10	25,44,593	107.70	98.05	1,67,52,394
Aug-10	109.95	95.00	79,62,608	109.85	94.20	4,38,07,720
Sep-10	109.80	98.50	65,10,019	108.50	85.00	3,33,28,203
Oct-10	105.35	97.85	82,53,871	105.25	97.75	3,35,30,974
Nov-10	108.15	87.00	63,25,067	108.25	87.15	3,06,21,740
Dec-10	98.00	87.30	24,60,592	99.90	86.15	1,67,33,383
Jan-11	103.00	88.05	47,22,797	102.80	87.85	2,62,46,215
Feb-11	94.50	76.10	38,27,238	94.60	76.05	2,78,67,288
Mar-11	85.90	77.00	25,50,161	85.85	77.00	1,76,64,260

IHCL Comparative High Low Price on BSE & NSE



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



Two-way Fungibility of Global Depository Receipts (GDRs)

Reserve Bank of India, vide its circular dated February 13, 2002, had brought into force the Operative Guidelines for the two–way fungibility under the "Issue of Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipt Mechanism) Scheme 1993". Consequent thereto, the Company has executed documents with Citibank N.A., New York, Depository for GDR holders, supplemental to the Depository Agreements executed by the Company at the time of issue of GDRs in 1995 and 1997, whereby the Company offers investors the facility for conversion of Ordinary Shares into GDRs, within the limits prescribed for two-way fungibility.

Registrar and Share Transfer Agent	The Company is SEBI Registered Category I -Registrar to an Issue & Share Transfer Agent.
SEBI Registration No.	Category I - INR000003746

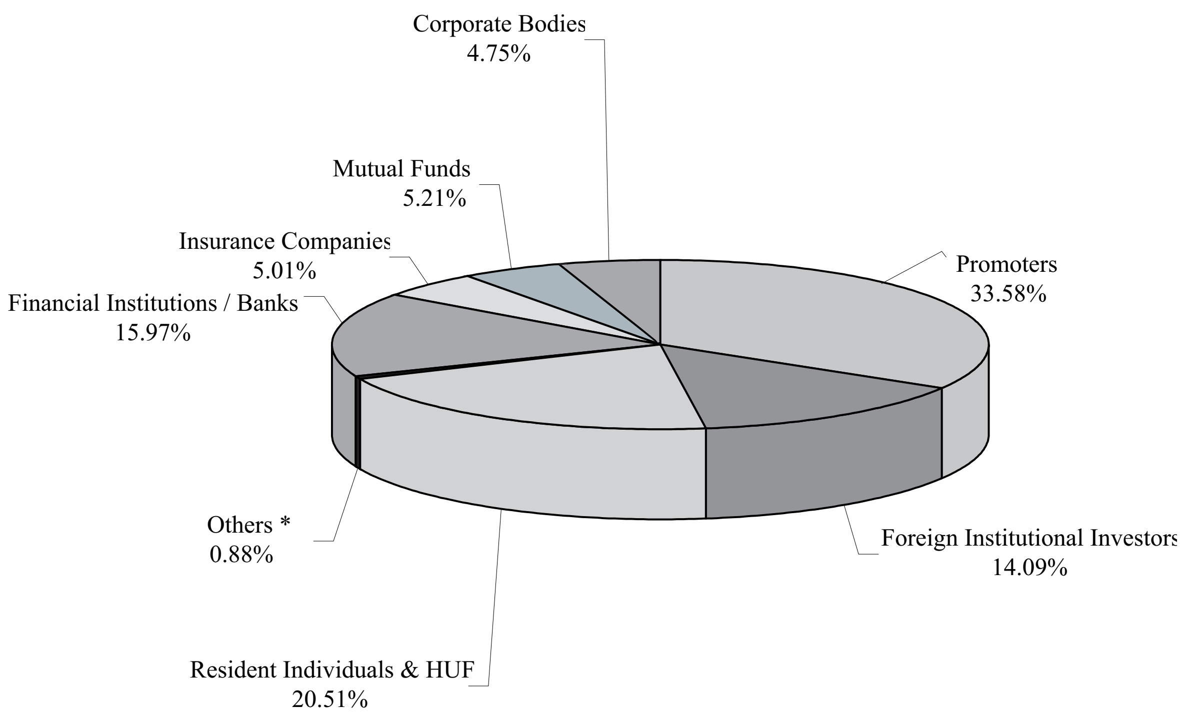
Share Transfer System

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

IHCL Distribution of Shareholding as on March 31, 2011

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	25,50,66,116	33.58
Directors & Their Relatives	4,08,375	0.05
Foreign Institutional Investors	10,70,21,271	14.09
Foreign Banks	6,104	0.00
Resident Individuals & HUF	15,57,81,761	20.51
Non-Resident Indians	50,66,560	0.67
Global Depository Receipts	2,88,080	0.04
Financial Institutions / Banks	12,12,92,400	15.97
Insurance Companies	3,80,08,291	5.01
Mutual Funds	3,95,76,121	5.21
Clearing Members	4,16,684	0.06
Corporate Bodies	3,60,71,163	4.75
Trusts	4,66,961	0.06
Central / State Governments	2,900	0.00
Total	**75,94,72,787**	**100.00**

Shareholding Pattern as on March 31, 2011



* Others includes NRI'S, GDRs, Clearing Members , Trusts, Directors & Relatives and Corporate body State Govt.

Distribution Schedule as on March 31, 2011

No. of Shares held	Total Members	Total Shares	Total % to Paid up Capital
Upto 100	75,061	38,41,391	0.51
101 to 1,000	72,722	2,81,76,517	3.71
1,001to 2,500	15,094	2,46,00,583	3.24
2,501 to 5,000	6,380	2,32,18,213	3.06
5,001 to 10,000	3,892	2,78,50,364	3.67
10,001 to 20,000	1,714	2,33,86,826	3.08
20,001 to 30,000	442	1,07,86,146	1.42
30,001 to 40,000	145	50,84,505	0.67
40,001 to 50,000	107	48,16,482	0.63
50,001 to 1,00,000	200	1,39,43,588	1.83
1,00,001 & above	248	59,37,68,172	78.18
Total	**1,76,005**	**75,94,72,787**	**100.00**

Reconciliation of Share Capital Audit

In keeping with the requirements of the SEBI and the Stock Exchanges, a secretarial audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with NSDL and 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.

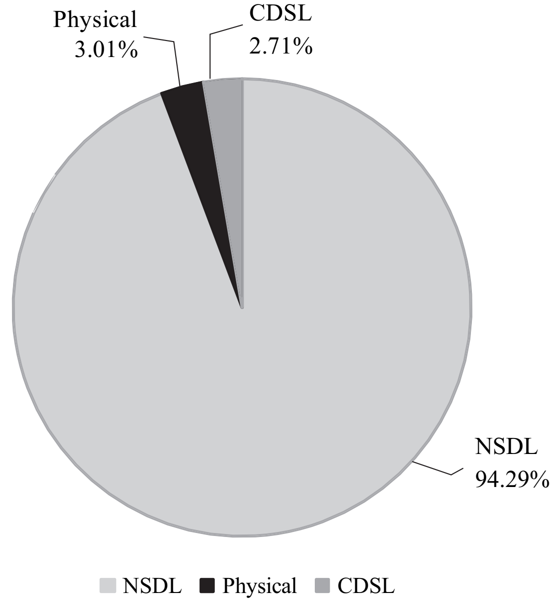
Report on Corporate Governance

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance. A certificate from the Statutory Auditors of the Company on Corporate Governance is attached as an annexure to the Report.

Dematerialisation of Shares & Liquidity

- As of the end of March 31, 2011, shares comprising approximately 97% of the Company's Equity Share Capital has been dematerialised.
- Trading in the Company's shares in a dematerialised form has been made compulsory with effect from April 5, 1999.

Status on Demateralised Shares



ISIN INE053A01029

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

2,88,080 GDRs are outstanding as on March 31, 2011, without any impact on equity.

4.80 Crore warrants issued on preferential basis to Tata Sons Ltd., the main promoter of the Company, are outstanding as on March 31, 2011. Tata Sons Limited has the option to convert the said warrants into 4.80 Crore equity share of face value of ₹ 1/- each, after April 1, 2011 upto June 22, 2012.

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.

Kindly provide your new account number allocated to you after implementation of Core Banking System by your Bank, to avoid NECS credit to your old account either being rejected or returned.

Please provide us your new Bank Account particulars by quoting your reference folio number in case shares are held by you in physical form.

In case shares are held in demateralised form, you may kindly provide the details to your depository participant, to ensure your future dividend payments are credited to your new 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, 2011.

For The Indian Hotels Company Limited

Raymond N. Bickson
Managing Director

HOTEL LOCATIONS :

The various hotels/units of the Taj Group are tabled as under:

TAJ LUXURY HOTELS	VIVANTA BY TAJ HOTELS	GATEWAY HOTELS	GINGER HOTELS
India	**India**	**India**	**India**
The Taj Mahal Palace, Mumbai	Vivanta by Taj - Connemara, Chennai	TGH - Residency Road, Bangalore	Bangalore
Taj Lands End, Mumbai	Taj Exotica, Goa	TGH - Beach Road, Calicut	Haridwar
The Taj Mahal Hotel, New Delhi	Vivanta by Taj - Fort Aguada , Goa	Hotel Chandela, Khajuraho	Bhubaneshwar
Taj Palace Hotel, New Delhi	Vivanta by Taj - Holiday Village, Goa	Hotel Savoy, Ooty	Mysore
Taj Bengal, Kolkata	Usha Kiran Palace, Gwalior	TGH - Rawalkot, Jaisalmer	Trivandrum
The Taj West End, Bangalore	Vivanta by Taj - Hari Mahal, Jodhpur	Kuteeram, Bangalore	Pune - Pimpri
Taj Lake Palace Hotel, Udaipur	Jai Mahal Palace, Jaipur	TGH - Gir Forest, Sasan Gir	Nashik
Taj Wellington Mews, Mumbai	Vivanta by Taj - Whitefield ITPL, Bangalore	TGH - Beach Road, Vishakapatnam	Agartala
Taj Falaknuma Palace, Hyderabad	Taj Residency, Aurangabad	TGH - Pasumalai Hills, Madurai	Puducherry
Taj Coromandel, Chennai	Vivanta by Taj - President, Mumbai	TGH - Church Road, Coonoor	Vadodara
Taj Krishna, Hyderabad	Vivanta by Taj - M G Road, Bangalore	TGH - Port Road, Mangalore	Pant Nagar
Rambagh Palace, Jaipur	Vivanta by Taj - Ambassador , New Delhi	TGH - Fatehabad Road, Agra	Rail Yatri Niwas,Delhi
Umaid Bhawan Palace, Jodhpur	Taj Banjara, Hyderabad	TGH - Ambad, Nasik	Goa
Mahua Kothi, Bandhavgarh	Taj Deccan, Hyderabad	TGH - Ganges Varanasi	Ludhiana
Baghvan, Pench	Taj Chandigarh, Chandigarh	TGH - Ernakulam	Ahmedabad
Pasangarh, Panna	Vivanta by Taj - Gomti Nagar, Lucknow	TGH - Varkala, Janaradhanapuram	Mangalore
Banjar Tola, Kanha	Vivanta by Taj - Blue Diamond, Pune	TGH - K M Road, Chikmagalur	Guwahati
	Vivanta by Taj - Fisherman's Cove, Chennai	TGH - Athwa Lines, Surat	Jamshedpur
Overseas	Vivanta by Taj - Malabar, Cochin	TGH - M. G. Road, Vijaywada	Pune – Wakad
The Pierre, New York	Vivanta by Taj - Kumarakom, Kerala	TGH - Ummed Ahmedabad	Surat
Taj Boston, Boston	Vivanta by Taj - Kovalam, Kerala	TGH - Akota Gardens, Vadodara	Manesar
Campton Place, San Francisco	Vivanta by Taj - Sawai Madhopur, Ranthambore	SMS, Jaipur	Chennai – IIT
Taj Exotica Resort & Spa, Maldives	Ramgarh Lodge, Jaipur	TGH – Jodhpur	Delhi – Vivek Vihar
Taj Palace Hotel Dubai	Vivanta by Taj - Trivandrum , Kerala	Nadesar Palace	Indore
Crown Plaza / St. James Court, London	Taj Club House, Chennai		
51 Buckingham Gate, London	Vivanta by Taj - Panaji, Goa	**Overseas**	**AIR CATERING**
Taj Cape Town, South Africa		Airport Garden Hotel, Colombo	Mumbai
Blue, Sydney, Australia	**Overseas**		New Delhi
	Taj Samudra, Colombo		Kolkata
	Vivanta by Taj - Exotica, Bentota		Chennai
	Vivanta by Taj - Coral Reef, Maldives		Goa
	Rebak Island Resort, Langkawi, Malaysia		Amritsar
	Taj Tashi, Thimphu, Bhutan		Bangalore
	Taj Pamodzi, Lusaka		Cochin

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
THE INDIAN HOTELS COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by THE INDIAN HOTELS COMPANY LIMITED ("the Company") for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreements of the Company with the stock exchanges.

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

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

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

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

Nalin M. Shah
Partner
(Membership No.15860)

For **N. M. RAIJI & CO.**
Chartered Accountants
(Registration No. 108296W)

Vinay D. Balse
Partner
(Membership No.39434)

Mumbai, June 22, 2011

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES 2010-2011

Your Company is intrinsically linked to the society and environment in which it operates. It upholds the Tata way of business with trust, transparency and commitment to human values. It continuously reviews and updates its approach and processes towards corporate responsibility and makes a conscious endeavour to align and integrate its efforts to address contemporary societal needs and challenges.

A majority of your Company's community projects are focused around its key strengths in food production, kitchen management, housekeeping, customer service, wellness and spas. By adapting some of the core strengths in hoteliering, your Company works alongside the state systems towards evolving realistic and sustainable solutions for national challenges like malnutrition, unemployment & gaps in vocational training and education. Your Company's association with the rich heritage of India enables it to provide a platform to showcase indigenous art and culture to the world, while encouraging the craftsmen who create it.

Taj Approach for Corporate Sustainability & Responsibility:

Your Company's CSR approach is evolved based on Tata Corporate Sustainability Charter and our core business strengths. We work towards:

(i) Facilitating creation of sustainable livelihoods:

a. By actively bridging the 'divide' between organized job market and rural/less-educated/less-exposed youth seeking long-term livelihood options

b. By facilitating marginalized sections like the differently abled, candidates from Scheduled Castes and Scheduled Tribes to gain access to training and employment in hospitality industry

(ii) Sharing our business core competencies vis-à-vis:

a. Engaging with causes which have national/regional relevance and urgency by evolving knowledge partnerships

b. Addressing the challenge of malnutrition through Public Private Partnership

c. By actively promoting indigenous product development, artisans and craftsmen, supporting & mainstreaming income generation projects of Voluntary Networks & NGOs

In line with the growing focus on Corporate Sustainability and Triple Bottom Line approach in the contemporary business environment, Taj, as a brand of international repute, regularly publishes a comprehensive GRI (Communication on Progress to UN Global Compact) report declaring the company vision, approach and performance on internationally accepted economic, social and environmental parameters. Our 7th such report was published on the public platform in September 2010. We also undertake voluntary disclosures towards the Carbon Disclosure Project (CDP).

Update on Community Development Initiatives

Your Company has continued to play its role as a responsible corporate citizen, adding value to the society and the environment in which we operate.

Our key projects include skill-development tie-ups with National/regional NGOs, Government ITIs, and other local NGOs/ charity homes in semi-urban and rural areas as well as projects aimed at promoting skill development opportunities for differently abled youth.

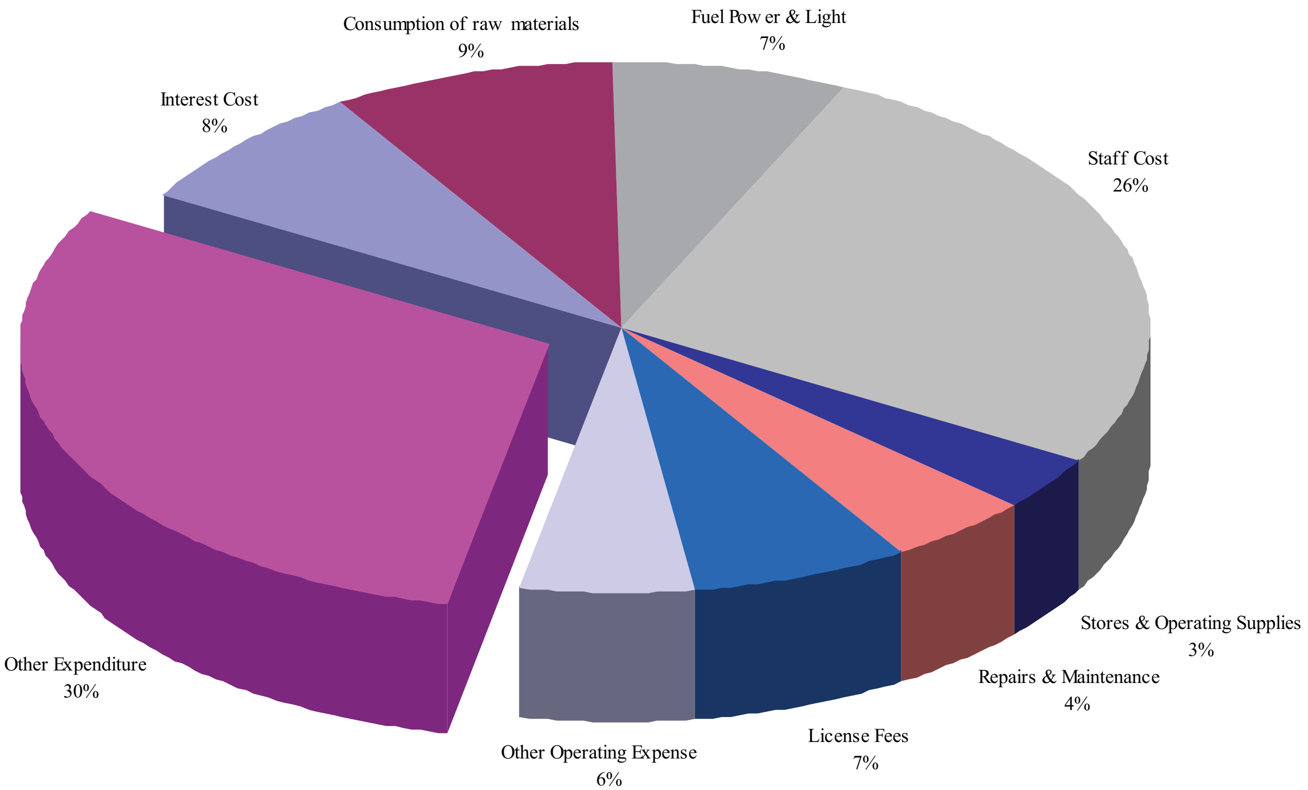
We work in rural Maharashtra, interior MP, small towns in Rajasthan, villages near Chennai and other areas near our hotels through initiatives aimed at:

- Facilitating education, nutritional trainings & awareness for enhancing quality of life.
- Promotion of alternative livelihoods and skill trainings for marginalized communities, facilitate local enterprise development like promotion and purchase from community kitchen gardens, encourage sensitive purchases like table mats, bed runners, jute bags, laundry bags, candles, pickles, mops, dusters, daily consumables/semi processed raw material, papads, pickles etc., for hotel use.
- Encouraging local recruitments in interior/tribal regions.
- Work in partnership with Paramparik Karigars (an NGO) to promote dying arts and crafts across different parts in the country through Taj brand avenues for showcasing and selling their artifacts.

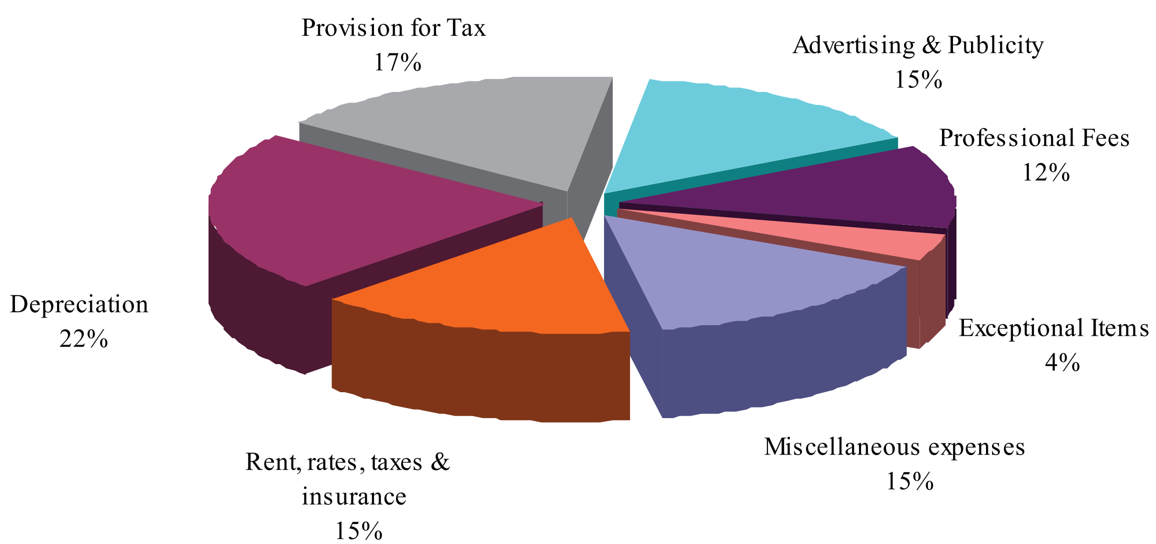
  Your Company was involved in 45 active projects in key thematic areas, with over five thousand volunteers. This has helped over two thousand less-privileged candidates to be trained in hospitality skills, including a number of differently abled candidates.

  Moreover, as part of its Building Livelihoods initiative, the Company purchased products worth over ₹12 crores from NGOs/Women Self Help Groups/small-scale local entrepreneurs. Your Company also strongly supports artisans, karigars, culture troupe members and helps them through its units at different geographic locations.

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, 2011, the Profit and Loss Account 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 report, we invite attention to Notes 26, 27 and 28 of Schedule 14 regarding the Company's investments in and exposure to certain companies, where there is significant diminution in the value of the investments. The total amount of such investments and exposure is ₹ 1,283.08 crores.

4. As required by the Companies (Auditor's Report) Order, 2003 (CARO) 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 Profit and Loss Account 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 Profit and Loss Account 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, 2011;

      (ii) in the case of the Profit and Loss Account, 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, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 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)

Nalin M. Shah
Partner
(Membership No.15860)

For N. M. RAIJI & CO.
Chartered Accountants
(Registration No. 108296W)

Vinay D. Balse
Partner
(Membership No. 39434)

Mumbai, May 24, 2011

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) 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. In respect of the assets acquired by the Taj Mahal Palace, Mumbai as part of the restoration programme pursuant to the terrorist attack in November 2008, the fixed asset records will be updated only after the insurance claim for reinstatement has been settled, upon which only the final cost of each of these assets will be ascertainable.

(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. 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, Customs 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, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Income Tax and Service Tax which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (₹ 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	0.11	2000-2001 / 2002-2003	Additional Commissioner of Sales Tax (Appeals)
		0.03	1996-98	Appellate & Revision Board
		0.25	1995-1996	Appellate Board
		0.03	2007-08	Commissioner of Sales Tax
		0.54	2005-07	Deputy Commissioner of Commercial Taxes
		0.06	2003-05	Joint Commissioner of Trade Tax
		4.90	1999-05	Joint Commissioner of Sales Tax
		0.25	1997-98	Maharashtra Sales Tax Tribunal
		0.10	1992-95	Tribunal
Income Tax Act, 1961	Income Tax	0.31	2006-09	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	0.58	2002-04	Central Excise Service Tax Appellate Tribunal
		0.32	2004-05	Appellate Tribunal
		5.86	2006-10	Commissioner of Service Tax
		0.43	2005-10	Additional Commissioner of Service Tax (Appeals)
		0.05	2002-05	Assistant Commissioner of Service Tax (Appeals)
		0.01	2005-07	Assistant Commissioner Service tax
		1.15	2001-05 / 2006-07	Commissioner of Service Tax
		0.04	2002-05	Deputy Commissioner of Central Excise
		0.33	2003-06	Joint Commissioner of Service Tax (Appeals)
	Total	**15.35**		

(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, funds raised on short-term basis have not been used during the year for long-term investment.

(xv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies/firms covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xvi) 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 during the previous year.

(xvii) 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)

Nalin M. Shah
Partner
(Membership No.15860)

For N. M. RAIJI & CO.
Chartered Accountants
(Registration No. 108296W)

Vinay D. Balse
Partner
(Membership No. 39434)

MUMBAI, 24th May, 2011

Balance Sheet as at March 31, 2011

	Schedule	₹ crores	₹ crores	March 31, 2010 ₹ crores
SOURCES OF FUNDS				
Shareholders' Funds:				
Share Capital	1	**75.95**		72.35
Warrants (Refer Note 3, Page 85)		**124.37**		-
Reserves and Surplus	2	**3,028.59**		2,616.87
Total			**3,228.91**	2,689.22
Loan Funds:				
Secured Loans	3	**1,464.01**		1,752.77
Unsecured Loans	4	**874.66**		897.78
Total			**2,338.67**	2,650.55
Long Term Trade Deposits			**12.76**	21.69
Foreign Currency Monetary Item Translation Difference Account (Refer Note 18, Page 91)			**-**	4.10
Deferred Tax Liability (Refer Note 5 (b), Page 86)			**27.78**	-
			5,608.12	5,365.56
APPLICATION OF FUNDS				
Fixed Assets	5			
Gross Block		**2,605.18**		2,408.32
Less : Depreciation / Amortisation		**879.44**		847.06
Net Block		**1,725.74**		1,561.26
Capital work-in-progress		**337.15**		370.12
Total			**2,062.89**	1,931.38
Investments	6		**3,026.78**	2,445.63
Long Term Deposits	7		**1,094.92**	1,012.81
Deferred Tax Asset (Refer Note 5 (b), Page 86)			**-**	30.79
Current Assets, Loans and Advances	8			
Inventories		**31.83**		31.25
Sundry Debtors		**103.96**		121.62
Cash & Bank Balances		**95.31**		447.12
Loans & Advances		**304.26**		438.12
			535.36	1,038.11
Less: Current Liabilities and Provisions	9			
Liabilities		**403.59**		392.89
Provisions		**708.49**		700.74
			1,112.08	1,093.63
Net Current Liabilities			**(576.72)**	(55.52)
Miscellaneous Expenditure (to the extent not adjusted or written off)	10		**0.25**	0.47
			5,608.12	5,365.56
The accompanying schedules form an integral part of the Balance Sheet	13 / 14			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Nalin M. Shah
Partner

For N. M. RAIJI & CO.
Chartered Accountants

Vinay D. Balse
Partner

Mumbai, May 24, 2011

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

K. B. DADISETH
DEEPAK PAREKH
JAGDISH CAPOOR
A. R. AGA

Directors

Profit and Loss Account for the year ended March 31, 2011

	Schedule	₹ crores	₹ crores	Previous Year ₹ crores
INCOME				
Rooms, Restaurants, Banquets and Other Income	11		**1,724.92**	1,520.36
EXPENDITURE				
Operating and General Expenses	12	**1,264.40**		1,101.44
Depreciation / Amortisation		**108.46**		104.14
Interest (net) (Refer Note 15, Page 90)		**122.85**		152.90
Total		**1,495.71**		1,358.48
Less : Expenditure during construction period transferred to Fixed Assets		**10.88**		8.46
			1,484.83	1,350.02
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS			**240.09**	170.34
EXCEPTIONAL ITEMS (Refer Note 10, Page 88)			**(17.14)**	47.91
PROFIT BEFORE TAX			**222.95**	218.25
Less : Provision for Tax (Refer Note 5 (a), Page 86)			**109.00**	62.46
Add : Minimum Alternate Tax Credit			**32.63**	-
Less : Short Provision of Tax of earlier years (Net)			**5.33**	2.69
PROFIT AFTER TAX			**141.25**	153.10
Add : Balance brought forward from previous year			**454.58**	539.25
Amount available for Appropriation			**595.83**	692.35
Appropriation:				
Proposed Dividend			**75.95**	72.35
Tax on Proposed Dividend			**12.32**	11.11
Transfer to Debenture Redemption Reserve			**113.30**	139.00
Transfer to General Reserve			**14.13**	15.31
Balance carried forward			**380.13**	454.58
			595.83	692.35
Earnings Per Share - (In ₹) (Refer Note 38, Page 106)				
Basic and Diluted			**1.93**	2.12
Face Value per Ordinary share - (In ₹)			**1.00**	1.00
The accompanying schedules form an integral part of the Profit & Loss A/c	13 / 14			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Nalin M. Shah
Partner

For N. M. RAIJI & CO.
Chartered Accountants

Vinay D. Balse
Partner

Mumbai, May 24, 2011

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

K. B. DADISETH
DEEPAK PAREKH
JAGDISH CAPOOR
A. R. AGA
} Directors

Cash Flow Statement for the year ended March 31, 2011

	₹ crores	₹ crores	₹ crores	Previous Year ₹ crores
Cash Flow From Operating Activities				
Net Profit Before Tax		**222.95**		218.25
Adjustments For :				
Depreciation / Amortisation	**108.46**		104.14	
Provision for Doubtful Debts and Advances	**1.64**		4.79	
Profit on sale of investments	**(0.05)**		(39.16)	
(Profit) / Loss on sale of assets	**0.15**		(7.13)	
Expenditure on discontinued project written off	**5.20**		-	
Profit on sale of Hotel unit	**(4.29)**		-	
Dividend Income	**(29.89)**		(36.83)	
Interest (Net)	**122.85**		152.90	
Unrealised Exchange (Gain) / Loss	**(11.43)**		0.98	
Provision for Diminution in value of Investments	**16.23**		0.02	
Provision for Contingent Claims	**5.32**		0.64	
Provision for Loyalty Programmes (net of Redemptions)	**(0.19)**		2.20	
Provision for Employee Benefits	**(1.11)**		1.65	
		212.89		184.20
Cash Operating Profit before working capital changes		**435.84**		402.45
Adjustments For :				
Trade and Other Receivables	**20.73**		8.02	
Inventories	**(0.58)**		7.66	
Trade Payables	**10.38**		69.72	
		30.53		85.40
Cash Generated from Operating Activities		**466.37**		487.85
Direct Taxes Paid		**0.86**		(37.23)
Net Cash From Operating Activities		**467.23**		450.62
Cash Flow From Investing Activities				
Purchase of Fixed Assets	**(307.46)**		(272.28)	
Sale of Fixed Assets	**77.56**		49.01	
Purchase of Investments	**(3,623.46)**		(7,676.88)	
Sale of Investments	**3,026.13**		7,697.26	
Interest Received	**42.73**		22.57	
Dividend Received	**29.89**		36.83	
Long Term Deposits placed with Subsidiaries	**(86.86)**		(540.60)	
Long Term Deposits placed with others	**(23.63)**		-	
Long Term Deposits refunded by other Companies	**17.97**		3.24	
(Loan to) / Loans repaid by Subsidiaries	**(4.10)**		1.77	
Short Term Loans repaid by other Companies (net)	**102.28**		29.18	
Net Cash Used In Investing Activities		**(748.95)**		(649.90)
Cash Flow From Financing Activities				
Warrants	**124.37**		-	
Proceeds from Issue of Ordinary Shares	**373.10**		1.02	
Debenture Issue Costs	**(0.52)**		(3.87)	
Interest Paid	**(169.59)**		(171.37)	
Repayment of Long Term Loans and Debentures	**(303.31)**		(115.81)	
Proceeds from Long Term Loans and Debentures	**-**		1,030.31	
Short Term Loans Repaid (net)	**(1.24)**		(14.85)	
Long Term Trade Deposits Repaid (net)	**(8.93)**		(1.84)	
Dividend Paid (Including tax on dividend)	**(83.97)**		(100.63)	
Net Cash Used In Financing Activities		**(70.09)**		622.96
Net Increase / (Decrease) In Cash and Cash Equivalents		**(351.81)**		423.68
Cash and Cash Equivalents - Opening - 1st April *		**447.12**		23.44
Cash and Cash Equivalents - Closing - 31st March *		**95.31**		447.12

* Includes fixed / restricted deposits and balances with scheduled banks ₹ 4.24 crores ; (Previous Year ₹ 5.20 crores)

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Nalin M. Shah
Partner

For N. M. RAIJI & CO.
Chartered Accountants

Vinay D. Balse
Partner

Mumbai, May 24, 2011

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

K. B. DADISETH
DEEPAK PAREKH
JAGDISH CAPOOR
A. R. AGA
} Directors

Schedules forming part of the Balance Sheet

Schedule 1 : Share Capital

	₹ crores	March 31, 2010 ₹ 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 - 72,34,89,291) Ordinary Shares of ₹ 1/- each (See Notes below and Refer Note 3, Page 85)	**75.95**	72.35
	75.95	72.35
SUBSCRIBED AND PAID UP		
75,94,72,787 (Previous Year - 72,34,72,787) Ordinary Shares of ₹ 1/- each, Fully Paid (See Notes below and Refer Note 3, Page 85)	**75.95**	72.35
	75.95	72.35

Notes :

Of the total paid up capital :

(i) 4,90,04,000 Ordinary Shares, of the face value of ₹ 1/- each, were issued as fully paid Bonus Shares by capitalisation of Reserves.

(ii) 24,88,77,170 Ordinary Shares, of the face value of ₹ 1/- each, were issued as fully paid Bonus Shares by capitalisation of Securities Premium Account.

(iii) 13,54,84,873 Ordinary Shares, of the face value of ₹ 1/- each, were issued as fully paid shares, pursuant to exercise of option for conversion by holders of Foreign Currency Convertible Bonds.

(iv) 1,62,19,670 Ordinary Shares, of the face value of ₹ 1/- each, were allotted as fully paid shares, pursuant to amalgamation of Gateway Hotels & Gateway Resorts Limited and Indian Resort Hotels Limited with the Company.

(v) 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.

Schedules forming part of the Balance Sheet

Schedule 2 : Reserves and Surplus

	₹ crores	₹ crores	March 31, 2010 ₹ crores
Capital Reserve			
Balance as per Last Account		**43.91**	43.91
Capital Redemption Reserve			
Balance as per Last Account		**1.12**	1.12
Securities Premium Account			
Balance as per Last Account	**1,299.65**		1,675.28
Add : On allotment of shares on preferential basis (Refer Note 3, Page 85)	**369.50**		-
Add : On allotment of shares issued pursuant to exercise of detachable warrants attached to Rights Issue	**-**		1.01
Less : Share / Debenture Issue Expenses written off	**0.35**		2.55
Less : Provision for premium on Redemption of Non Convertible Debentures	**-**		374.09
Total		**1,668.80**	1,299.65
General Reserve			
Balance as per Last Account	**455.94**		430.81
Add : Transferred from Profit and Loss Account	**14.13**		15.31
Add : Transferred from Foreign Exchange Earnings Utilised Reserve	**-**		9.82
Total		**470.07**	455.94
Investment Reserve			
Balance as per Last Account		**5.00**	5.00
Investment Allowance Utilised Reserve			
Balance as per Last Account		**4.03**	4.03
Export Profits Reserve			
Balance as per Last Account		**0.41**	0.41
Debenture Redemption Reserve			
Balance as per Last Account	**327.67**		188.67
Add : Transferred from Profit and Loss Account	**113.30**		139.00
Total		**440.97**	327.67
Foreign Exchange Earnings Reserve			
Balance as per Last Account	**-**		7.51
Less : Transferred to Foreign Exchange Earnings Utilised Reserve	**-**		7.51
Total		**-**	-
Foreign Exchange Earnings Utilised Reserve			
Balance as per Last Account	**-**		2.31
Add : Transferred from Foreign Exchange Earnings Reserve	**-**		7.51
Less : Transferred to General Reserve	**-**		9.82
Total		**-**	-
Foreign Currency Translation Reserve (Refer Note 1 (f), Page 83)			
Balance as per Last Account	**24.56**		76.99
Less : Foreign Exchange fluctuation for the year	**10.41**		52.43
Total		**14.15**	24.56
Profit and Loss Account			
Balance carried forward		**380.13**	454.58
		3,028.59	2,616.87

Schedules forming part of the Balance Sheet

Schedule 3 : Secured Loans

			March 31, 2010
	₹ crores	₹ crores	₹ crores
DEBENTURES			
i. 2,500 9.50% Secured Non-Convertible Debentures of ₹10 lakhs each, allotted on February 27, 2007 and repayable at the end of the 5th year from the date of allotment		**250.00**	250.00
ii. 3,000 9.86% Secured Non-Convertible Debentures of ₹10 lakhs each, allotted on September 3, 2007 and redeemed during the year		**-**	300.00
iii. 6,02,76,898 6% Secured Non-Convertible Debentures of ₹ 100 each, allotted on May 13, 2008 and repayable at the end of the 3rd year from the date of allotment (Refer Note 3, Page 85)		**602.77**	602.77
iv. 3,000 11.80% Secured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on December 18, 2008 and repayable in 3 annual instalments commencing from the end of the 3rd year		**300.00**	300.00
v. 3,000 2% Secured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on March 22, 2010 and repayable in 3 annual instalments commencing from the end of the 5th year along with redemption premium of ₹ 6.13 lakhs per debenture	**300.00**		300.00
Less : Exchange gain on currency swap of the above Debentures (Refer Note 4, Page 85)	**2.52**		-
		297.48	300.00
Security :			
All the above Debentures are secured by a *pari passu* first charge created on all the fixed assets of the Company, both present and future.			
FROM BANK			
Bank Overdraft		**13.76**	-
(Secured by hypothecation of Operating Supplies, Stores, Food & Beverages and Receivables)			
TOTAL		**1,464.01**	1,752.77

Schedules forming part of the Balance Sheet

Schedule 4 : Unsecured Loans

			March 31, 2010
		₹ crores	₹ crores
DEBENTURES			
2,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on 9th December, 2009 and repayable at the end of the 10th year along with redemption premium of ₹ 12.43 lakhs per debenture	**250.00**		250.00
Less : Exchange gain on currency swap of the above Debentures (Refer Note 4, Page 85)	**11.52**		6.71
		238.48	243.29
1,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each, allotted on 9th December, 2009 and repayable at the end of the 5th year along with redemption premium of ₹ 4.37 lakhs per debenture		**150.00**	150.00
FIXED DEPOSITS			
From Shareholders: (Refer Note below)		**93.39**	94.27
[Repayable within one year - ₹ 31.46 crores (Previous Year - ₹ 0.76 crore)]			
From Others :		**260.79**	263.22
[Repayable within one year - ₹ 34.36 crores (Previous Year - ₹ 0.24 crore)]			
INTER - CORPORATE DEPOSITS		**-**	15.00
[Repayable within one year - Nil (Previous Year - ₹ 15.00 crores)]			
FOREIGN CURRENCY TERM LOAN FROM BANKS		**132.00**	132.00
[Repayable within one year - Nil (Previous Year - Nil)]			
TOTAL		**874.66**	897.78

Note :

Includes Fixed deposit from a Director - ₹ 0.60 crore (Previous Year - ₹ 0.60 crore).

Schedules forming part of the Balance Sheet

Schedule 5 : Fixed Assets

₹ crores

	Gross Block (at cost) as at 01.04.2010	Additions for the Year	Deductions for the Year	Gross Block (at cost) as at 31.03.2011	Accumulated Depreciation/ Amortisation as at 01.04.2010 (See Note 2)	Depreciation/ Amortisation for the Year	Deductions for the Year	Accumulated Depreciation /Amortisation as at 31.03.2011 (See Note 2)	Net Block as at 31.03.2011
TANGIBLE ASSETS									
Freehold Land	**136.28**	**-**	**0.06**	**136.22**	**3.88**	**-**	**-**	**3.88**	**132.34**
	136.89	-	*0.61*	*136.28*	*3.88*	-	-	*3.88*	*132.40*
Leasehold Land	**11.83**	**-**	**-**	**11.83**	**0.64**	**0.21**	**-**	**0.85**	**10.98**
	11.83	-	-	*11.83*	*0.46*	*0.18*	-	*0.64*	*11.19*
Buildings	**1,001.50**	**152.44**	**55.17**	**1,098.77**	**145.41**	**26.98**	**9.24**	**163.15**	**935.62**
(See Note 1 below)	*977.69*	*27.01*	*3.20*	*1,001.50*	*121.68*	*24.20*	*0.47*	*145.41*	*856.09*
Plant and Machinery	**879.58**	**124.26**	**61.72**	**942.12**	**448.98**	**52.42**	**40.14**	**461.26**	**480.86**
	862.05	*48.56*	*31.03*	*879.58*	*423.34*	*52.36*	*26.72*	*448.98*	*430.60*
Furniture, Fixtures and	**334.54**	**65.62**	**36.43**	**363.73**	**225.06**	**23.22**	**25.65**	**222.63**	**141.10**
Office Equipment	*331.90*	*11.18*	*8.54*	*334.54*	*207.65*	*23.78*	*6.37*	*225.06*	*109.48*
Vehicles	**16.85**	**0.90**	**1.25**	**16.50**	**7.09**	**1.12**	**1.04**	**7.17**	**9.33**
	16.13	*1.17*	*0.45*	*16.85*	*6.25*	*1.19*	*0.35*	*7.09*	*9.76*
INTANGIBLE ASSETS									
Wesbite Development	**4.61**	**3.80**	**-**	**8.41**	**4.56**	**0.46**	**-**	**5.02**	**3.39**
Cost	*4.61*	-	-	*4.61*	*4.56*	-	-	*4.56*	*0.05*
Customer Reservation System and licensed	**13.80**	**4.54**	**0.07**	**18.27**	**5.08**	**3.46**	**0.01**	**8.53**	**9.74**
software	*11.80*	*2.00*	-	*13.80*	*3.54*	*1.54*	-	*5.08*	*8.72*
Service and Operating	**9.33**	**-**	**-**	**9.33**	**6.36**	**0.59**	**-**	**6.95**	**2.38**
Rights	*9.33*	-	-	*9.33*	*5.47*	*0.89*	-	*6.36*	*2.97*
TOTAL	**2,408.32**	**351.56**	**154.70**	**2,605.18**	**847.06**	**108.46**	**76.08**	**879.44**	**1,725.74**
	2,362.23	*89.92*	*43.83*	*2,408.32*	*776.83*	*104.14*	*33.91*	*847.06*	*1,561.26*

Notes :

(1) Gross Block includes improvements to buildings constructed on leasehold land - ₹ 527.68 crores (Previous Year - ₹ 431.78 crores).

(2) Accumulated Depreciation includes adjustment for impairment made in earlier years of ₹ 6.61 crores (Previous Year - ₹ 9.25 crores), including ₹ 3.88 crores (Previous Year ₹ 3.88 crores) on Freehold Land.

(3) Figures in italics are in respect of the previous year..

Schedules forming part of the Balance Sheet

Schedule 6 : Investments

Particulars	Face Value ₹ (unless otherwise stated)	Holdings As at March 31, 2011	₹ crores	₹ crores	Holdings As at March 31, 2010	March 31, 2010 ₹ crores
Long Term (Refer note 3 below)						
Trade Investments :						
Fully Paid Unquoted Equity Shares (unless otherwise stated) :						
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000/-)	50	20	**-**		20	-
Ideal Ice & Cold Storage Co. Ltd.	10	107,224	**0.06**		107,224	0.06
India Tourism Development Corporation Ltd.(Listed but not quoted)	10	67,50,275	**44.58**		67,50,275	44.58
Inditravel Pvt. Ltd.	10	2,40,003	**0.24**		2,40,003	0.24
Kumarkrupa Hotels Ltd.	10	96,432	**0.94**		96,432	0.94
Piem Hotels Ltd.	10	8,81,228	**35.27**		8,81,228	35.27
Taida Trading & Industries Ltd.	100	26,912	**0.27**		26,912	0.27
Taj Air Ltd.	10	1,47,060	**0.15**		1,47,060	0.15
TAL Hotels & Resorts Ltd.	US$ 1	13,29,778	**13.63**		13,29,778	13.63
Taj Enterprises Ltd.	100	7,000	**0.07**		7,000	0.07
IHMS Hotels (SA) (Proprietary) Ltd. (₹ 3,052)	South African Rand 1	500	**-**		500	-
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 Madurai Ltd.	10	9,11,994	**0.95**		9,11,994	0.95
Taj Rhein Shoes Co. Ltd.	100	45,000	**0.45**		45,000	0.45
Taj Trade & Transport Co. Ltd.	10	12,54,000	**2.67**		12,54,000	2.67
Taj Safaris Ltd.	10	59,16,667	**7.92**		59,16,667	7.92
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
BJETS Pte Ltd., Singapore	US$ 1	2,00,00,000	**102.59**		2,00,00,000	102.59
Tril Infopark Ltd.	10	7,11,00,000	**71.10**		7,11,00,000	71.10
Lands End Properties Pvt. Ltd.	10	19,90,000	**1.99**		19,90,000	1.99
				332.81		332.81
Quoted Equity Shares - Fully Paid :						
Tourism Finance Corporation of India Ltd.	10	50,000	**0.10**		50,000	0.10
Benares Hotels Ltd.	10	2,93,000	**0.69**		2,93,000	0.69
TAL Lanka Hotels PLC	Sri Lankan Rs 10	3,43,75,640	**18.72**		3,43,75,640	18.72
Oriental Hotels Ltd. (Previous Year - 33,76,455 shares of ₹ 10/- each)	10	3,37,64,55	**28.73**		33,76,455	28.73
Taj GVK Hotels & Resorts Ltd.	2	1,60,00,000	**40.34**		1,60,00,000	40.34
				88.58		88.58
Carried over				**421.39**		421.39

Schedules forming part of the Balance Sheet

Schedule 6 : Investments (Contd.)

Particulars	Face Value ₹ (unless otherwise stated)	Holdings As at March 31, 2011	₹ crores	₹ crores	Holdings As at March 31, 2010	March 31, 2010 ₹ crores
Brought over			**421.39**			421.39
Investments in Subsidiary Companies						
Unquoted Equity Shares - Fully Paid :						
International Hotel Management Services Inc. (includes ₹ 1,588.93 crores by way of Additional Paid-in Capital)	US $ 1	100	**1,600.26**		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.	US $ 1	5,00,00,000	**190.23**		5,00,00,000	190.23
TIFCO Holdings Ltd.	10	8,15,00,000	**81.50**		8,15,00,000	81.50
Taj SATS Air Catering Ltd.	10	88,74,000	**61.82**		88,74,000	61.82
United Hotels Ltd.	10	25,18,320	**1.11**		25,18,320	1.11
				2,004.87		2,004.87
Non-trade Investments - Long Term						
Central India Spinning Weaving & Manufacturing Co. Ltd. (10% unquoted Cumulative Preference Shares) (₹ 27,888/-)	500	50	**-**		50	-
HDFC Bank Ltd. (quoted Equity Shares) (₹ 5,000/-)	10	500	**-**		500	-
National Savings Certificate (₹ 45,000)			**-**			-
				-		-
Total Long Term Investments - Gross				**2,426.26**		2,426.26
Less : Provision for Diminution in value of Investments				**16.95**		0.72
Total Long Term Investments - Net				**2,409.31**		2,425.54
Current Investments (Refer note 3 below)						
Investments in Mutual Fund Units (Unquoted)						
JM Money Manager Fund-Super Plan- Daily Dividend	10	**-**	-		15,039,796	15.06
Religare Credit Opportunities Fund- IP-Monthly Dividend	10	59,10,536	**6.00**		5,024,613	5.03
Taurus Short Term Income Fund	10	2,81,343	**47.00**		-	-
DWS Money Plus Fund IP-Growth	1,000	4,36,41,467	**45.01**		-	-
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**		-	-
Kotak Bond Short Term Plan-Growth	10	92,21,940	**17.00**		-	-
Birla Sun Life Short Term Opportunities Fund-IP-Growth	10	12,18,46,737	**136.10**		-	-
ICICI Prudential Blended -Plan B-Option II-Growth	10	14,92,84,936	**151.89**		-	-
JM Short Term Fund-IP- Growth	10	2,23,40,091	**31.00**		-	-
JM Money Manager Fund-Reg- Growth	10	1,87,20,509	**25.16**		-	-
Tata Floater Fund-Growth	10	1,02,27,040	**15.00**		-	-
Tata Liquid Fund- SHIP- Growth	1,000	27,624	**5.00**		-	-
Reliance Interval Fund-Quarterly Series 1-IP-Dividend	10	3,49,61,891	**35.00**		-	-
Canara Robeco- FRF- Growth	10	65,82,282	**10.00**		-	-
UTI-FIF-Series II-Qtly Interval Plan VII-IP-Growth	10	3,99,96,000	**40.01**		-	-
				617.47		20.09
TOTAL				**3,026.78**		2,445.63
Notes :						
1 Aggregate of Quoted Investments - Gross		: Cost		**88.58**		88.58
		: Market Value		**346.44**		417.55
2 Aggregate of Unquoted Investments - Gross		: Cost		**2,955.15**		2,357.77

Schedules forming part of the Balance Sheet

Schedule 6 : Investments (Contd.)

Note 3 : During the year the Company acquired and sold the following investments

Particulars	**Face Value ₹**	**No of Shares / Units**	**₹ crores Purchase Cost**	**₹ crores**	No of Shares / Units	March 31, 2010 ₹ crores Purchase Cost
Long Term Investments						
ELEL Hotels & Investments Ltd.	10	-	**-**		5,36,547	213.37
Skydeck Properties & Developers Ltd.	10	-	**-**		27,59,23,110	275.92
Sheena Investments Pvt. Ltd.	10	-	**-**		10,00,000	231.62
				-		720.91
Current Investments						
Baroda Pioneer Liquid Fund-IP-Daily Dividend	10	1,79,90,691	**18.00**		1,54,91,502	15.50
Baroda Pioneer Treasury Advantage Fund-IP-Daily Dividend	10	1,80,29,954	**18.05**		1,54,95,574	15.51
Birla Sun Life Cash Manager-IP-Daily Dividend	10	6,51,23,907	**65.14**		-	-
Birla Sun Life Cash Plus- Institutional Premium Plan-Daily Dividend	10	15,27,20,878	**153.02**		34,58,97,877	346.57
Birla Sun Life Liquid Plus - IP - Daily Dividend	10	-	**-**		22,32,51,264	223.40
Birla Sun Life Quarterly Interval Fund-Series 4	10	10,00,00,000	**101.82**		-	-
Birla Sun Life Savings Fund - IP - Daily Dividend	10	70,07,002	**7.01**		12,50,73,220	125.16
Birla Sun Life Short Term Opportunities Fund-IP-Dividend	10	1,46,24,522	**15.04**		-	-
Birla Sun Life Short Term Opportunities Fund-IP-Weekly Dividend	10	3,00,87,186	**30.10**		-	-
Birla Sun Life Ultra Short Term Fund-IP Daily Dividend	10	80,26,410	**8.03**		-	-
BNP Paribas Money Plus-IP Fund- Daily Dividend	10	4,70,52,549	**47.07**		-	-
BNP Paribas Overnight Fund-Insti Plus Plan- Daily Dividend	10	12,01,28,200	**120.16**		-	-
Canara Robeco Interval Scheme-Series II-Quarterly Plan 2-IP	10	61,09,097	**6.11**		-	-
DSP Blackrock-FMP-3 Months-Series 26	10	3,00,03,204	**30.55**		-	-
DSP Blackrock-Liquidity Fund-IP- Daily Dividend	1,000	65,027	**6.50**		-	-
DWS Cash Opportunities-IP-Daily Dividend	10	1,50,06,921	**15.08**		11,31,16,365	113.39
DWS Insta Cash Plus - Super IP - Daily Dividend	10	1,49,57,805	**15.00**		19,11,73,311	191.75
DWS Money Plus Fund-IP-Daily Dividend	10	49,69,285	**5.01**		9,20,15,346	92.73
DWS Short Maturity Fund-IP-Weekly Dividend	10	-	**-**		98,73,124	10.29
DWS Ultra Short Term Fund -IP-Daily Dividend	10	1,49,80,223	**15.01**		-	-
Fidelity Cash Fund - Super IP - Daily Dividend	10	39,09,517	**4.00**		3,40,27,933	34.05
Fidelity Ultra Short Term Debt Fund-Super IP-Daily Dividend	10	3,11,14,318	**31.13**		-	-
Fidelity Ultra Short Term Fund-Super IP-Daily Dividend	10	-	**-**		2,00,52,037	20.06
Fortis Flexi Debt Fund- Weekly Dividend	10	25,00,467	**2.50**		20,00,183	1.99
ABN Amro Money Plus IP Fund-Daily Dividend	10	-	**-**		35,48,95,550	355.01
Fortis Overnight Fund - Insti Plus Plan - Daily Dividend	10	-	**-**		37,09,37,713	371.05
Fortis Short Term Income Fund-IP Fund- Daily Dividend	10	-	**-**		50,14,233	5.02
HDFC Cash Management Fund- Treasury Advantage-Daily Dividend	10	19,97,399	**2.00**		4,49,08,731	45.05
HDFC FRIF-STF-WP-Daily Dividend	10	59,56,980	**6.01**		9,25,65,825	93.31
Carried over			**722.34**			2,059.84

Schedules forming part of the Balance Sheet

Schedule 6 : Investments (Contd.)

Note 3 : During the year the Company acquired and sold the following investments (Contd.)

Particulars	Face Value ₹	No of Shares / Units	₹ crores Purchase Cost	₹ crores	No of Shares / Units	March 31, 2010 ₹ crores Purchase Cost
Brought over			**722.34**			2,059.84
HDFC Liquid Fund - Premium l Plan - Daily Dividend	10	48,94,522	**6.00**		11,25,73,596	138.01
HSBC Cash Fund - IP - Daily Dividend	10	-	**-**		3,39,82,942	34.00
HSBC Cash Fund-Institutional Plus - Daily Dividend	10	99,95,444	**10.00**		-	-
HSBC FRF - LTP-IP - Weekly Dividend	10	-	**-**		3,04,01,931	34.17
HSBC Ultra Short Term Bond Fund-IP-Daily Dividend	10	99,93,890	**10.01**		-	-
ICICI Premium- Ultra ST Premium Plan-DDR	10	5,87,12,135	**60.64**		11,97,97,112	120.05
ICICI Prudential Blended Plan Option B- IP- Daily Dividend	10	10,18,17,783	**101.89**		-	-
ICICI Prudential Flexible Income Plan - Dividend - DDR	10	1,89,482	**2.00**		9,62,78,634	253.73
ICICI Prudential FRF - Plan D - Daily Dividend	10	4,01,329	**4.01**		-	-
ICICI Prudential Interval Fund V - Monthly Interval Plan A - IP - Dividend	10	2,11,60,108	**21.16**		-	-
ICICI Prudential Liquid-Super IP-Daily Dividend	10	60,49,240	**60.51**		7,47,41,321	279.53
IDFC Cash Fund - Plan C - Daily Dividend	10	7,65,71,497	**76.59**		-	-
IDFC FMP-QS 61- Dividend	10	1,20,01,742	**12.23**		-	-
IDFC Savings Advantage Fund-Daily Dividend	1,000	5,03,645	**50.37**		-	-
IDFC Ultra Short Term Fund - Daily Dividend	10	3,31,64,436	**33.21**		-	-
ING Liquid Fund - Super IP - Daily Dividend	10	50,00,927	**5.00**		49,98,053	5.00
ING Treasury Advantage Fund - Daily Dividend	10	-	**-**		95,03,640	9.51
ING-Treasury Management Fund-Daily Dividend	10	-	**-**		43,44,492	4.50
JM High Liquidity- Super IP- Daily Dividend	10	2,24,65,642	**22.50**		22,36,49,682	224.02
JM Money Manager Fund- Super Plan - Daily Dividend *	10	7,11,34,364	**71.18**		19,93,85,112	199.49
JM Money Manager Fund-Regular-Daily Dividend	10	3,71,36,110	**37.17**		-	-
JP Morgan India Liquid Fund-Super IP-Daily Dividend	10	27,88,63,890	**279.08**		-	-
JP Morgan India Short Term Income Fund- Weekly Dividend	10	5,03,05,831	**50.43**		-	-
JP Morgan India Treasury Fund-Super IP-Daily Dividend	10	14,26,82,733	**142.81**		-	-
Kotak Flexi Debt Fund- Daily Dividend	10	84,72,164	**8.51**		23,13,27,566	232.43
Kotak Floater-LT- Daily Dividend	10	1,49,05,407	**15.02**		16,76,97,106	169.04
Kotak Floater-ST- Daily Dividend	10	4,25,67,100	**43.06**		-	-
Kotak Liquid - Inst Premium Plan - Daily Dividend	10	2,41,27,519	**29.50**		30,45,43,013	372.40
LIC MF Interval Fund-Monthly Plan-Series 1-Dividend	10	2,31,50,828	**23.15**		-	-
LIC MF-Floating Rate Fund-ST-Daily Dividend	10	2,50,59,605	**25.06**		8,57,38,142	85.74
LIC MF-Liquid Fund-Daily Dividend	10	3,46,10,053	**38.00**		21,08,56,043	231.52
LIC-MF-Savings Plus Fund-Daily Dividend	10	1,30,09,891	**13.01**		17,21,47,078	172.15
Reliance Interval Fund-Monthly Series II-Dividend	10	1,35,97,168	**13.60**		-	-
Reliance Liquid Fund-Cash Plan-Daily Dividend	10	45,01,721	**5.02**		-	-
Reliance Liquid Fund-TP-IP-Daily Dividend	15	2,06,95,195	**24.51**		39,25,182	6.00
Reliance Liquidity Fund-Daily Dividend	10	1,30,00,608	**13.01**		-	-
Carried over			**2,030.58**			4,631.13

Schedules forming part of the Balance Sheet

Schedule 6 : Investments (Contd.)

Note 3 : During the year the Company acquired and sold the following investments (Contd.)

Particulars	Face Value ₹	No of Shares / Units	₹ crores Purchase Cost	₹ crores	No of Shares / Units	March 31, 2010 ₹ crores Purchase Cost
Brought over			**2,030.58**			4,631.13
Reliance Money Manager Fund-IP-Daily Dividend	1,000	-	**-**		60,044	6.01
Religare Credit Opportunities Fund-IP-Monthly Dividend *	10	50,42,166	**5.06**		-	-
Religare Liquid Fund-IP-Daily Dividend	10	-	**-**		1,29,92,704	13.00
Religare Liquid Fund-Super IP-Daily Dividend	10	41,32,534	**17.52**		4,99,72,181	50.00
Religare Short Term Plan-IP-Daily Dividend	10	-	**-**		3,08,77,959	31.05
Religare Ultra Short Term Plan-IP-Daily Dividend	10	40,64,310	**9.04**		2,69,79,032	27.02
SBI Magnum DFS -90 days-36 Dividend	10	1,20,05,295	**12.22**		-	-
SBI Magnum DFS -90 days-37 Dividend	10	5,20,33,222	**52.97**		-	-
SBI Premier Liquid Fund-Super IP- Daily Dividend	10	6,08,36,848	**61.03**		-	-
SBI-SHDF-Ultra Short Term-IP- Daily Dividend	10	30,02,149	**3.00**		-	-
Sundaram BNP Paribas Money Fund - IP - Daily Dividend	10	1,23,83,498	**12.50**		-	-
Sundaram BNP Paribas Money Fund - Super IP - Daily Dividend	10	-	**-**		11,24,39,111	113.51
Sundaram BNP Paribas Ultra Short Term -Super IP - Daily Dividend	10	-	**-**		15,52,14,261	155.79
Sundaram Money Fund-Super IP- Daily Dividend	10	5,05,56,857	**51.04**		-	-
Sundaram Ultra Short Term-Super IP- Daily Dividend	10	2,04,41,072	**20.52**		-	-
Tata FIP Fund - Series A2 - IP - Monthly Dividend	10	1,50,01,050	**15.08**		-	-
Tata FIP Fund - Series A3 - IP - Monthly Dividend	10	1,00,01,101	**10.10**		-	-
Tata FIP Fund-Series B3 -IP- Monthly Dividend	10	5,09,02,789	**50.90**		-	-
Tata Floater Fund-Daily Dividend	10	1,45,13,891	**14.57**		18,31,13,124	183.77
Tata Liquid Fund - SHIP - Daily Dividend	1,000	13,74,542	**153.20**		12,20,523	136.03
Taurus Liquid Fund-Super IP-Daily Dividend	1,000	8,41,404	**84.14**		-	-
Taurus Ultra Short Term Bond Fund-Super IP-Daily Dividend	1,000	3,86,256	**38.69**		-	-
Templeton India TMA - Super IP - Daily Dividend	1,000	21,00,684	**210.21**		11,04,362	110.51
Templeton India Ultra Short Bond Fund - IP - Dividend	1,000	-	**-**		6,63,21,178	66.40
Templeton India Ultra Short Bond Fund - IP - Dividend	10	1,45,02,358	**14.52**		-	-
Templeton India Ultra Short Bond Fund - Super IP - Dividend	10	6,91,08,351	**69.19**		9,06,49,311	90.75
UTI- FIF-Series II-Quarterly Interval Plan VII-IP-Dividend	10	3,99,96,000	**40.66**		-	-
UTI Fixed Income Interval Fund-Monthly Plan 1-IP-Dividend	10	2,50,00,000	**25.15**		-	-
UTI Fixed Income Interval Fund-Quarterly Plan 1-IP-Dividend	10	70,00,000	**7.13**		-	-
UTI Floating Rate Fund-SPP-IP-Daily Dividend	1,000	20,156	**2.02**		-	-
UTI Liquid Plus Fund - IP - Daily Dividend	1,000	-	**-**		2,50,149	25.02
UTI Money Market - Daily Dividend	10	1,19,780	**12.02**		29,41,087	79.01
UTI-Fixed Income Interval Fund-Monthly Plan II-IP-Dividend	10	30,00,000	**3.02**		-	-
UTI-Treasury Advantage Fund - Daily Dividend	1,000	-	**-**		7,51,512	75.17
Total				**3,026.08**		5,794.17
Total				**3,026.08**		6,515.08

* Movements in these investments include opening balances brought over from previous year.

Schedules forming part of the Balance Sheet

Schedule 7 : Long Term Deposits

		March 31, 2010
	₹ crores	₹ crores
Long term deposits placed for Hotel Properties [Includes ₹ 3.50 crores placed with a subsidiary (Previous Year - ₹ 3.50 crores)]	**118.68**	136.65
Shareholders' Deposit placed :		
(i) With Subsidiary Companies (Refer Note 6, Page 86)	**922.09**	846.43
(ii) With Others	**54.15**	29.73
TOTAL	**1,094.92**	1,012.81

Schedules forming part of the Balance Sheet

Schedule 8 : Current Assets, Loans and Advances

			March 31, 2010
	₹ crores	**₹ crores**	₹ crores
Inventories			
Stores and Operating Supplies	**16.43**		14.10
Food and Beverages	**15.40**		17.15
		31.83	31.25
Sundry Debtors (Unsecured) (See Note 1 below)			
Outstanding over six months :			
Considered good	**14.58**		30.34
Considered doubtful	**9.08**		9.19
	23.66		39.53
Others :			
Considered good	**89.38**		91.28
Considered doubtful	**-**		0.07
	89.38		91.35
		113.04	130.88
Less : Provision for Doubtful Debts (Refer Note 30, Page 98)		**9.08**	9.26
		103.96	121.62
Cash and Bank Balances			
Cash on Hand [Including Cheques on Hand - ₹ 9.56 crores; (Previous Year - ₹ 7.67 crores)]		**10.88**	8.87
Balances with Scheduled Banks :			
In Current Accounts	**12.33**		45.25
In Call and Short Term Deposit Accounts	**71.54**		392.56
		83.87	437.81
Balances with Non-Scheduled Banks (Refer Note 11, Page 88) :			
In Current Accounts		**0.56**	0.44
		95.31	447.12
Loans and Advances			
(Unsecured, considered good unless stated otherwise)			
Deposits with Public Bodies and Others		**35.08**	33.49
Advances to Subsidiary Companies		**6.44**	7.74
Deposits with Companies :			
Subsidiary Companies	**4.15**		0.05
Others	**27.65**		129.93
		31.80	129.98
Other Advances (See Note 2 below) :			
Considered good	**230.94**		266.91
Considered doubtful	**2.17**		1.89
	233.11		268.80
Provision for Doubtful Advances	**2.17**		1.89
		230.94	266.91
		304.26	438.12
TOTAL		**535.36**	1,038.11

Notes :

(1) Sundry Debtors include debts due from Directors - ₹ 2,17,914 /- (Previous Year - ₹ 38,819) in the ordinary course of business. Maximum amount due during the year - ₹ 0.08 crore (Previous Year - ₹ 0.07 crore).

(2) Other Advances include :
   (i) Advance payment of Income tax, net of provisions for current tax - ₹ 69.6 crores (Previous Year - ₹ 126.45 crores).
   (ii) MAT credit Entitlement - ₹ 32.63 crores (Previous Year - Nil).
   (iii) Insurance claim receivable (net of reimbursement) - ₹ 39.86 crores (Previous Year - ₹ 34.22 crores).

Schedules forming part of the Balance Sheet

Schedule 9 : Current Liabilities & Provisions

			March 31, 2010
	₹ crores	**₹ crores**	₹ crores
CURRENT LIABILITIES			
Sundry Creditors :			
(i) Total Outstanding dues of micro and small enterprises (Refer Note 34, Page 100)	**0.52**		0.34
(ii) Total Outstanding dues of Creditors other than micro and small enterprises (Refer Note 1 below)	**240.32**		244.32
		240.84	244.66
Other Liabilities		**55.34**	47.43
Sundry Deposits		**7.56**	7.28
Advance Collections against Reservation		**46.78**	40.79
Interest accrued but not due on loans		**49.76**	49.81
Falling within the purview of Investor Education and Protection Fund but not due (Refer Note 2 below) :			
Dividend Warrants issued but not encashed	**2.59**		2.42
Unclaimed matured deposits	**0.28**		0.27
Unclaimed debenture application money ₹ **25,100** (Previous Year - ₹ 25,100)	**-**		-
Refund of excess Rights Issue application money not encashed	**0.13**		0.12
Unclaimed Interest accrued thereon	**0.31**		0.11
		3.31	2.92
TOTAL CURRENT LIABILITIES		**403.59**	392.89
PROVISIONS			
Employee Benefits		**38.29**	39.40
Contingent Claims (Refer Note 31, Page 99)		**7.08**	1.76
Fringe Benefit Tax (net)		**-**	0.40
Loyalty Programmes (Refer Note 32, Page 99)		**14.58**	14.77
Premium on Redemption of Debentures		**560.27**	560.27
Proposed Dividend		**75.95**	72.35
Tax on Dividend		**12.32**	11.79
TOTAL PROVISIONS		**708.49**	700.74
TOTAL		**1,112.08**	1,093.63

Notes:

1) The figure includes ₹ 7.01 crores (Previous year - ₹ 6.74 crores) due to subsidiary companies.

2) During the year, ₹ 0.14 crore (Previous year - ₹ 0.19 crore) has been transferred to the Investor Education and Protection Fund.

Schedule 10 : Miscellaneous Expenditure (to the extent not adjusted or written off)

		March 31, 2010
	₹ crores	₹ crores
Borrowing Costs		
Opening Balance	**0.47**	0.73
Less : Amortised during the year (Refer Note 15, Page 90)	**0.22**	0.26
Closing Balance	**0.25**	0.47

Schedules forming part of the Profit and Loss Account

Schedule 11 : Rooms, Restaurants, Banquets and Other Income

	₹ crores	₹ crores	Previous Year ₹ crores
INCOME			
Rooms, Restaurants, Banquets and Other Services [Includes Sale of Food and Beverages - ₹ 580.13 crores (Previous Year - ₹ 488.98 crores)]	**1,673.50**		1,408.94
Other Operating Income (Refer Note 2, Page 85)	**-**		64.35
		1,673.50	1,473.29
OTHER INCOME			
Dividend Income (Refer Note 9 (c) & (d), Page 87)	**29.89**		36.83
Profit on sale of assets (Net)	**-**		0.30
Profit on sale of Current Investments	**0.05**		-
Exchange Gain (Net) (Refer Note 9 (e), Page 87)	**11.68**		3.33
Miscellaneous Income	**9.80**		6.61
		51.42	47.07
TOTAL		**1,724.92**	1,520.36

Schedules forming part of the Profit and Loss Account

Schedule 12 : Operating and General Expenses (Refer Note 9, Page 87)

	₹ crores	₹ crores	Previous Year ₹ crores
OPERATING EXPENSES			
Payments to & Provisions for Employees			
Salaries, Wages, Bonus etc.	**288.78**		269.91
Company's Contribution to Provident & Other Funds (Refer Note 19, Page 91)	**37.50**		12.88
Reimbursement of Expenses on Personnel Deputed to the Company	**9.36**		8.32
Payment to Contractors	**21.37**		17.99
Staff Welfare Expenses	**59.47**		50.46
		416.48	359.56
Food & Beverages Consumed (Refer Note 21, Page 97)			
Opening Stock	**17.15**		20.95
Add: Purchases	**134.43**		108.78
	151.58		129.73
Less: Closing Stock	**15.40**		17.15
		136.18	112.58
Carried Over		**552.66**	472.14

Schedules forming part of the Profit and Loss Account

Schedule 12 : Operating and General Expenses (Contd..)

	₹ crores	₹ crores	Previous Year ₹ crores
Brought Over		**552.66**	472.14
Other Operating Expenses			
Linen & Room Supplies	**27.13**		20.54
Catering Supplies	**16.40**		13.53
Other Supplies	**2.43**		1.95
Fuel, Power & Light	**115.26**		100.67
Repairs to Buildings	**24.01**		18.04
Repairs to Machinery	**27.40**		22.39
Repairs to Others	**17.46**		12.75
Linen & Uniform Washing and Laundry Expenses	**7.76**		6.55
Payment to Orchestra Staff, Artists and Others	**18.46**		15.11
Guest Transportation	**12.07**		8.74
Travel Agents' Commission	**13.24**		12.12
Discount to Collecting Agents	**17.11**		14.91
Other Operating Expenses	**26.47**		21.23
		325.20	268.53
GENERAL EXPENSES			
Rent	**37.68**		32.98
Licence Fees	**105.51**		90.39
Rates & Taxes	**26.02**		22.63
Insurance	**9.27**		7.46
Advertising & Publicity	**69.25**		63.55
Printing & Stationery	**7.26**		6.80
Passage & Travelling	**12.88**		10.50
Provision for Doubtful Debts (Refer Note 30, Page 98)	**1.17**		3.88
Professional Fees	**56.10**		51.50
Loss on Sale of Fixed Assets (Net)	**0.15**		-
Other Expenses (Refer Note 14, Page 89)	**57.27**		67.29
Auditors' Remuneration (Refer Note 16, Page 90)	**2.15**		1.92
		384.71	358.90
Directors' Fees and Commission		**1.83**	1.87
TOTAL		**1,264.40**	1,101.44

Schedules forming part of the Profit and Loss Account

Schedule 13 : Computation of Net Profit Under Sections 198 and 309(5) of the Companies Act, 1956

	₹ crores	₹ crores	Previous Year ₹ crores
Profit as per Profit and Loss Account		**222.95**	218.25
Add :			
Provision for doubtful debts (Net)	**1.17**		3.60
Provision for diminution in value of investment	**16.23**		-
Provision for doubtful Advances (Net)	**0.34**		-
Loss on sale of fixed assets (Net)	**0.15**		-
Infructous project written off	**5.20**		-
Directors' Remuneration (Including Directors' Fees)	**11.19**		14.16
		34.28	17.76
		257.23	236.01
Less :			
Capital profit on sale of assets	**0.31**		6.82
Bad Debts written off	**1.35**		4.73
Advances written off	**0.06**		-
Profit on sale of investments	**0.05**		39.16
		1.77	50.71
Profit as computed		**255.46**	185.30
Maximum Remuneration which can be paid to :			
Non-Executive Directors at 1% of net profit		**2.55**	1.85
Commission to Directors :			
Managing Director & Executive Directors		**2.80**	5.00
Non-Executive Directors		**1.75**	1.75
Total		**4.55**	6.75

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

1. 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. 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) Rooms, Restaurants, Banquets and Other Services:

Rooms, Restaurants, Banquets and Other Services comprise of 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:

i. Provident Fund

The Company's contribution to the recognised Provident Fund, paid/payable during the year, is debited to the Profit and Loss Account. The shortfall, if any, between the return guaranteed by the statute and the actual earnings of the Fund is provided for by the Company and contributed 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 Profit and Loss Account.

iii. Post Retirement Benefits

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

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 Profit and Loss Account.

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

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 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:

In respect of assets acquired before December 16, 1993, depreciation is provided under the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, as existing on that date.

In respect of assets acquired on or after December 16, 1993, depreciation is provided at the rates as specified in Schedule XIV to the Companies Act, 1956, as revised with effect from that date. In respect of Leasehold Land, depreciation is provided for from the date the land is put to use for commercial operations, over the balance period of the lease. 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) Transactions in Foreign Exchange:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

In respect of integral foreign operations:-

i. Monetary items outstanding as at the Balance Sheet date are translated at the exchange rate prevailing at the Balance Sheet date and the resultant difference is recognised as income or expense, as the case may be;

ii. Non-monetary items outstanding as at the Balance Sheet date are reported, using the exchange rate prevailing on the date of each transaction.

In respect of non-integral foreign operations:-

Both monetary and non-monetary items are translated at the closing rate and the resultant difference is accumulated in a Foreign Currency Translation Reserve, until the disposal of the net investment.

(g) Derivative Instruments:

Exchange differences arising on repayment/revaluation of derivative contracts, entered into in respect of some of the Company'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.

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

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

(k) 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.

(l) Taxes on income:

i. Income tax is computed in accordance with Accounting Standard 22 - ‘Accounting for Taxes on Income’ (AS-22), notified by the Companies (Accounting Standards) Rules, 2006. Tax expenses are accounted in the same period to which the revenue and expenses relate.

ii. 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.

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.

(m) 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, 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

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

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.

(n) Borrowing Costs:

i. Interest and other borrowing costs, attributable to qualifying assets are capitalised.

ii. Interest not attributable to qualifying assets is charged to the Profit and Loss Account in the year in which it is incurred.

iii. Debenture issue costs and the entire premium on redemption of Debentures are adjusted against the Securities Premium Account in accordance with the provision of Section 78 of the Companies Act, 1956.

iv. Other Borrowing Costs are charged to revenue account over the tenure of the borrowing.

2. The Taj Mahal Palace in Mumbai was attacked by terrorist on November 26, 2008 amongst other targets in the city, due to which the heritage wing of the property was severely damaged. The entire hotel has since been restored back and is fully operational. The cost of reinstatement of damage will be recovered from the insurance company, subject to the adjustment on account of expected deductions from claim amounts. The fixed assets / facilities that have been put to use are capitalised at its carrying value on the date of the loss, increased for the expected deductions from claim amounts. The Company is also insured for Loss of Profits to cover the period of interruption for up to 12 months from the date of incident against which it has recognised an amount of ₹ Nil (Previous Year ₹ 64.35 crores) towards loss of profit due to business interruption on an estimated basis. The Company is in an advanced stage of finalisation of the claim with the insurers and has so far received ₹ 200 crores as advance payment towards claim settlement including ₹ 20 crores received during the current financial year.

3. Preferential Allotment

The Company has allotted on preferential basis to Tata Sons Ltd, the Promoter, following securities on December 23, 2010:

- 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.
- 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.

Consequently, the Share Capital of the Company increased from ₹ 72.35 crores to ₹ 75.95 crores on allotment of 3,60,00,000 Ordinary Shares.

As at March 31, 2011, ₹ 497.47 crores raised through the above issues, were temporarily parked as Deposits with Banks and in Units of Mutual Funds. These funds subsequent to the Balance Sheet date, i.e. on May 12, 2011 have been fully utilised for redemption of 6% Secured Non-Convertible Debentures.

4. 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.

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

5. Provision for Current Tax, Deferred Tax :-

(a) Provision for tax includes the following :

₹ crores

Particulars	**Current Year**	Previous Year
Current Tax	**48.93**	56.42
Wealth Tax	**1.50**	1.00
Deferred Tax charge	**58.57**	5.04
Total Provision for tax	**109.00**	62.46

(b) The Net Deferred Tax Assets / Liability comprises of the following :

₹ crores

Particulars	**Current Year**	Previous Year
Deferred tax liability:		
Depreciation on fixed assets	**220.05**	171.45
Total (A)	**220.05**	171.45
Deferred tax asset:		
Provision for doubtful debts	**2.95**	3.08
Premium on Redemption of Debentures	**161.01**	182.77
Provision for Employee Benefits	**12.72**	9.47
Others	**15.59**	6.92
Total (B)	**192.27**	202.24
Net Deferred Tax Liability / (Asset) (A-B)	**27.78**	(30.79)

6. Shareholder's Deposits placed with a subsidiary company include ₹ 273.99 crores (equivalent to USD 61.363 million) (previous year ₹ 276.99 crores, equivalent to USD 61.363 million) placed in earlier years, with the Company retaining the right to convert the said deposits into equity by December 31, 2012, as per the permission received from the Reserve Bank of India.

7. (a) The Company has given an undertaking to The Hongkong & Shanghai Banking Corporation in respect of borrowing by IHMS (Australia) Pty Limited, a wholly-owned subsidiary, for Australian Dollars 1.00 million (previous year Australian Dollar 1.00 million), that it will not dilute its shareholding in the subsidiary.

(b) Samsara Properties Limited, a wholly-owned subsidiary of the Company has taken a loan from ICICI Bank for US$ 177 million. The Bank has an option to sell / transfer the loan to the Company on the occurrence of an event of default under the loan agreement.

(c) 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

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

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.

(d) 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.

8. Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 110.41 crores (previous year – ₹ 234.64 crores).

9. (a) Expenditure recovered from other parties:-

₹ crores

Particulars	**Current Year**	Previous Year
Fuel, Power and Light	**2.95**	3.94
Repairs to Buildings	**0.21**	0.11
Repairs to Machinery	**0.03**	0.10
Linen and Uniform Washing	**1.79**	1.08
Rent	**0.46**	0.19
Other Expenses	**1.05**	0.90
Total	**6.49**	6.32

(b) Purchase of Food and Beverages is net of proceeds from sale of empties etc. - ₹ 0.92 crore (previous year - ₹ 0.76 crore).

(c) Dividend Income includes dividend from subsidiary companies - ₹ 2.01 crores (previous year - ₹ 3.35 crores).

(d) Dividend Income includes income on long term trade investments (including dividend from Subsidiary Companies referred in note (c) above) - ₹ 17.29 crores (previous year - ₹ 23.75 crores) and on current investments - ₹ 12.60 crores (previous year - ₹ 13.08 crores).

(e) Exchange gain includes gain on currency swap - ₹ 13.21 crores (previous year – gain of ₹ 6.25 crores included in Exchange Gain) and loss on foreign exchange transactions - ₹ 1.53 crores (previous year – loss of ₹ 2.92 crores).

(f) Other expenses include Bad Debts written off – ₹ 1.35 crores (previous year - ₹ 4.73 crores) and contribution to Electoral Trust ₹ Nil (previous year – ₹ 1 crore) (The Objects of the Trust *inter alia*, include holding by the Trustees of "Distribution Funds" for distribution to political parties).

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

10. Exceptional Items amounting to ₹ 17.14 crores comprise of profit on sale of a Hotel Property - ₹ 4.29 crores, expenditure on a discontinued project charged off for commercial reasons - ₹ 5.20 crores and provision for diminution in the value of Investment in a Subsidiary - ₹ 16.23 crores. In respect of previous year, Exceptional Items of ₹ 47.91 crores includes a non- recurring profit on sale of investments - ₹ 39.16 crores, profit on exit from a development project - ₹ 6.83 crores and refund of annuity pension premium ₹ 1.92 crores.

11. Cash and Bank Balances:

Balances with Non-Scheduled Banks comprise of :-

Particulars	**Current Year** ₹	Previous Year ₹	**Maximum amount outstanding in Current Year** ₹	Maximum amount outstanding in Previous Year ₹
Current Account				
Standard Chartered Bank, Beijing	**-**	3,21,065	**3,41,600**	3,41,600
Citibank, New York	**15,38,835**	15,50,849	**15,84,598**	17,49,043
National Westminster Bank PLC, London	**31,21,240**	20,18,803	**1,36,62,905**	78,10,589
HSBC Bank, Dubai	**9,90,838**	4,98,861	**9,90,838**	13,12,348
Total Current Account	**56,50,913**	43,89,578		

12. Contingent Liabilities:

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

i. In respect of matters which have been decided in the Company's favour by the Appellate Authorities, where the Income Tax Department has preferred an appeal - ₹ 16.28 crores (previous year - ₹ 13.03 crores).

ii. In respect of other matters for which Company's appeals are pending - ₹ 14.25 crores (previous year - ₹ 1.83 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 :-

i. Luxury tax – ₹ 0.17 crore (previous year – ₹ 0.32 crore).

ii. Entertainment tax – ₹ 0.53 crore (previous year - ₹ 0.53 crore).

iii. Sales tax – ₹ 7.02 crores (previous year - ₹ 6.63 crores).

iv. Property tax – ₹ 9.24 crores (previous year - ₹ 7.40 crores).

v. Stamp Duty – ₹ 2.34 crores (previous year – ₹ 2.34 crores).

vi. Others – ₹ 12.36 crores (previous year – ₹ 7.74 crores).

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

(c) Other claims against the Company not acknowledged as debt :

₹ crores

Particulars	**Current Year**	Previous Year
Tax matters	**1.12**	1.12
Contractual matters in the course of business	**24.24**	21.64
Real Estate disputes and demands	**130.17**	99.07
Employee related matters	**0.96**	0.64
Total	**156.49**	122.47

Provision for Contingent Claims made in the books - ₹ 7.08 crores (previous year – ₹ 1.76 crores).

(d) Guarantees given by the Company in respect of deposits received and loans obtained by other companies and outstanding as on March 31, 2011 - ₹ 498.20 crores (previous year - ₹ 392.41 crores).

(e) In respect of a subsidiary, arbitration proceedings initiated to resolve a long standing dispute with the Airport Authority of India (AAI) for granting access through the subsidiary's land at Mumbai have been concluded in favour of the Company. As a result, the claim made by AAI on the Company amounting to ₹ 10.22 crores stands withdrawn. The revised claim pursuant to the award given by the arbitrator is awaited from the AAI. The Company does not expect any liability for the past period and should there be any liability crystallising on the subsidiary for any reason, the same is indemnifiable by the Company.

13. Managerial Remuneration:

₹ crores

Particulars	**Current Year**	Previous Year
Salaries	**4.91**	4.62
Contribution to Provident and Other Funds	**0.70**	0.16
Benefits in Cash or in kind (estimated monetary value)	**3.15**	2.51
Commission on Profits	**2.80**	5.00
Total	**11.56**	12.29

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.

14. The Company has taken certain vehicles on operating lease. The total lease rent paid on the same amounting to ₹ 2.53 crores (previous year – ₹ 2.19 crores) is included under Other Expenses. The minimum future lease rentals payable in respect thereof are as follows:-

₹ crores

Particulars	**Current Year**	Previous Year
Not later than one year	**3.73**	0.37
Later than one year but not later than five years	**11.84**	-
Later than five years	**-**	-

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

15. Interest expense is net of interest income and comprises of :

₹ crores

Particulars	**Current Year**	Previous Year
Interest Expense		
Fixed loans #	**168.06**	174.45
Other loans	**1.90**	1.29
On Income Tax Demand	**-**	5.75
	169.96	181.49
Less : Interest Capitalised	**11.13**	4.47
Total expense (A)	**158.83**	177.02
Interest Income (Gross)*		
Inter-Corporate Deposits	**7.28**	5.20
Deposits with Banks	**7.59**	0.54
On Deposits from related parties	**0.60**	0.64
Interest on Income Tax Refunds	**7.08**	15.18
Currency Swap Gain	**12.36**	1.55
Others	**1.07**	1.01
Total Income (B)	**35.98**	24.12
Interest (Net) (A-B)	**122.85**	152.90
* Tax deducted at source	**1.50**	0.78

Interest on Fixed Loans includes ₹ 0.22 crore (previous year - ₹ 0.26 crore) being expenses on loans amortised over the tenure of the loan.

16. Auditors' Remuneration:

₹ crores

Particulars		**Current Year**	Previous Year
1)	As Auditors	**1.48**	1.48
2)	For Tax Audit	**0.20**	0.20
3)	For Other Services	**0.41**	0.12
4)	For out-of pocket expenses	**0.06**	0.12
5)	Service tax on above [Net of credit availed - ₹ 0.22 crore (Previous Year – ₹ 0.19 crore)]	**-**	-
Total Auditors' Remuneration		**2.15**	1.92

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

17. Derivative Instruments :

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 Hedge	Currency	Current Year		Previous Year	
		(USD million)	₹ crores	(USD million)	₹ crores
Option Contract	INR/USD	**30.00**	**132**	30.00	132
Libor Cap	INR/USD	**30.00**	**-**	30.00	-

(b) Unhedged Foreign currency exposure receivables :

Currency	Current Year	Previous Year
United States Dollar (Million)*	**88.05**	121.32
South African Rand (Million)	**27.07**	27.07

* Net of foreign currency liability of USD 97.47 million (previous year - USD 40.00 million).

18. The Company had exercised the option granted vide notification F.No.17/33/2008/CL-V dated March 31, 2009, issued by the Ministry of Corporate Affairs and, accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items for the year ended March 31, 2010 have been recognised over the shorter of the maturity period or March 31, 2011. The unamortised balances as at the year end are presented as “Foreign Currency Monetary Item Translation Difference Account” Foreign currency monetary items outstanding as at March 31, 2011 are accounted as per Company’s Policy on Transaction in Foreign Exchange (Refer Note 1(f), page 83).

19. Employee Benefits:

(a) The Company has recognised the following amounts in the Profit and Loss Account under the head “Company’s Contribution to Provident Fund and Other Funds”:-

₹ crores

Particulars	Current Year	Previous Year
Provident Fund	**14.86**	14.19
Superannuation Fund	**5.09**	5.15
Total	**19.95**	19.34

(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.

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

(c) Details of gratuity plan are as follows :-

i. Amount to be recognised in Balance Sheet and movement in net liability

₹ crores

Particulars	**Current Year**	Previous Year
Present Value of Funded Obligations	**112.72**	95.44
Fair Value of Plan Assets	**(112.39)**	(95.09)
Net Liability recognised in the Balance Sheet and included under Sundry Creditors	**0.33**	0.35

ii. Expenses recognised in the Profit & Loss Account

₹ crores

Particulars	**Current Year**	Previous Year
Current Service Cost	**5.60**	6.16
Interest Cost	**7.75**	6.72
Expected return on Plan Assets	**(6.95)**	(5.43)
Actuarial Losses / (Gains) recognised in the year	**12.67**	(13.92)
Net gratuity expenses included in Payments to and Provision for Employees	**19.07**	(6.47)
Actual Return on Plan Assets	**6.95**	12.93

iii. Reconciliation of Defined Benefit Obligation

₹ crores

Particulars	**Current Year**	Previous Year
Opening Defined Benefit Obligation	**95.44**	94.22
Current Service Cost	**5.60**	6.16
Interest Cost	**7.75**	6.72
Actuarial Losses / (Gains)	**12.67**	(6.40)
Benefits Paid	**(8.74)**	(5.26)
Closing Defined Benefit Obligation	**112.72**	95.44

iv. Reconciliation of Fair Value of Plan Assets

₹ crores

Particulars	**Current Year**	Previous Year
Opening Fair Value of Plan Assets	**95.09**	72.94
Expected return on Plan Assets	**6.95**	5.43
Actuarial Gains	**-**	7.52
Contributions by Employer	**19.09**	14.46
Benefits Paid	**(8.74)**	(5.26)
Closing Fair Value of Plan Assets	**112.39**	95.09
Expected Employer's contribution next year	**7.00**	7.00

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

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

Particulars	Current Year (%)	Previous Year (%)
Government of India Securities	**3**	7
Corporate Bonds	**64**	65
Special Deposit Scheme	**-**	1
Equity	**14**	14
Others	**19**	13
Grand Total	**100**	100

vi. Experience Adjustments

₹ crores

Particulars	Year Ended March 31,				
	2011	2010	2009	2008	2007
Defined Benefit Obligation	112.72	95.44	94.22	74.80	62.42
Plan Assets	112.39	95.09	72.94	73.34	60.84
Deficit	(0.33)	(0.35)	(21.28)	(1.46)	(1.58)
Exp. Adj. on Plan Liabilities	4.56	2.45	9.06	9.26	11.87
Exp. Adj. on Plan Assets	-	7.49	(7.87)	5.94	0.93

vii. Summary of Actuarial Assumptions

Particulars	Current Year (%)	Previous Year (%)
Discount Rate	**8.15**	8.15
Expected rate of return on Assets	**7.50**	7.50
Salary Escalation Rate	**6.00**	5.00
Attrition rate	**1 – 2**	1 – 2
Mortality	Published notes under the LIC (1994-96) mortality tables	

(d) Details of unfunded post retirement defined benefit obligation are as follows :-

i. Reconciliation of Defined Benefit Obligation

₹ crores

Particulars	Current Year	Previous Year
Opening Defined Benefit Obligation	**6.35**	8.38
Current Service Cost	**0.61**	0.90
Interest Cost	**0.55**	0.63
Actuarial (Gains) / Losses	**0.45**	(2.11)
Benefits Paid	**(1.09)**	(1.45)
Closing Defined Benefit Obligation	**6.87**	6.35

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

ii. Expenses recognised in the Profit & Loss Account

₹ crores

Particulars	**Current Year**	Previous Year
Current Service Cost	**0.61**	0.90
Interest Cost	**0.55**	0.63
Actuarial (Gains) / Losses	**0.45**	(2.11)
Net expenses included in Payments to and Provision for Employees	**1.61**	(0.58)

iii. Experience Adjustments

₹ crores

Particulars	**Year Ended March 31,**				
	2011	**2010**	**2009**	**2008**	**2007**
Defined Benefit Obligation	6.87	6.35	8.38	5.73	6.82
Plan Assets	-	-	-	-	-
Deficit	(6.87)	(6.35)	(8.38)	(5.73)	(6.82)
Exp. Adj. on Plan Liabilities	(0.01)	(1.03)	1.85	(1.70)	0.06
Exp. Adj. on Plan Assets	-	-	-	-	-

iv. Summary of Actuarial Assumptions

Particulars	**Current Year (%)**	Previous Year (%)
Discount Rate	**8.15**	8.15
Pension Increase Rate	**4.00**	4.00
Salary Escalation Rate	**6.00**	5.00
Attrition rate	**1 – 2**	1 – 2
Mortality	Published notes under the LIC (1994-96) mortality tables	

(e) 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, under the basis of uniform accrual benefit, with demographic assumptions taken as Nil, is as follows:

i. Amount to be recognised in Balance Sheet

₹ crores

Particulars	**Current Year**	Previous Year
Present Value of Funded Obligation	**4.19**	3.75
Fair Value of Plan Asset	**(5.24)**	(3.85)
Present Value of Obligation	**-**	-
Unrecognised Past Service Cost	**(1.90)**	(2.28)
Amount not recognised as an Asset	**0.36**	-
Net Liability	**(2.59)**	(2.38)

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

ii. Expense to be recognised in the Profit & Loss Account

₹ crores

Particulars	Current Year	Previous Year
Current Service Cost	**0.12**	0.13
Interest on Defined Benefit Obligation	**0.31**	0.25
Expected Return on Plan Assets	**(0.29)**	-
Net Actuarial Losses / (Gains) recognised in Year	**0.21**	(0.19)
Past Service Cost	**0.38**	0.38
Amount not recognised as an Asset	**0.36**	-
Net expenses included in Payments to and Provision for Employees	**1.09**	0.57
Actual Return on Plan Asset	**0.10**	0.12

iii. Reconciliation of Benefit Obligation for the year

₹ crores

Particulars	Current Year	Previous Year
Changes in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**3.75**	3.44
Current Service Cost	**0.12**	0.13
Interest Cost	**0.31**	0.25
Actuarial Losses / (Gains)	**0.02**	(0.07)
Benefits Paid	**(0.01)**	-
Closing Defined Benefit Scheme	**4.19**	3.75

iv. Reconciliation of Fair Value of Plan Assets

₹ crores

Particulars	Current Year	Previous Year
Changes in Fair Value of Assets		
Opening Fair Value of Plan Assets	**3.85**	-
Expected return on Plan Assets	**0.29**	-
Actuarial (Losses) / Gains	**(0.19)**	0.12
Contributions by Employer	**1.30**	3.73
Benefits Paid	**(0.01)**	-
Closing Fair Value of Plan Assets	**5.24**	3.85
Expected Employer's contribution next year	**-**	-

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

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

Particulars	Current Year (%)	Previous Year (%)
Corporate Bonds	**10**	-
Others (Fixed Deposits)	**90**	100
Grand Total	**100**	100

vi. Experience Adjustments

₹ crores

Particulars	Year Ended March 31,				
	2011	**2010**	**2009**	**2008**	**2007**
Defined Benefit Obligation	4.19	3.75	3.44	3.04	-
Plan Asset	5.24	3.85	-	-	-
Surplus/ (Deficit)	1.04	0.10	(3.44)	(3.04)	-
Exp. Adj. on Plan Liabilities	0.02	0.55	(0.37)	-	-
Exp. Adj. on Plan Asset	(0.19)	0.12	-	-	-

vii. Financial Assumption at the Valuation date

Particulars	Current Year (%)	Previous Year (%)
Discount Rate	**8.15**	8.15
Expected rate of return on Assets	**7.50**	7.50

The past service liability is being amortised over the average vesting period of 8.02 years.

(f) Provident Fund

In keeping with the Guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as Defined Benefit Plans, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees. According to the Management, the Actuary has opined that actuarial valuation cannot be applied to reliably measure provident fund liabilities in the absence of guidance from the Actuarial Society of India. Accordingly, the Company is currently not in a position to provide other related disclosures as required by the aforesaid AS 15 read with the Accounting Standards Board Guidance. However, having regard to the position of the Fund (for covered employees) and confirmation from the Trustees of such Fund, there is no shortfall as at the year-end.

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.

20. As the turnover of the Company includes sale of food and beverages, it is not possible to give quantitative details of the turnover and food & beverages consumed. The Company has been exempted from giving these particulars vide order no. 46/20/2008-CL-III dated May 23, 2008, issued by the Department of Company Affairs. The Ministry has also granted an exemption under General Notification (No S. O. 301(E) dated February 8, 2011).

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

21. Food and Beverage Consumed:

₹ crores

Particulars	**Current Year**	**%**	Previous Year	%
Imported	**19.69**	**14.46**	16.30	14.48
Indigenous	**116.49**	**85.54**	96.28	85.52
Total	**136.18**	**100.00**	112.58	100.00

22. CIF Value of imports:

₹ crores

Particulars	**Current Year**	Previous Year
Raw Materials (Food and Beverages)	**7.74**	6.28
Stores, Supplies and Spare Parts for Machinery	**7.78**	4.90
Capital Goods	**48.33**	45.47

23. Earnings in Foreign Exchange:

₹ crores

Particulars	**Current Year**	Previous Year
Rooms, Restaurants, Banquets and Other Services	**689.06**	574.22
Interest received	**0.60**	0.60

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

24. Expenditure in Foreign Exchange:

₹ crores

Particulars	**Current Year**	Previous Year
Membership Fees	**2.03**	1.57
Advertising	**22.77**	14.61
Professional and Consultancy Fees	**30.64**	28.78
Others	**10.85**	8.67

25. 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:

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

Particulars	**Current Year**	Previous Year
Year to which dividend relates	**2009-10**	2008-09
Numbers of non-resident shareholders	**2,612**	2,633
Number of Ordinary Shares held by non-resident shareholders	**52,23,582**	75,56,719
Gross amount of dividend (₹ crores)	**0.52**	0.91
Net amount of dividend (₹ crores)	**0.52**	0.91

26. The Company has an investment of ₹ 0.50 crore (previous year - ₹ 0.50 crore) and advances outstanding (including interest) of ₹ 8.33 crores (previous year - ₹ 8.76 crores) in a Joint Venture, Taj Karnataka Hotels and Resorts Limited (TKHRL). TKHRL has accumulated losses in excess of its paid-up capital and reserves. Considering the inherent value of TKHRL's assets, based on a valuation of the property and its proposed financial restructuring, for which the Company is in talks with the JV partner – the Government of Karnataka, the Management is of the view that there is no diminution, other than temporary, in the value of the investment and that the amount outstanding after the financial restructuring will be fully recovered.

27. The Company has an investment of ₹ 102.50 crores (previous year – ₹ 102.50 crores) in BJETS Pte. Ltd., and has provided advance of ₹ 2.75 crores (previous year – Nil). BJETS has incurred losses over the years and its net worth as on December 31, 2010 is ₹ 30.36 crores, based on Management accounts. During the year, BJETS has tied up with a renowned company in the aviation sector for operational support, maintenance and marketing of BJETS aircraft. In view of the business restructuring and new alliance, the Management is of the view that there is no diminution other than temporary in the value of its investment and that the advance outstanding will be fully recovered.

28. In respect of an investment of ₹1,169 crores (USD 262 million); previous year ₹ 1,182 crores (USD 262 million) made by a wholly-owned subsidiary of the Company in Orient-Express Hotels Ltd., a company listed on the New York Stock Exchange, the market value of this investment as on the Balance Sheet date is ₹ 394 crores (USD 88 million); previous year ₹ 441 crores (USD 99 million), representing a diminution in the value of the investment in the company amounting to ₹ 795 crores (USD 174 million); previous year ₹ 741 crores (USD 163 million). In view of the strategic nature of the investment and the Company's long-term commitment and on a consideration of the valuation report of an independent valuer and other long-term strategies of the Company, in the opinion of the Management, there is no diminution, other than temporary in the value of the aforesaid investment.

29. 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.

30. Provision for Doubtful Debts :

₹ crores

Particulars	**Current Year**	Previous Year
Opening Balance	**9.26**	10.39
Add : Provision during the year	**1.36**	3.88
	10.62	14.27
Less : Bad debts written off	**1.35**	4.73
Less : Provision no longer required, written back	**0.19**	0.28
Closing Balance	**9.08**	9.26

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

31. Provision for Contingent Claims :

₹ crores

Particulars	Opening Balance	Addition	Closing Balance
Tax matters	**1.12**	**-**	**1.12**
	(1.12)	*(-)*	*(1.12)*
Contractual matters in the course of business	**-**	**5.00**	**5.00**
	(-)	*(-)*	*(-)*
Employee related matters	**0.64**	**0.32**	**0.96**
	(-)	*(0.64)*	*(0.64)*
Total	**1.76**	**5.32**	**7.08**
	(1.12)	*(0.64)*	*(1.76)*

Figures in italics are in respect of previous year.

32. Provision for Loyalty Programmes :

The Company has loyalty programmes, which enable its customers to accumulate points based on their spends at the hotels. Such points can be encashed either by stay at the Company's hotels or by purchase of merchandise. The estimated liability in respect of the loyalty schemes is as under:

₹ crores

Particulars	Current Year	Previous Year
Opening Balance	**14.77**	12.57
Less : Redeemed during the year	**6.93**	5.43
	7.84	7.14
Add : Provision during the year	**6.74**	7.63
Closing Balance	**14.58**	14.77

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

₹ crores

Particulars	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2011	Maximum amount outstanding during the previous year	Balance Outstanding as on March 31, 2010
Subsidiaries				
IHMS Inc.	**62.93**	**62.51**	837.51	40.63
Residency Food & Beverages Ltd.	**10.40**	**-**	1.82	0.05
Taj International Hotels (HK) Ltd.	**863.17**	**859.57**	827.04	805.81
Roots Corporation Ltd.	**4.15**	**4.15**	3.00	-

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account **₹ crores**

Particulars	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2011	Maximum amount outstanding during the previous year	Balance Outstanding as on March 31, 2010
Jointly Controlled Entities				
IHMS Hotels (SA) (Proprietary) Ltd.	**41.76**	**41.03**	17.73	16.45
Taj Karnataka Hotels & Resorts Ltd.	**5.35**	**5.35**	5.35	5.35
TAL Hotels & Resorts Ltd.	**20.69**	**19.82**	25.48	20.04
Taj GVK Hotels & Resorts Ltd.	**5.00**	**5.00**	5.00	5.00
Associates				
Piem Hotels Ltd.	**5.00**	**-**	-	-
Oriental Hotels Ltd.	**25.00**	**-**	23.00	23.00
BJETS Pte Ltd., Singapore	**9.26**	**2.75**	5.63	5.26
Taj Air Ltd.	**14.10**	**6.10**	29.50	12.80

34. Micro and Small Enterprises:

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 extend such parties have been identified on the basis of information available with the Company.

The disclosures relating to Micro and Small Enterprises as at March 31, 2011 are as under:

₹ crores

Particulars		Current Year	Previous Year
(a)	The principal amount remaining unpaid to supplier as at the end of the accounting year	**0.47**	0.34
(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 2010-11	**-**	-
(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**	-

35. 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. (with effect from December 23, 2010)	India

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

ii) Subsidiary Companies

Name of the Company	Country of Incorporation
Domestic	
TIFCO Holdings Ltd.	India
KTC Hotels Ltd.	India
United Hotels Ltd.	India
Roots Corporation Ltd.	India
Taj SATS Air Catering Ltd.	India
Residency Foods & Beverages Ltd.	India
Innovative Foods Ltd. (ceased to be a Subsidiary Company with effect from February 11, 2011)	India
International	
Taj International Hotels (H.K.) Ltd.	Hong Kong
Chieftain Corporation NV	Netherlands Antilles
IHOCO BV	Netherlands
St. James Court Hotels Ltd.	United Kingdom
Taj International Hotels Ltd.	United Kingdom
International Hotel Management Services Inc.	United States of America
Samsara Properties Ltd.	British Virgin Islands
IHMS (Australia) Pty. Ltd.	Australia
Apex Hotel Management Services (Pte) Ltd.	Singapore

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

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

iv) **Associates**

Name of the Company	Country of Incorporation
Domestic	
Benares Hotels Ltd.	India
Taj Air Ltd. (ceased to be an Associate with effect from September 27, 2010)	India
Piem Hotels Ltd.	India
Taj Trade and Transport Ltd.	India
Taj Enterprises Ltd.	India
Inditravel Pvt. Ltd.	India
Oriental Hotels Ltd.	India
Taj Madurai Ltd.	India
Taida Trading & Industries 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

* Although the holding exceeds 50%, the investment is treated as an associate in terms of the shareholders' agreement which caps the ultimate holding of the Company to 45.69% (previous year 44.44%).

Key managerial personnel comprise whole-time directors, who have the authority and responsibility for planning, directing and controlling the activities of the Company. The remuneration paid to such directors is disclosed in Note 13 on Page 89 and the dues from such persons are disclosed in footnote 1 of Schedule 8 Current Assets, Loans and Advances, forming part of the Balance Sheet. Presently Mr. Raymond N Bickson, the Managing Director, Mr. Anil P. Goel, the Executive Director - Finance and Mr. Abhijit Mukerji, the Executive Director - Hotel Operations, are the Key Management Personnel drawing remuneration excluding commission of ₹ 6.69 crores (previous year ₹ 5.45 crores), ₹ 1.17 crores (previous year ₹ 1.02 crore) and ₹ 0.90 crore (previous year ₹ 0.82 crore) respectively.

(b) The details of transactions with related parties are as follows:

₹ crores

Particulars	Company having substantial interest		Subsidiaries		Associates		Joint Ventures	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Interest received/accrued	-	-	**0.22**	0.03	**2.20**	2.94	**0.95**	0.96
Dividend received	-	-	**2.01**	3.35	**7.28**	7.74	**3.20**	5.89
Operating / Licence fees paid	-	-	**0.55**	0.53	**-**	-	**-**	-
Operating fees received/accrued	-	-	**6.52**	6.26	**48.50**	45.52	**26.05**	24.15
Purchase of goods and services	2.56	-	**8.10**	8.25	**26.24**	23.82	**0.42**	0.33

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

Particulars	Company having substantial interest		Subsidiaries		Associates		Joint Ventures	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Sale of goods and services	0.79	-	**1.12**	0.22	**5.01**	4.87	**1.32**	0.96
Due from/(to) on Current A/c	(1.19)	-	**5.56**	7.21	**5.26**	10.16	**4.85**	3.26
Allotment of Shares	373.10	-	**-**	-	**-**	-	**-**	-
Allotment of Warrants	124.37	-	**-**	-	**-**	-	**-**	-
Purchase of Shares	-	-	**-**	666.92	**-**	-	**-**	-
Sundry Debtors	-	-	**2.89**	6.15	**0.84**	14.41	**9.37**	17.89
Deposits (Net)	-	-	**929.73**	849.98	**8.85**	41.06	**71.20**	46.85

(c) Statement of Material Transactions

₹ crores

Name of Company	Current Year	Previous Year
Company having substantial interest		
Tata Sons Ltd.		
Allotment of Shares	**373.10**	-
Allotment of Warrants	**124.37**	-
Subsidiaries		
KTC Hotels Ltd.		
Licence Fees paid	**0.55**	0.53
ICDs repaid	**-**	0.41
Due to Current Account	**3.34**	2.89
United Hotels Ltd.		
Dividend received	**2.01**	2.01
Taj SATS Air Catering Ltd.		
Sale of Goods & Services	**1.06**	0.13
Roots Corporation Ltd.		
Deposits given outstanding	**4.15**	-
International Hotel Management Services Inc.		
Due from Current Account	**7.40**	7.68
Purchase of Goods & Services	**6.65**	6.71
Purchase of shares	**-**	666.92
Shareholders' Deposit placed	**22.33**	-
IHMS (Australia) Pty. Ltd.		
Sundry Debtors	**1.34**	1.34
Taj International Hotels (HK) Ltd.		
Deposits given outstanding	**859.57**	805.81
Shareholders' Deposit placed	**62.51**	540.60
Residency Food & Beverages Ltd.		
ICDs placed	**10.35**	-

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

Name of Company	**Current Year**	Previous Year
Associates		
Taj Air Ltd.		
Interest received / accrued	**0.51**	1.98
Due from Current Account	**2.14**	-
Deposits given outstanding	**6.10**	12.80
Purchase of Goods & Services	**15.18**	13.47
ICDs placed	**17.60**	13.30
ICDs encashed	**24.30**	25.00
Piem Hotels Ltd.		
Dividend received	**3.52**	3.52
Operating Fees received / accrued	**25.05**	25.07
Sundry Debtors	**-**	5.64
Sale of Goods & Services	**2.58**	2.16
Oriental Hotels Ltd.		
Dividend received	**2.53**	3.04
Operating Fees received / accrued	**19.85**	17.53
ICDs placed	**47.00**	78.50
ICDs encashed	**70.00**	67.50
Interest received / accrued	**1.34**	0.68
Sundry Debtors	**-**	7.43
Sale of Goods & Services	**0.99**	0.84
Deposits given outstanding	**-**	23.00
Taj Trade & Transport Ltd.		
Sale of Goods & Services	**0.92**	0.75
Sundry Creditors	**-**	0.07
Inditravel Pvt. Ltd.		
Purchase of Goods & Services	**8.16**	8.43
Sundry Creditors	**0.92**	0.03
Sale of Goods & Services	**-**	0.79
BJETS Pte Ltd., Singapore		
ICDs taken	**-**	5.26
Jointly Controlled Entities		
Taj GVK Hotels & Resorts Ltd.		
Operating Fees received / accrued	**19.24**	19.19
Dividend received	**3.20**	3.20
Interest received / accrued	**0.35**	0.35
Sundry Debtors	**-**	7.36
Sale of Goods & Services	**0.95**	0.65
Deposits given outstanding	**5.00**	-
Taj Kerala Hotels & Resorts Ltd.		
Due to Current Account	**0.59**	2.20
Sundry Debtors	**1.73**	3.96

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

Name of Company	Current Year	Previous Year
Taj Karnataka Hotels & Resorts Ltd.		
Deposits given outstanding	**5.35**	5.35
Due from Current Account	**2.28**	-
TAL Hotels & Resorts Ltd.		
Interest received / accrued	**0.60**	0.60
Due to Current Account	**-**	2.15
Deposits given outstanding	**6.70**	-
Sundry Debtors	**5.82**	5.18
Taj Madras Flight Kitchen Pvt. Ltd		
Dividend received	**-**	1.99
IHMS Hotels (SA) (Proprietary) Ltd.		
Shareholders' Deposit placed	**23.22**	-

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

36. 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 Company's (Accounting Standards) Rules, 2006. There is no geographical segment to be reported since all the operations are undertaken in India.

37. In compliance with Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' - (AS-27), notified by the Companies (Accounting Standards) Rules, 2006, the Company has interests in the following jointly controlled entities:

₹ crores

Name of the Company	Country of Incorporation	Holding (%)	Amount of Interest based on the Last Audited Accounts for the year ended March 31, 2011					
			Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitment
Taj Safaris Ltd.*	India	**22.98** (25.45)	**6.53** (5.59)	**2.13** (3.56)	**3.23** (2.61)	**4.23** (4.00)	**0.07** (0.07)	**0.01** -
Taj GVK Hotels and Resorts Ltd.	India	**25.52** (25.52)	**136.38** (111.00)	**13.26** (36.31)	**66.52** (58.50)	**55.46** (44.39)	**2.00** (2.16)	**6.18** (7.86)
Taj Karnataka Hotels and Resorts Ltd.	India	**38.81** (21.19)	**3.52** (1.60)	**0.55** (2.91)	**1.64** (0.84)	**1.73** (0.80)	**-** -	**-** (0.04)
Taj Kerala Hotels Ltd.	India	**28.30** (28.30)	**19.81** (16.30)	**3.32** (1.19)	**10.12** (8.86)	**9.27** (7.91)	**0.50** (0.51)	**1.31** (0.95)
Taj Madras Flight Kitchen Pvt. Ltd.	India	**50.00** (50.00)	**20.90** (19.10)	**2.61** (0.40)	**13.76** (14.41)	**14.17** (13.10)	**4.52** (4.52)	**-** -
TAL Hotels & Resorts Ltd.	Hong Kong	**26.66** (26.66)	**122.79** (90.73)	**10.08** (42.89)	**52.15** (40.41)	**47.14** (39.41)	**12.11** (12.29)	**0.36** (1.06)
IHMS Hotels (SA) (Proprietary) Ltd.	South Africa	**50.00** (50.00)	**101.37** (62.84)	**2.83** (69.54)	**8.58** (12.41)	**16.70** (1.35)	**-** -	**-** -

* Based on Unaudited financial statements.

Note : Figures in the brackets relate to the previous year.

Schedules forming part of the Balance Sheet

Schedule 14: Notes to the Balance Sheet and the Profit and Loss Account

38. 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.

Particulars	**Current Year**	Previous Year
Profit after tax - (₹ crores)	**141.25**	153.10
No. of Ordinary Shares	**75,94,72,787**	72,34,72,787
Weighted Average No. of Ordinary Shares	**73,32,37,171**	72,34,72,787
Earnings Per Share - (In ₹) Basic and Diluted	**1.93**	2.12

Note: 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 Earning Per Share.

39. Previous year's figures have been regrouped, wherever necessary, to confirm to the current year's presentation.

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
K. B. DADISETH	Director
DEEPAK PAREKH	Director
JAGDISH CAPOOR	Director
A. R. AGA	Director

Mumbai, May 24, 2011

Information Pursuant to Part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract And Company's General Profile

Registration Details — State Code: 11

Registration No.: 183

Balance Sheet Date — Date: 31, Month: 03, Year: 2011

Capital raised during the year (Amount in ₹ Thousands)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	**Private Placement**
Nil	36,000

Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities	Total Assets
5,60,81,152	5,60,81,152

Sources of Funds

Paid-up Capital	Warrants	Reserves & Surplus
7,59,473	12,43,680	3,02,85,818
Secured Loans		**Unsecured Loans**
1,46,40,105		87,46,647
Deferred Asset Liability		**Trade Deposit**
2,77,784		1,27,645

Application of Funds

Net Fixed Assets	Investments
2,06,28,893	3,02,67,811
Long Term Deposit	**Net Current Assets**
1,09,49,161	(57,67,253)
Misc. Expenditure	
2,541	

Performance of Company (Amount in ₹ Thousands)

Turnover	Total Expenditure
1,72,92,067	1,50,62,587
Profit/Loss before Tax (+ for Profit, - for Loss)	**Profit/Loss after Tax**
+ 22,29,480	+ 14,12,529
Earning per share in ₹ (Basic)	**Dividend rate %**
1.93	100
Earning Per Share in ₹ (Diluted)	
1.93	

Generic Names of Principal Products/Services of the Company (as per monetary terms)

Product Description	Item Code No. (ITC Code)
Hoteliering & Catering	Not Applicable

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 Food and Beverages Ltd.	Taj International Hotels (H.K.) Ltd.
1	The Financial Year of the Company ends on :	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011
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	**5,10,00,000** Equity Shares of ₹ 10/- each fully paid-up	**1,90,00,070** Equity Shares of ₹ 10/- each fully paid-up	**5,00,00,000** Equity Shares of US$ 1 each fully paid-up
	b) Extent of holding	100.00%	100.00%	55.00%	51.00%	100.00%	98.68%	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, 2011 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 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, 2011	Nil	Nil	Nil	Nil	Nil	(110,861,406)	Nil
	b) Not dealt with in the accounts of the Company for the year ended 31st March, 2011	₹ 10,62,03,000	₹ 33,97,860	₹ 4,18,03,861	₹ 51,47,430	₹ (8,79,82,000)	₹ Nil	US$ 34,04,001
5	The net aggregate of profits/(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, 2011	Nil	Nil	3,69,60,000	Nil	Nil	(5,89,38,794)	Nil
	b) Not dealt with in the accounts of the Company for the year ended 31st March, 2011	₹ 101,14,84,000	₹ 2,29,13,344	₹ 5,35,59,638	₹ 99,82,39,320	₹ (47,15,87,000)	₹ Nil	US$ 50,00,042
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, 2011 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

		Chieftan Corporation NV	IHOCO B.V.	ST. James Court Hotel	Taj International Hotel Ltd. (U.K.)	IHMS INC.	Samsara Properties Ltd.	IHMS (AUS) Pty Ltd.	Apex Hotel Management. Services Pte. Ltd.
1	The Financial Year of the Company ends on :	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011
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	**9,923** Equity Shares of UK£ 1 each fully paid-up	**41,000** Equity Shares of DFL 100 each fully paid-up	**3,05,27,912** 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	**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	**2** Equity Shares of S$ 1 each fully paid-up
	b) Extent of holding	100.00%	100.00% *	54.01% #	100.00%	100.00%	100.00%	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, 2011 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	Does Not Arise
4	The net aggregate of Profit 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, 2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	b) Not dealt with in the accounts of the Company for the year ended 31st March, 2011	UK£ (649)	€ (15,046)	UK£ 11,75,060	UK£ (22,301)	US$ (3,76,62,880)	US$ (1,92,96,185)	AUD$ 16,037	S$ Nil
5	The net aggregate of profits/(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, 2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	b) Not dealt with in the accounts of the Company for the year ended 31st March, 2011	UK£ (6,77,602)	€ 99,47,986	UK£ (48,26,031)	UK£ (17,92,611)	US$ (11,15,22,783)	US $ (4,34,81,779)	AUD$ (1,68,68,181)	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, 2011 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	Does Not Arise

* Indirect holding as per Hong Kong Law
\# Inclusive of indirect holding of 21.23% as per Hong Kong Law
Note : Residency Foods & Beverages Ltd. sold its entire holding in its Subsidiary Innovative Foods Ltd (IFL). Hence IFL ceased to be a Subsidiary Company with effect from February 11, 2011

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

K. B. DADISETH
DEEPAK PAREKH
JAGDISH CAPOOR
A. R. AGA
} Directors

Mumbai, May 24, 2011

Summary of Financial Information of Subsidiary Companies

₹ **Crores**

	Domestic Subsidiaries							International subsidiaries							
Name of Subsidiary	**TIFCO Holdings Ltd**	**KTC Hotels Ltd.**	**United Hotels Ltd.**	**Roots Corporation Ltd.**	**Taj SATS Air Catering Ltd.**	**Residency Food and Beverages Ltd (Unaudited)**	**Apex Hotel Management Services PTE Ltd.**	**Taj International (H.K.) Ltd.**	**St. James Court Hotels Ltd.**	**Chieftain Corporation NV**	**IHOCO BV**	**Taj International Hotels Ltd.**	**International Hotels Management Services Inc Ltd.**	**IHMS (Australia) Pty Ltd**	**Samsara Properties Ltd.**
Funds Employed															
Capital	81.50	0.60	8.40	191.00	17.40	19.30	-	223.25	406.60	0.07	11.77	-	1,564.98	23.34	89.30
Reserves	111.77	2.63	24.05	(55.96)	196.74	(17.23)	-	24.00	(48.62)	83.17	77.60	12.73	(666.11)	(78.67)	(280.30)
Total Liabilities	-	4.30	-	152.05	19.69	0.25	-	1,002.45	279.11	-	-	1.50	463.95	126.49	1,482.81
Total Assets (Net)	193.27	7.53	32.45	287.09	233.83	2.32	-	1,249.70	637.09	83.24	89.37	14.23	1,362.82	71.16	1,291.81
Investments	143.76	-	6.26	-	3.50	-	-	91.99	-	-	-	-	-	-	1,169.09
Total Income	11.78	0.58	36.04	78.10	202.91	1.20	1.55	20.63	195.70	0.04	-	40.89	417.39	49.83	-
Profit Before Taxation	11.68	0.50	11.73	(8.80)	1.66	(8.98)	0.01	15.20	15.65	-	(0.07)	0.21	(166.67)	0.07	(86.16)
Provision for Taxation	0.85	0.17	4.13	-	0.65	2.26	0.01	-	-	-	0.03	0.04	1.50	-	-
Profit After Taxation	10.83	0.33	7.60	(8.80)	1.01	(11.24)	-	15.20	15.65	-	(0.10)	0.17	(168.16)	0.07	(86.16)
Proposed / Interim Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Residency Foods & Beverages Ltd. sold its entire holding in its Subsidiary Innovative Foods Ltd ("IFL"). Hence IFL ceased to be a Subsidiary Company with effect from February 11, 2011.

Financial Statistics

₹ Crores

		Capital Accounts						Revenue accounts									
Year		Share Capital	Reserves and Surplus	Borro-wing	Gross Block	Net Block	Invest-ment	Gross Revenue	Expen-diture (including Interest)	Depre-ciation	Profit before Taxes	Prov. Taxes	Profit after Tax	Net Transfer to General Reserves		Divi-dend	Rate of Dividend on Ordinary Shares %
1971-72	!	2.34	0.35	3.45	6.96	5.47	0.06	2.90	2.60	0.20	0.10	0.03	0.07	0.03	¢	0.04	0.00
1972-73		2.35	0.76	5.38	10.06	8.12	0.02	4.35	3.50	0.45	0.40	0.04	0.44	0.29	¢	0.16	6.00
1973-74		2.35	1.12	5.32	10.58	8.14	0.16	5.82	4.82	0.50	0.50	0.01	0.51	0.35	â	0.17	6.40
1974-75		2.35	1.94	4.55	10.99	8.09	0.20	7.26	5.79	0.49	0.98	0.00	0.98	3.61	â	0.37	18.00
1975-76		2.35	2.21	4.21	11.82	8.42	0.20	8.61	6.73	0.50	1.38	0.33	1.05	0.64	â	0.41	20.00
1976-77	#	3.07	2.38	3.98	12.21	8.30	0.25	10.77	8.45	0.52	1.80	0.75	1.05	0.49	â	0.56	20.00
1977-78		3.07	3.39	4.73	13.14	8.69	0.34	13.92	9.76	0.53	3.63	1.94	1.69	1.01	â	0.68	25.00
1978-79		3.07	5.41	6.17	17.81	12.68	0.55	18.42	13.63	0.69	4.10	1.40	2.70	2.02	â	0.68	25.00
1979-80	*	5.09	5.58	5.56	20.48	14.31	0.74	26.49	18.59	1.04	6.86	3.63	3.23	2.18	â	1.05	25.00
1980-81		5.09	8.53	7.76	25.01	17.60	1.10	31.54	23.13	1.24	7.17	3.17	4.00	2.95	â	1.45	22.00
1981-82	**	6.90	9.20	8.87	28.79	20.06	1.13	36.09	26.72	1.33	8.04	4.10	3.94	2.49	â	1.45	22.00
1982-83	***	6.35	12.34	26.71	49.54	39.22	2.65	42.98	36.87	1.62	4.49	0.00	4.49	2.99	â	1.50	23.00
1983-84		6.35	17.45	32.25	58.48	44.40	3.77	54.69	43.79	3.80	7.10	0.40	6.70	5.11		1.59	25.00
1984-85		6.35	22.23	42.20	67.77	44.55	11.70	65.50	55.39	2.66	7.45	1.08	6.37	4.78		1.59	25.00
1985-86	a	7.85	28.70	38.82	71.69	53.72	6.21	78.48	69.32	3.44	7.66	1.60	6.06	4.22		1.84	25.00
1986-87		7.85	32.73	53.58	89.73	67.56	5.53	93.05	79.68	4.25	9.12	2.75	6.37	4.02		2.35	30.00
1987-88	+	9.86	41.97	63.47	107.70	80.08	6.90	105.69	90.98	5.55	9.16	2.40	6.76	4.23		2.53	30.00
1988-89		9.86	48.54	74.06	127.39	93.56	9.34	117.72	100.61	6.24	10.87	1.50	9.37	6.42		2.96	30.00
1989-90	!!	14.78	51.44	97.13	161.28	119.95	11.19	141.50	120.93	7.80	12.77	1.25	11.52	7.83		3.70	25.00
1990-91		14.78	56.77	121.07	178.61	128.43	12.37	159.11	139.42	9.11	10.58	1.55	9.03	5.33		3.70	25.00
1991-92		14.78	73.72	123.53	194.44	135.89	13.76	206.79	169.52	++8.85	27.58	6.50	21.08	16.75		5.17	35.00
1992-93	!!!	19.96	124.44	106.86	210.68	142.53	16.93	239.21	188.24	9.77	41.20	9.00	32.20	24.86		8.68	50.00
1993-94		19.96	165.65	100.86	234.64	156.21	32.54	301.92	223.49	10.90	67.53	15.50	52.03	41.21		13.97	70.00
1994-95	æ	39.92	205.84	245.05	293.59	201.92	36.04	381.88	263.20	13.67	105.11	23.00	82.11	60.15		21.96	55.00
1995-96	=	45.12	567.16	200.18	384.01	273.21	142.09	547.36	347.42	20.37	179.57	39.00	140.57	107.10		33.47	75.00
1996-97		45.12	671.86	219.75	500.10	364.08	214.80	613.33	405.67	27.18	180.48	33.60	146.48	104.70		38.35	85.00
1997-98		45.12	767.68	197.31	581.48	414.57	218.09	623.91	427.53	32.42	163.96	26.00	137.96	95.78		38.35	85.00
1998-99		45.12	844.35	178.42	665.67	466.77	259.09	623.34	435.36	33.84	154.14	35.00	119.14	76.57		38.35	85.00
1999-00		45.12	913.96	432.32	842.01	606.86	337.75	650.91	482.49	37.69	130.73	17.50	113.23	70.66	@	38.35	85.00
2000-01		45.12	980.10	555.31	942.16	665.06	422.13	742.92	560.47	45.16	137.29	20.50	116.79	67.07		45.12	100.00
2001-02		45.12	844.13	809.21	946.15	655.08	541.34	617.55	589.81	47.49	98.14	17.44	80.70	40.00		36.09	80.00
2002-03		45.12	842.17	799.50	985.71	677.77	571.64	609.91	575.43	38.98	53.80	13.72	40.48	7.50		31.58	70.00
2003-04		45.12	844.79	1412.46	1159.69	813.13	600.83	727.09	646.89	48.58	80.20	19.55	60.65	8.57		36.09	80.00
2004-05	¶	50.25	1081.80	1052.03	1290.70	885.20	607.01	896.23	754.55	56.77	141.68	35.82	105.86	11.00		50.25	100.00
2005-06	¶	58.41	1657.83	544.34	1308.34	843.01	656.57	1154.80	890.90	65.90	272.00	88.22	183.78	20.00		77.95	130.00
2006-07	▲	60.29	1738.39	943.94	2014.34	1360.05	962.81	1618.83	1146.47	91.44	474.64	152.25	322.39	35.00		96.46	160.00
2007-08		60.29	1956.29	1134.18	2072.16	1371.60	977.58	1823.16	1254.11	85.48	580.47	203.01	377.46	38.00		114.54	190.00
2008-09	Ω	72.34	2975.29	1766.47	2362.23	1585.40	2026.88	1706.52	1348.42	94.46	362.30	128.27	234.03	30.00		86.81	120.00
2009-10		72.35	2616.87	2650.55	2408.32	1561.26	2445.63	1520.36	1358.48	104.14	218.25	65.15	153.10	15.31		72.35	100.00
2010-11	&	75.95	3028.59	2338.67	2605.18	1725.74	3026.78	1724.92	1495.71	108.46	222.95	81.70	141.25	14.13		75.95	100.00

!	Pref. and Ordinary Share Fully Called	a	After conversion of a part of the 1,50,00,000 Convertible debenture at a premium of ₹ 15/- per share
¢	Preference Dividend	+	After conversion of a part of the 20,01,121 Convertible debenture at a premium of ₹ 15/- per share
â	Preference and Ordinary Dividend	!!	After issue of bonus share in the Ratio 1:2
#	Issue of Bonus Shares in the Ratio 2:5	++	After deducting ₹ 0.84 Crore towards excess provision of depreciation for previous year
*	Issue of Bonus Shares in the Ratio 4:5	!!!	After Right issue of Shares in the Ratio of 1:3
**	Issue of Bonus Shares in the Ratio 2:5	æ	Issue of Bonus Shares in the Ratio of 1:1
¶	Conversion of foreign currency bonds into share capital.	=	Issue of Global Depository Shares
▲	Split of Shares of face value ₹ 10/- each to share of Face value ₹ 1/- each	Ω	After Right issue of Shares in the Ratio of 5:1
@	Ordinary / Interim dividend for the year	&	Allotment of Shares on preferential basis to promoters

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, 2011, the Consolidated Profit and Loss Account 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 report, we invite attention to Note 7 of Schedule 12 regarding the Group's investment amounting to ₹ 1,169 crores in a listed company where there is significant diminution in the current value of the investment vis'-a-vis the acquisition cost.

4. We did not audit the financial statements of thirteen subsidiaries and four joint ventures, whose financial statements reflect total assets (net) of ₹ 4,209.61 crores, as at 31st March, 2011, total revenues of ₹ 938.61 crores and net cash outflows amounting to ₹ 4.28 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements 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 unaudited financial statements of a subsidiary and a joint venture, whose financial statements reflect total assets (net) of ₹ 6.72 crores as at 31st March, 2011, total revenues of ₹ 3.72 crores and net cash outflows amounting to ₹ 25 lakhs for the year ended on that date. The Consolidated Financial Statements also include the Company's share of net loss amounting to ₹ 47.51 crores based on the unaudited financial statements of two associates. The aforesaid entities have been consolidated on the basis of their management accounts.

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 unaudited accounts relating to a subsidiary, a joint venture and two associates and read with our comments in paragraph 3, 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, 2011;

(b) in the case of the Consolidated Profit and Loss Account, of the loss 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)

Nalin M. Shah
Partner
(Membership No.15860)

MUMBAI, 24th May, 2011

Consolidated Balance Sheet as at March 31, 2011

	Schedule	₹ crores	₹ crores	March 31, 2010 ₹ crores
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	**75.95**		72.35
Warrants (Refer Note 4, page 134)		**124.37**		-
Reserves and Surplus	2	**2,570.13**		2,352.80
Preference shares issued by a subsidiary (Refer Note 5, Page 134)		**140.00**		120.00
Total			**2,910.45**	2,545.15
Minority Interest			**296.72**	272.74
Loan Funds				
Secured Loans	3	**2,201.69**		2,566.41
Unsecured Loans	4	**2,043.49**		1,894.28
Total			**4,245.18**	4,460.69
Long Term Trade Deposits			**13.26**	21.91
Foreign Currency Monetary Item Translation Difference Account (Refer Note 22, Page 142)			**-**	4.10
Deferred Tax Liabilities (Refer Note 11(b), Page 136)			**44.77**	16.93
			7,510.38	7,321.52
APPLICATION OF FUNDS				
Fixed Assets	5			
Gross Block		**6,120.25**		5,814.15
Less : Depreciation		**1,590.74**		1,440.66
Net Block		**4,529.51**		4,373.49
Capital work-in-progress		**411.72**		429.99
Total			**4,941.23**	4,803.48
Goodwill on consolidation			**325.72**	330.38
Investments	6		**2,505.81**	1,905.42
Long Term Deposits for Hotel Properties			**126.62**	173.59
Deferred Tax Assets (Refer Note 11(c), Page 136)			**0.71**	31.29
Current Assets, Loans and Advances	7			
Inventories		**58.53**		59.65
Sundry Debtors		**201.97**		205.50
Cash and Bank Balances		**195.56**		548.76
Loans and Advances		**511.25**		565.35
			967.31	1,379.26
Less: Current Liabilities and Provisions	8			
Liabilities		**617.40**		579.08
Provisions		**749.58**		745.41
			1,366.98	1,324.49
Net Current Assets / (Liabilities)			**(399.67)**	54.77
Miscellaneous Expenditure (to the extent not adjusted or written off)	9		**9.96**	22.59
			7,510.38	7,321.52
The accompanying notes form an integral part of the Balance Sheet	12			

In terms of our report attached.	For and on behalf of the Board	
For DELOITTE HASKINS & SELLS Chartered Accountants	Raymond N. Bickson	Managing Director
	Anil P. Goel	Executive Director - Finance
Nalin M. Shah	Abhijit Mukerji	Executive Director - Hotel Operations
Partner		
Mumbai, May 24, 2011		

Consolidated Profit and Loss Account for the year ended March 31, 2011

	Schedule	₹ crores	₹ crores	Previous Year ₹ crores
INCOME				
Rooms, Restaurants, Banquets and Other Income	10		**2,914.90**	2,562.53
EXPENDITURE				
Operating and General Expenses	11	**2,424.62**		2,135.03
Depreciation / Amortisation (Refer Note 16, Page 140)		**227.95**		218.54
Interest (net) (Refer Note 19, Page 141)		**251.15**		306.14
Total		**2,903.72**		2,659.71
Less : Expenditure during construction period transferred to Fixed Assets		**14.52**		12.16
			2,889.20	2,647.55
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEM AND TAX			**25.70**	(85.02)
Add / (Less) : Exceptional item (Refer Note 17, Page 140)			**(0.91)**	51.33
PROFIT / (LOSS) BEFORE TAX			**24.79**	(33.69)
Less : Provision for Tax (Refer Note 11(a), Page 135)			**121.05**	82.23
Add: Minimum Alternate Tax Credit			**32.66**	-
Less : Short Provision of Tax of earlier years (Net)			**5.27**	2.48
LOSS AFTER TAX			**(68.87)**	(118.40)
Less : Profit attributable to minority interest (Net)			**11.66**	13.91
Add : Share of (Loss) / Profits of Associates (Net)			**29.24**	(4.57)
LOSS AFTER MINORITY INTEREST AND SHARE OF PROFIT/(LOSS) OF ASSOCIATES BEFORE PRIOR PERIOD ITEM			**(51.29)**	(136.88)
Add : Share of Loss of an Associate for Prior Period			**(35.97)**	-
LOSS AFTER TAX AND PRIOR PERIOD ITEM			**(87.26)**	(136.88)
Add : Balance brought forward from previous year			**37.64**	420.32
Add : Adjustment on account of change in stake of Jointly Controlled Entities / disposal of a Subsidiary			**16.48**	2.79
AMOUNT AVAILABLE FOR APPROPRIATION			**(33.14)**	286.23
Appropriation :				
Proposed Dividend			**75.95**	72.35
Tax on Dividend			**12.32**	16.10
Transfer to Debenture Redemption Reserve			**113.30**	139.00
Transferred to General Reserve			**16.67**	18.94
Transferred to Reserve Fund			**2.20**	2.20
Balance carried forward			**(253.58)**	37.64
			(33.14)	286.23
Earnings Per Share - (In ₹) (Refer Note 28, Page 153)				
Basic & Diluted			**(1.19)**	(1.99)
Face Value per Ordinary share - (In ₹)			**1.00**	1.00
The accompanying notes form an integral part of the Profit and Loss Account	12			

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Nalin M. Shah
Partner
Mumbai, May 24, 2011

For and on behalf of the Board

Raymond N. Bickson — Managing Director
Anil P. Goel — Executive Director - Finance
Abhijit Mukerji — Executive Director - Hotel Operations

Consolidated Cash Flow Statement for the year ended March 31, 2011

	Current Year		Previous Year	
	₹ crores	₹ crores	₹ crores	₹ crores
Cash Flow From Operating Activities				
Net Profit / (Loss) Before Tax		**24.79**		(33.69)
Adjustments For :				
Depreciation / Amortisation	**227.95**		218.54	
Impairment of Goodwill	**3.26**		-	
Provision for Doubtful Debts and Advances	**4.15**		8.22	
Profit on sale of investments	**(4.08)**		(39.16)	
(Profit) / Loss on sale of assets	**0.82**		(4.49)	
Expenditure on discontinued project written off	**5.20**		-	
Profit on sale of a hotel	**(4.29)**		(5.72)	
Dividend Income	**(17.89)**		(20.08)	
Interest (Net)	**251.15**		306.14	
Unrealised Exchange Gain on financing activity	**(14.08)**		(2.39)	
Contingent provision against standard assets	**0.12**		-	
Provision for Contingent Claims	**5.32**		0.64	
Provision for Loyalty Programmes (net of Redemptions)	**(0.19)**		2.20	
Provision for Employee Benefits	**(9.03)**		0.66	
		448.41		464.56
Cash Operating Profit before working capital changes		**473.20**		430.87
Adjustments For :				
Trade and Other Receivables	**59.53**		(9.56)	
Inventories	**6.20**		2.48	
Trade Payables	**(12.49)**		56.55	
		53.24		49.47
Cash Generated from Operating Activities		**526.44**		480.34
Direct Taxes Paid		**(13.61)**		(53.19)
Net Cash From Operating Activities		**512.83**		427.15
Cash Flow From Investing Activities				
Purchase of Fixed Assets	**(412.65)**			(508.51)
Sale of Fixed Assets	**84.50**			65.19
Sale of Preference Shares of a Subsidiary	**20.00**			-
Sale of a Subsidiary	**1.63**			-
Purchase of Investments	**(3,717.24)**			(7,103.27)
Sale of Investments	**3,089.05**			7,720.93
Interest Received	**51.53**			25.35
Dividend Received (including from Associates)	**31.98**			34.77
Deposits Refunded by / (Placed with) Other Companies (Net)	**67.86**			69.97
Net Cash Used In Investing Activities		**(783.34)**		304.43
Cash Flow From Financing Activities				
Proceeds from Issue of Share Warrants	**124.37**			-
Proceeds from Issue of Ordinary Shares	**373.67**			1.02
Debenture Issue / Loan arragement costs	**(0.52)**			(23.30)
Interest Paid	**(290.68)**			(324.43)
Repayment of Long Term Loans and Debentures	**(364.34)**			(791.32)
Proceeds from Long Term Loans and Debentures	**49.51**			1,957.40
Short Term Loans Raised / (Repaid) (Net)	**119.51**			(1,133.59)
Long Term Trade Deposits Repaid (Net)	**(8.66)**			(1.89)
Dividend Paid (Including tax on dividend)	**(88.68)**			(107.53)
Net Cash Used In Financing Activities		**(85.82)**		(423.64)
Net Increase / (Decrease) In Cash and Cash Equivalents		**(356.33)**		307.94
Cash and Cash Equivalents - Opening - 1st April *		**548.76**		252.84
Impact of Fluctuations on Cash and Cash Equivalents		**3.13**		(12.02)
Cash and Cash Equivalents - Closing - 31st March *		**195.56**		548.76

* Includes Fixed / restricted deposits with banks ₹ 4.24 crores ; (Previous Year ₹ 3.85 crores)

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Nalin M. Shah
Partner
Mumbai, May 24, 2011

For and on behalf of the Board

Raymond N. Bickson — Managing Director

Anil P. Goel — Executive Director - Finance

Abhijit Mukerji — Executive Director - Hotel Operations

Schedules forming part of the Consolidated Balance Sheet

Schedule 1 : Share Capital

		March 31, 2010
	₹ 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 (Previous Year 72,34,89,291) Ordinary Shares of ₹ 1 /- each, Fully Paid (See Note below & Refer Note 4, Page 134)	**75.95**	72.35
	75.95	72.35
SUBSCRIBED AND PAID UP		
75,94,72,787 (Previous Year 72,34,72,787) Ordinary Shares of ₹ 1 /- each, Fully Paid (See Note below & Refer Note 4, Page 134)	**75.95**	72.35
	75.95	72.35

Note:

(i) 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.

Schedules forming part of the Consolidated Balance Sheet

Schedule 2 : Reserves and Surplus

	₹ crores	₹ crores	March 31, 2010 ₹ crores
Capital Reserve			
Balance as per Last Account		**43.97**	43.97
Capital Redemption Reserve			
Balance as per Last Account		**1.12**	1.12
Securities Premium Account			
Balance as per Last Account	**1,299.65**		1,675.28
Add: On allotment of shares on preferential basis (Refer Note 4, Page 134)	**369.50**		-
Add: On allotment of shares issued pursuant to exercise of detachable warrants attached to Right Issue	**-**		1.01
Less : Share / Debenture Issue Expenses written off	**(0.35)**		(2.55)
Less : Provision for premium on Redemption of Non Convertible Debentures	**-**		(374.09)
Total		**1,668.80**	1,299.65
General Reserve			
Balance as per Last Account	**497.95**		470.08
Add: Transferred from Profit and Loss Account	**16.67**		18.94
Add: Transferred from Foreign Exchange Earnings Utilised Reserve	**-**		9.82
Add/(Less) : Foreign Exchange fluctuation for the year	**0.46**		(0.58)
Less: Adjustment on account of reduction in stake of Jointly Controlled Entities	**-**		(0.31)
Total		**515.08**	497.95
Reserve Fund (In terms of Section 45-IC of the Reserve Bank of India Act,1934)			
Balance as per Last Account	**26.80**		24.60
Add : Transferred from Profit and Loss Account	**2.20**		2.20
Total		**29.00**	26.80
Revaluation Reserve			
Balance as per Last Account	**10.65**		43.87
Add: Revalued during the year (net)	**11.17**		-
Less: Depreciation transferred during the year	**(0.80)**		-
Add/(Less) : Foreign Exchange fluctuation for the year (net)	**7.47**		(33.22)
Total		**28.49**	10.65
Investment Reserve			
Balance as per Last Account		**5.00**	5.00
Investment Allowance Utilised Reserve			
Balance as per Last Account		**4.03**	4.03
Export Profits Reserve			
Balance as per Last Account		**0.41**	0.41
Debenture Redemption Reserve			
Balance as per Last Account	**327.67**		188.67
Add : Transferred from Profit and Loss Account	**113.30**		139.00
Total		**440.97**	327.67
Foreign Exchange Earnings Reserve			
Balance as per Last Account	**-**		7.51
Less : Transferred to Foreign Exchange Earnings Utilised Reserve	**-**		7.51
Total		**-**	-
Foreign Exchange Earnings Utilised Reserve			
Balance as per Last Account	**2.28**		4.59
Add : Transferred from Foreign Exchange Earnings Reserve	**-**		7.51
Less : Transferred to General Reserve	**-**		9.82
Total		**2.28**	2.28
Foreign Currency Translation Reserve (Refer Note 2 (f), Page 132)			
Balance as per Last Account	**95.63**		216.10
Add / (Less) : Foreign Exchange fluctuation for the year	**(11.07)**		(120.47)
Total		**84.56**	95.63
Profit and Loss Account			
Balance carried forward		**(253.58)**	37.64
		2,570.13	2,352.80

Schedules forming part of the Consolidated Balance Sheet

Schedule 3 : Secured Loans

		March 31, 2010
	₹ crores	₹ crores
Non - Convertible Debentures (Exchange gain on currency swap on the above debenture is ₹ 2.52 crores, Previous Year Nil)	**1,450.25**	1,752.77
Term loans from Banks	**731.82**	795.65
Term loans from Others	**-**	8.85
Bank Overdraft	**14.13**	7.03
Interest accrued & due	**0.96**	1.01
Others (including Finance Lease) (Refer Note 15(c), Page 140)	**4.53**	1.10
TOTAL	**2,201.69**	2,566.41

Schedule 4 : Unsecured Loans

		March 31, 2010
	₹ crores	₹ crores
Fixed Deposits	**354.18**	357.49
Foreign Currency Term Loans from Banks	**132.00**	132.00
Non - Convertible Debentures (Exchange gain on currency swap on the above debenture is ₹ 11.52 crores, Previous Year ₹ 6.71 crores)	**388.48**	393.29
Long Term Loans from Banks	**793.15**	942.35
Short Term Loans from Banks	**278.55**	2.26
Short Term Loan from Others (Including Interest Accrued and due of ₹ 1.21 crores, Previous Year - Nil)	**38.22**	18.70
Inter - Corporate Deposits	**54.73**	47.47
Bank Overdraft	**4.18**	0.72
TOTAL	**2,043.49**	1,894.28

Schedules forming part of the Consolidated Balance Sheet

Schedule 5 : Fixed Assets

₹ crores

Particulars	Gross Block (at cost) as at 1.04.2010	Translation Adjustment (Refer Note 4)	Addition on Revaluation of Assets (Refer Note 5)	Additions for the year	Deductions for the year (Refer Note 8)	Gross Block (at cost) as at 31.03.2011	Opening Depreciation/ Amorisation as at 01.04.2010	Transaction Adjustment (Refer Note 4)	Depreciation/ Amorisation for the year (Refer Note 6)	Deductions for the year	Accumulated Depreciation/ Amorisation as at 31.03.2011 (Refer Note 7)	Net Block as at 31.03.2011
TANGIBLE ASSETS												
Land (Freehold)	**419.19**	**(2.19)**	**-**	**-**	**2.62**	**414.38**	**3.88**	**-**	**-**	**-**	**3.88**	**410.50**
	449.67	*(31.25)*	*-*	*1.38*	*0.61*	*419.19*	*3.88*	*-*	*-*	*-*	*3.88*	*415.31*
Land (Leasehold)	**213.69**	**9.88**	**-**	**-**	**-**	**223.57**	**23.18**	**0.89**	**2.49**	**-**	**26.56**	**197.01**
	230.13	*(14.29)*	*-*	*-*	*2.15*	*213.69*	*22.53*	*(1.92)*	*2.58*	*0.01*	*23.18*	*190.51*
Buildings	**3,237.32**	**33.38**	**11.10**	**183.23**	**68.09**	**3,396.94**	**397.02**	**8.30**	**86.48**	**10.82**	**480.98**	**2,915.96**
	2,850.59	*(134.04)*	*-*	*530.91*	*10.14*	*3,237.32*	*330.46*	*(11.88)*	*79.23*	*0.79*	*397.02*	*2,840.30*
Plant And Machinery	**1,203.82**	**3.81**	**-**	**152.34**	**79.43**	**1,280.54**	**581.44**	**1.98**	**76.23**	**52.58**	**607.07**	**673.47**
	1,163.89	*(6.61)*	*-*	*84.40*	*37.86*	*1,203.82*	*539.68*	*(3.86)*	*75.96*	*30.34*	*581.44*	*622.38*
Furniture, Fixtures And Office Equipments	**598.68**	**5.99**	**-**	**91.66**	**39.41**	**656.92**	**356.62**	**4.58**	**51.12**	**27.87**	**384.45**	**272.47**
	523.87	*(9.76)*	*-*	*96.45*	*11.88*	*598.68*	*322.72*	*(6.76)*	*49.99*	*9.33*	*356.62*	*242.06*
Vehicles	**46.68**	**(0.04)**	**0.07**	**1.77**	**1.48**	**47.00**	**23.04**	**(0.02)**	**3.86**	**1.22**	**25.66**	**21.34**
	45.80	*(0.36)*	*-*	*1.86*	*0.62*	*46.68*	*19.41*	*(0.21)*	*4.33*	*0.49*	*23.04*	*23.64*
INTANGIBLE ASSETS												
Leasehold Property Rights	**12.74**	**0.54**	**-**	**1.76**	**-**	**15.04**	**3.12**	**0.59**	**1.19**	**-**	**4.90**	**10.14**
	14.38	*(2.26)*	*-*	*0.64*	*0.02*	*12.74*	*2.60*	*(0.33)*	*0.86*	*0.01*	*3.12*	*9.62*
Website Development Cost	**4.62**	**-**	**-**	**3.80**	**-**	**8.42**	**4.56**	**-**	**0.46**	**-**	**5.02**	**3.40**
	4.61	*-*	*-*	*0.01*	*-*	*4.62*	*4.56*	*-*	*-*	*-*	*4.56*	*0.06*
Customer Reservation System & Licensed Software	**14.76**	**-**	**-**	**4.78**	**0.12**	**19.42**	**5.34**	**-**	**3.62**	**0.03**	**8.93**	**10.49**
	12.56	*-*	*-*	*2.20*	*-*	*14.76*	*3.67*	*-*	*1.67*	*-*	*5.34*	*9.42*
Management Contracts	**49.25**	**(0.56)**	**-**	**-**	**-**	**48.69**	**34.27**	**(0.29)**	**2.37**	**-**	**36.35**	**12.34**
	67.21	*(6.26)*	*-*	*0.11*	*11.81*	*49.25*	*47.67*	*(4.21)*	*2.62*	*11.81*	*34.27*	*14.98*
Non Compete Fees	**9.33**	**-**	**-**	**-**	**-**	**9.33**	**6.36**	**(0.01)**	**0.59**	**-**	**6.94**	**2.39**
	9.33	*-*	*-*	*-*	*-*	*9.33*	*5.48*	*(0.01)*	*0.89*	*-*	*6.36*	*2.97*
Brand	**4.07**	**-**	**-**	**-**	**4.07**	**-**	**1.83**	**-**	**0.34**	**2.17**	**-**	**-**
	4.07	*-*	*-*	*-*	*-*	*4.07*	*1.42*	*-*	*0.41*	*-*	*1.83*	*2.24*
TOTAL	**5,814.15**	**50.81**	**11.17**	**439.34**	**195.22**	**6,120.25**	**1,440.66**	**16.02**	**228.75**	**94.69**	**1,590.74**	**4,529.51**
	5,376.11	*(204.83)*	*-*	*717.96*	*75.09*	*5,814.15*	*1,304.08*	*(29.18)*	*218.54*	*52.78*	*1,440.66*	*4,373.49*

Notes :

1 Figures in italics are in respect of the previous year.

2 Gross block includes improvements to leased buildings - ₹1,665.02 crores (Previous Year - ₹ 1,506.15 crores).

3 Furniture, Fixtures and Office Equipments as at the year end includes Fixed Assets on finance lease: Gross Block - ₹ 2.27 crores; (Previous year - ₹ 2.15 crores), Accumulated Depreciation - ₹ 1.45 crores; (Previous year ₹ 0.89 crore), Depreciation for the year - ₹ 0.51 crore; (Previous year - ₹ 0.45 crore).

4 Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment". This also includes impact of dilution/acquisition in respect of dilution in shareholding for certain jointly controlled entities.

5 Addition on Revaluation of Assets pertain to revaluation of assets done during the year by one of the international jointly controlled entity of the group.

6 Depreciation / Amortisation for the year includes ₹ 0.80 crore (Previous year ₹ Nil) recouped from Revaluation Reserves (Refer Note 16, Page 142)

7 Accumulated Depreciation includes adjustment for impairment of ₹ 6.76 crores; (Previous year ₹ 9.40 crores), including on Freehold Land, made in the earlier years.

8 Deduction during the year includes assets amounting to ₹ 4.79 crores reclassified as Inventory in one of the Jointly Controlled Entity.

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE 6 : Investments

	₹ crores	March 31, 2010 ₹ crores
Long Term		
Trade Investments		
In Associate Companies [Includes Goodwill of ₹ 96.94 crores (Previous Year - ₹ 92.61 crores) and is net of capital reserve of ₹ 1.18 crores (Previous Year - ₹ 1.18 crores) arising on the acquisition of Associates]	**478.37**	488.01
In Shares		
Quoted (Refer notes below and Refer Note 7, Page 135)	**1,169.18**	1,182.08
Unquoted (Refer Note (14)(b)(iii), Page 138)	**204.34**	212.58
Current Investments - Units of Liquid Mutual Funds	**654.34**	23.28
TOTAL	**2,506.23**	1,905.95
Less : Provision for Diminution in Value of Investments	**0.42**	0.53
	2,505.81	1,905.42

Notes:

(i) Investments in Quoted Shares include 50,900 shares of the Company held by a subsidiary, at a cost of ₹ 73,950, which were acquired by it prior to it becoming a subsidiary.

(ii) Aggregate of Quoted Invesments - Gross:

Cost / Carrying Value -	1,368.63	1,369.50
Market Value -	686.88	711.30

Schedules forming part of the Consolidated Balance Sheet

Schedule 7 : Current Assets, Loans and Advances

			March 31, 2010
	₹ crores	**₹ crores**	₹ crores
Inventories			
Stores and Operating Supplies	**26.00**		30.64
Food and Beverages	**23.97**		25.52
Apartments held for sale	**8.56**		3.49
		58.53	59.65
Sundry Debtors (Unsecured)			
Outstanding over six months :			
Considered good	**44.80**		64.86
Considered Doubtful	**14.93**		16.11
	59.73		80.97
Others :			
Considered good	**157.17**		140.64
Considered doubtful	**-**		0.07
	157.17		140.71
		216.90	221.68
Less : Provision for Doubtful Debts		**14.93**	16.18
		201.97	205.50
Cash and Bank Balances			
Cash on hand [Including Cheques on Hand - ₹ 10.84 crores (Previous Year - ₹ 10.39 crores)]		**13.63**	13.58
Balances with Banks :			
In Current Accounts	**52.18**		85.92
In Call and Short Term Deposit Accounts	**129.75**		449.26
		181.93	535.18
		195.56	548.76
Total		**456.06**	813.91
Loans and Advances (Unsecured, net of provision)			
Deposits with Public Bodies and Others	**42.10**		47.95
Advance payment of Tax (net of provision for tax)	**112.99**		147.51
Other Advances (net of provision)	**210.21**		183.21
Deposits with Companies	**145.95**		186.68
		511.25	565.35
TOTAL		**967.31**	1,379.26

Schedules forming part of the Consolidated Balance Sheet

Schedule 8 : Current Liabilities & Provisions

			March 31, 2010
	₹ crores	**₹ crores**	₹ crores
Current Liabilities			
Sundry Creditors	**344.04**		336.15
Other Liabilities	**108.52**		98.89
Sundry Deposits	**7.74**		7.75
Advance from customers	**96.01**		76.59
Interest accrued but not due on loans	**61.09**		59.70
Total Current Liabilities		**617.40**	579.08
Provisions			
Employee Benefits	**77.58**		68.55
Contingent Claims (Refer Note 24, Page 143)	**7.44**		2.04
Provision for Contingency on Standard Assets	**0.12**		-
Loyalty programmes (Refer Note 23, Page 142)	**14.58**		14.77
Premium on Redemption of Debentures	**560.27**		560.27
Taxation (net of advance)	**1.32**		15.64
Proposed Dividend	**75.95**		72.35
Tax on Dividend	**12.32**		11.79
Total Provisions		**749.58**	745.41
TOTAL		**1,366.98**	1,324.49

Schedule 9 : Miscellaneous Expenditure (to the extent not adjusted or written off)

			March 31, 2010
	₹ crores	**₹ crores**	₹ crores
Borrowing Costs			
Opening Balance	**22.59**		7.64
Add : Incurred during the year	**0.05**		30.23
Add : Translation Adjustment	**0.14**		0.22
Less : Amortised during the year	**12.82**		15.50
TOTAL		**9.96**	22.59

Schedules forming part of the Consolidated Balance Sheet

Schedule 10 : Rooms, Restaurants, Banquets and Other Income

	₹ crores	₹ crores	Previous Year ₹ crores
INCOME			
Rooms, Restaurants, Banquets and Other Services	**2,862.52**		2,456.67
Other Operating Income (Refer Note 3, Page 133)	**-**		64.35
		2,862.52	2,521.02
Other Income			
Dividend Income (Refer Note 10, Page 135)	**17.89**		20.08
Profit on sale of Long Term Investments	**4.03**		-
Profit on sale of Current Investments	**0.05**		-
Exchange Gain (Net)	**16.65**		9.24
Miscellaneous Income	**13.76**		12.19
		52.38	41.51
TOTAL		**2,914.90**	2,562.53

Schedule 11 : Operating and General Expenses

	₹ crores	₹ crores	Previous Year ₹ crores
Operating Expenses			
Payments to & Provisions for Employees			
Salaries, Wages, Bonus etc	**742.49**		674.44
Group's Contribution to Provident & Other Funds	**63.48**		30.42
Payment to Contractors	**68.22**		61.29
Staff Welfare Expenses	**92.88**		81.52
		967.07	847.67
Food & Beverages Consumed		**296.52**	254.69
Carried Over		**1,263.59**	1,102.36

TAJ
Hotels Resorts
and Palaces

Schedules forming part of the Consolidated Balance Sheet

Schedule 11 : Operating and General Expenses (contd..)

			Previous Year
	₹ crores	₹ crores	₹ crores
Brought Over		**1,263.59**	1,102.36
Other Operating Expenses			
Linen & Room Supplies	**56.20**		51.44
Catering Supplies	**26.16**		21.46
Other Supplies	**19.98**		16.72
Fuel, Power & Light	**196.23**		172.96
Repairs to Buildings	**36.14**		28.15
Repairs to Machinery	**41.86**		34.98
Repairs to Others	**32.90**		27.41
Linen, Uniform Washing and Laundry Expenses	**20.81**		18.51
Payment to Orchestra Staff, Artists and Others	**20.33**		16.10
Guest Transportation	**13.40**		9.47
Travel Agents' Commission	**31.45**		27.19
Discount to Collecting Agents	**34.10**		28.87
Other Operating Expenses	**48.93**		40.61
		578.49	493.87
General Expenses			
Rent	**83.92**		72.31
Licence Fees	**110.42**		98.39
Rates & Taxes	**64.63**		57.19
Insurance	**19.57**		17.86
Advertising & Publicity	**96.50**		88.67
Printing & Stationery	**13.15**		11.92
Passage & Travelling	**19.35**		16.61
Provision for Doubtful Debts and Advances	**4.15**		8.22
Professional Fees	**67.14**		63.26
Loss on Sale of Assets (Net)	**0.82**		0.04
Impairment of Goodwill	**3.26**		-
Other Expenses	**92.71**		97.79
Auditors' Remuneration (Refer Note 20, Page 141)	**5.06**		4.56
		580.68	536.82
Directors' Fees and Commission		**1.86**	1.98
TOTAL		**2,424.62**	2,135.03

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

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:

- 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.
- In 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 Profit and Loss Account 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 at the end of the year. Any exchange difference arising on consolidation is shown under Foreign Currency Translation Reserve on Consolidation.
- 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.
- 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.
- The financial statements of Subsidiaries, Jointly Controlled Entities and Associates used in the consolidation are drawn upto the same reporting date as that of the Company except in the case of an Associate Company where the accounts have been drawn upto December 31, 2010.
- The excess of cost to the Company of its investment in the Subsidiaries and Jointly Controlled Entities over the Company's portion of equity as at the date of making the investment is recognised in the financial statements as Goodwill.
- The excess of Company's portion of equity of the Subsidiaries and Jointly Controlled Entities over the cost of acquisition of the respective investments as at the date of making the investment is treated as Capital Reserve.
- Goodwill / Capital Reserve arising on investments in Associate Companies is retained / adjusted under the head 'Investments in Associate Companies'.
- Goodwill arising out of consolidation is not amortised. However, the same is tested for impairment at each Balance Sheet date.
- Minority Interest in the net assets of Subsidiaries consists of :

    i. the amount of equity attributable to the minorities at the date on which investment in Subsidiary is made and

    ii. the minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

(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 holdings therein, is given below: -

i. **Subsidiary Companies**

Name of the Company	**Country of Incorporation**	**Holding (%)**	
		Current Year	Previous Year
Domestic			
TIFCO Holdings Ltd.	India	**100**	100
KTC Hotels Ltd.	India	**100**	100
United Hotels Ltd.	India	**55**	55
Roots Corporation Ltd. (Refer Note 5, Page 130)	India	**100**	100
Taj SATS Air Catering Ltd.	India	**51**	51
Residency Foods & Beverages Ltd.	India	**98.68**	98.68
Innovative Foods Ltd.*	India	**-**	69.22
International			
Taj International Hotels (H.K.) Ltd. (TIHK)	Hong Kong	**100**	100
Chieftain Corporation NV	Netherlands Antilles	**100**	100
IHOCO BV	Netherlands	**100**	100
St. James Court Hotels Ltd.	United Kingdom	**54.01**	54.01
Taj International Hotels Ltd.	United Kingdom	**100**	100
International Hotel Management Services Inc. and its Limited Liability Companies (IHMS Inc.)	United States of America	**100**	100
Samsara Properties Ltd.	British Virgin Islands	**100**	100
IHMS (Australia) Pty Ltd.	Australia	**100**	100
IHMS (Restaurants) Pty Ltd. **	Australia	**-**	100
Apex Hotel Management Services (Pte) Ltd.	Singapore	**100**	100

* Ceased to be a subsidiary with effect from February 11, 2011.

** De-Registered with effect from November 4, 2009.

ii. **Jointly Controlled Entities**

Name of the Company	**Country of Incorporation**	**Holding (%)**	
		Current Year	Previous Year
Domestic			
Taj Madras Flight Kitchen Pvt. Ltd.	India	**50.00**	50.00
Taj Karnataka Hotels & Resorts Ltd.	India	**38.81**	21.19
Taj Kerala Hotels & Resorts Ltd.	India	**28.30**	28.30
Taj GVK Hotels & Resorts Ltd.	India	**25.52**	25.52
Taj Safaris Ltd.	India	**22.98**	25.45
International			
TAL Hotels & Resorts Ltd.	Hong Kong	**26.66**	26.66
IHMS Hotels (SA) (Proprietary) Ltd.	South Africa	**50.00**	50.00

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

iii. **Associates**

Name of the Company	Country of Incorporation	Holding (%)	
		Current Year	Previous Year
Domestic			
Ideal Ice & Cold Storage Co. Ltd. **	India	**34.99**	34.99
Benares Hotels Ltd.	India	**49.53**	49.53
Taj Air Ltd.##	India	**-**	45.64
Piem Hotels Ltd.	India	**46.20**	46.20
Taj Trade and Transport Co. Ltd.	India	**46.62**	46.62
Taj Enterprises Ltd.	India	**44.60**	44.60
Taida Trading and Industries Ltd. **	India	**41.50**	41.50
Inditravel Pvt. Ltd.	India	**47.08**	47.08
Oriental Hotels Ltd.	India	**33.80***	33.80*
Taj Madurai Ltd.	India	**26.00**	26.00
Kaveri Retreats & Resorts Limited	India	**22.73**	-
International			
Lanka Island Resorts Ltd.	Sri Lanka	**24.16**	24.16
TAL Lanka Hotels PLC	Sri Lanka	**24.62**	24.62
BJETS Pte Ltd. @	Singapore	**61.54**	61.54

* Including 5.25% of the shares held in the form of Global Depository Receipts (GDR)

** Investments in these Associates have been reported at NIL value as the Group's share of losses exceeds the carrying amount of its investments.

@ Although the holding exceeds 50%, the investment is treated as an associate in terms of the shareholders' agreement which caps the ultimate holding of the Group to 45.69% (Previous year 44.44%).

Ceased to be an associate with effect from September 27, 2010.

(c) In the case of the following entities, unaudited financial statements as certified by the Management of the respective entities have been considered in the consolidated financial statements. The adoption of the accounts by the Board of Directors of these companies is pending :

i. Residency Foods & Beverages Ltd. (Subsidiary Company)

ii. Taj Safaris Ltd. (Jointly Controlled Entity)

iii. BJETS Pte Ltd. (Associate Company)

iv. Taj Air Ltd. (Associate Company)

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

(d) 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 :-

₹ crores

Particulars	**Current Year**	Previous Year
Assets		
Fixed Assets (Net Block) (including CWIP)	**306.17**	278.77
Investments	**4.72**	3.32
Working Capital :		
Current Assets, Loans and Advances	**111.72**	37.01
Less : Current Liabilities and Provisions	**34.92**	38.88
Net Current Assets	**76.80**	(1.87)
Miscellaneous Expenditure (to the extent not written off or adjusted)	**0.73**	1.07
Liabilities		
Loan Funds :		
Secured Loans	**103.75**	104.60
Unsecured Loans	**82.45**	21.06
Deferred Tax Liability	**8.69**	8.58
Contingent Liabilities	**19.20**	19.55
Capital Commitments	**7.86**	9.91
Income		
Operating Income	**152.91**	124.97
Other Income :		
Dividend	**0.15**	0.10
Profit on sale of assets (Net)	**-**	0.01
Miscellaneous Income	**2.58**	12.50
Expenses		
Operating Expenses :		
Payments to & Provisions for Employees	**33.92**	26.12
Food & Beverages consumed	**18.37**	15.02
Other Operating Expenses	**32.75**	24.64
General Expenses	**31.06**	29.92
Directors’ Fees	**0.03**	0.02
Depreciation	**17.84**	13.35
Interest (Net)	**5.93**	4.90

2. Significant Accounting Policies:

The financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006. 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

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

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) **Rooms, Restaurants, Banquets and Other Services:**

Rooms, Restaurants, Banquets and Other Services comprise of 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:**

i. Defined Contribution Schemes

Employee benefits arising out of contributions to recognised Provident Fund, Superannuation, Social Security etc. paid/payable during the year are recognised in the Profit and Loss Account. The shortfall, if any, between the return guaranteed by the statute and actual earnings of the Provident Fund is provided for and contributed to the Fund.

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

The Group has separate funded and unfunded schemes for gratuity benefits. In respect of funded schemes, annual contributions are made to funds administered by the trustees for amounts notified by the funds. The Group accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation, determined on the basis of the projected unit credit method, carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

iii. Post Retirement Benefits

The net present value of the Group's obligation towards post retirement pension scheme, wherever applicable, is actuarially determined based on the projected unit credit method as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

iv. Compensated Absences

The Group 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 except in case of an international subsidiary wherein the liability is determined on an arithmetic basis.

v. Other Employee Benefits

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

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Notes on Consolidated Balance Sheet and Profit and Loss Account

(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 and Amortisation:**

i. **Depreciation:**

Indian Entities

In respect of assets acquired before December 16, 1993, depreciation is provided under the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, as existing on that date.

In respect of assets acquired on or after December 16, 1993, depreciation is provided at the rates as specified in Schedule XIV to the Companies Act, 1956, as revised with effect from that date. In respect of Leasehold Land, depreciation is provided for, from the date the land is put to use for commercial operations, over the balance period of the lease. In respect of Improvements to Building, depreciation is provided @ 6.67%.

In respect of one subsidiary, 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:

Asset Classification	**Rate**
Leasehold Property Rights	*6.67%
Website Development Cost	20.00%
Customer Reservation System and Licensed Software	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.

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Notes on Consolidated Balance Sheet and Profit and Loss Account

(f) **Transactions in Foreign Exchange:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

In respect of integral foreign operations:-

i. Monetary items outstanding at the Balance Sheet date are translated at the exchange rate prevailing at the Balance Sheet date and the resultant difference is recognised as income or expense.

ii. Non-monetary items outstanding at the Balance Sheet date are reported using the exchange rate at the date of the transactions.

In respect of non-integral foreign operations:-

Both monetary and non-monetary items are translated at the closing rate and the resultant difference is accumulated in a Foreign Currency Translation Reserve, until the disposal of the net investment.

(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:**

i. In respect of finance lease arrangements, the assets are capitalised and depreciated. Finance charges are debited to the Profit and Loss Account of the year in which they are incurred.

ii. Operating Lease payments are recognised as expenditure in the Profit and Loss Account 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 and Beverages and Stores and Operating supplies are carried at cost (computed on Weighted Average basis) or Net Realisable Value, whichever is lower. All other inventories are valued at the lower of Cost and Net Realisable Value.

(k) **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.

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Notes on Consolidated Balance Sheet and Profit and Loss Account

(l) **Taxes on income:**

i. Income tax is computed in accordance with Accounting Standard 22 - 'Accounting for Taxes on Income' (AS-22), notified by the Companies (Accounting Standards) Rules, 2006. Tax expenses are accounted in the same period to which the revenue and expenses relate.

ii. 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.

iii. Deferred tax assets, other than on unabsorbed depreciation or 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 an entity has unabsorbed depreciation or 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.

(m) **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, when there is a present legal or statutory 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.

(n) **Borrowing Costs :**

i. Interest and other borrowing costs, attributable to qualifying assets are capitalised.

ii. Interest not attributable to qualifying assets is charged to the Profit and Loss Account in the year in which it is incurred.

iii. Debenture issue costs and entire premium on redemption of Debentures are adjusted against the Securities Premium Account in accordance with Section 78 of the Companies Act, 1956.

iv. Other Borrowing Costs are charged to revenue account over the tenure of the borrowing.

3. The Taj Mahal Palace in Mumbai was attacked by terrorist on November 26, 2008 amongst other targets in the city, due to which the heritage wing of the property was severely damaged. The entire hotel has since been restored back and is fully operational. The cost of reinstatement of damage will be recovered from the insurance company, subject to the adjustment on account of expected deductions from claim amounts. The fixed assets / facilities that have been put to use are capitalised at its carrying value on the date of the loss, increased for the expected deductions from claim amounts. The Company is also insured for Loss of Profits to cover the period of interruption for up to 12 months from the date of incident against which it has recognised an amount of ₹ Nil (Previous Year ₹ 64.35 crores) towards loss of profit due to business interruption on an estimated basis. The Company is in an advanced stage of finalisation of the claim with the insurers and has so far received ₹ 200 crores as advance payment towards claim settlement including ₹ 20 crores received during the current financial year.

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4. Preferential Allotment :

The Company has allotted on preferential basis to Tata Sons Ltd, the Promoter, following securities on December 23, 2010:

- 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.
- 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.

Consequently, the Share Capital of the Company increased from ₹ 72.35 crores to ₹ 75.95 crores on allotment of 3,60,00,000 Ordinary Shares.

As at March 31, 2011, ₹ 497.47 crores raised through the above issues, were temporarily parked as Deposits with Banks and in Units of Mutual Funds. These funds subsequent to the Balance Sheet date, i.e. on May 12, 2011 have been fully utilised for redemption of 6% Secured Non-Convertible Debentures.

5. Shareholder Agreement of a subsidiary :

(a) During year 2008-09 a Subsidiary of the Group had issued 1,40,00,000, 5% Cumulative Convertible Preference Share of ₹ 100 each, aggregating ₹ 140 crores. During the current financial year the terms of Preference Shares have been changed with the consent of the Preference Shareholde₹ As per the revised term, the Preference Shares are now Fixed Non-Cumulative Convertible Preference Shares of Rs 100 each carrying dividend @ 0.00001% for each preference share. The aggregate outstanding preference shares shall convert into such number of fully paid equity shares of face value of ₹ 10 each as is equal to ₹ 140 crores divided by ₹ 76.50 on December 31, 2011 without any application or any further act on the part of the preference shareholders. Such equity shares shall rank *pari passu* with the then existing equity shares of the Company in all respect, as the case may be.

(b) As per Share Subscription Agreement and Shareholders' Agreement dated March 16, 2011 entered with Omega TC holding Pte Limited ('Investor') and subject to the terms and conditions stated therein, the Investor has agreed to purchase Preference Shares from existing holders for an aggregate consideration of ₹ 70 crores on March 16, 2011 or such other dates as may be mutually agreed (Tranche 1). Further, the Investors has agreed to subscribe and the Company has agreed to issue and allot (i) Such number of Equity Shares as is equal to the aggregate consideration of ₹ 50 crores on such date as may be mutually agreed (Tranche 2) (ii) Such number of Equity Shares as is equal to the aggregate consideration of ₹ 50 crores on or before March 31, 2012 (Tranche 3) (iii) Such number of Equity Shares as is equal to the aggregate consideration of ₹ 50 crores on or before March 31, 2013 (Tranche 4). 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 (Tranche 5).

(c) Pursuant to the above agreement, the Investor has purchased 70,00,000, 0.00001% Fixed Non-Cumulative Convertible Preference Shares of ₹ 100 each from existing Preference Shareholders on March 16, 2011 and has also remitted ₹ 50 crores on April 21, 2011 towards tranche against which the Company has allotted 55,55,556 Equity Shares of face value ₹ 10 each @ ₹ 90 per Share (inclusive of ₹ 80 towards share premium) on April 25, 2011.

6. 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.

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7. The Group, has an investment of ₹ 1,169 crores (USD 262 million) [previous year - ₹ 1,182 crores (USD 262 million)] in Orient-Express Hotels Ltd., a company listed on the New York Stock Exchange. The market value of this investment as on the Balance Sheet date is ₹ 394 crores (USD 88 million) [previous year - ₹ 441 crores (USD 99 Million)], representing a diminution in the value of the investment in the company amounting to ₹ 795 crores (USD 174 million) [previous year ₹ 741 crores (USD 163 million)]. In view of the strategic nature of the investment and the Company's long-term commitment and on a consideration of the valuation report of an independent valuer and other long-term strategies of the Company, in the opinion of the Management, there is no diminution, other than temporary in value of the aforesaid investment.

8. The Group owns 19.90% of 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 :-

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

(b) the obligation to make good the value of the short-fall 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.

9. The Group 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:-

(a) Shareholders holding 3,98,090 shares have an option to sell these shares to the Group. 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.

(b) Shareholders holding 5,36,339 shares have an option to sell these shares to the Group. 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 Group 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.

10. Dividend Income:

Dividend Income consists of income on long term investments - ₹ 4.85 crores (previous Year - ₹ 6.83 crores) and on current investments - ₹ 13.11 crores (previous Year: ₹ 13.25 crores).

11. Provision for Current Tax & Deferred Tax:

a. Provision for Tax includes

₹ crores

Particulars	**Current Year**	Previous Year
Current Tax	**61.07**	72.23
Wealth Tax	**1.56**	1.74
Deferred Tax charge	**58.42**	8.26
Total Provision for Tax	**121.05**	82.23

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b. The net deferred tax liability comprises of the following components:

₹ crores

Particulars	Current Year	Previous Year
Deferred tax Liability		
Depreciation on fixed assets	**258.95**	39.62
Deferred revenue expenditure	**0.15**	0.11
Total	**259.10**	39.73
Deferred tax Assets		
Provision for doubtful debts	**3.85**	1.88
Provision for Employee Benefits	**15.40**	2.01
Unabsorbed Business Losses*	**3.09**	0.68
Premium on redemption of Debentures	**161.01**	-
Others	**16.12**	0.53
Unabsorbed Depreciation	**14.86**	17.34
Total	**214.33**	22.44
Net Deferred Tax Liability	**44.77**	16.93

* Deferred tax asset has been created for unabsorbed business losses in respect of one Jointly Controlled Entity, as in the view of Management there is a virtual certainty in the form of sufficient book profits to utilise the recognised Deferred tax asset in the future.

The Company has restricted the recognition of the deferred tax assets on unabsorbed depreciation to set off the deferred tax liability arising on accounting of timing difference arising on depreciation.

c. The net deferred tax assets comprises of the following components :

₹ crores

Particulars	Current Year	Previous Year
Deferred tax Assets		
Provision for doubtful debts	**0.95**	-
Provision for Employee Benefits	**0.12**	9.54
Depreciation on Fixed Assets	**0.50**	0.41
Premium on Redemption of Debentures	**-**	182.77
Others	**0.09**	10.02
Total	**1.66**	202.74
Deferred tax Liability		
Depreciation on fixed assets	**0.95**	171.45
Total	**0.95**	171.45
Deferred Tax Assets	**0.71**	31.29

12. Estimated amount of contracts remaining to be executed on capital account and not provided for (including share of Jointly Controlled Entities) is ₹ 123.47 crores (previous year - ₹ 253.70 crores).

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13. Contingent Liabilities :

(Includes share of Jointly Controlled Entities)

a) On account of Income Tax matters in dispute:

i) In respect of appeals pending before Appellate Authorities for matters which have been decided in the Group's favour in earlier assessment years - ₹ 16.38 crores (previous year - ₹ 15.07 crores).

ii) In respect of other matters for which appeals are pending - ₹ 15.42 crores (previous year - ₹ 17.37 crores).

iii) In respect of other matters – ₹ 0.04 crore (previous year – ₹ Nil).

b) On account of dispute in respect of:

i) Luxury tax – ₹ 0.45 crore (previous year - ₹ 0.56 crore)

ii) Entertainment tax – ₹ 0.53 crore (previous year - ₹ 0.53 crore)

iii) Sales tax – ₹ 8.75 crores (previous year - ₹ 11.49 crores)

iv) Property tax – ₹ 9.24 crores (previous year - ₹ 7.40 crores)

v) Stamp Duty – ₹ 2.34 crores (previous year - ₹ 2.34 crores)

vi) Others – ₹ 38.73 crores (previous year - ₹ 30.51 crores)

c) Other claims against the Group not acknowledged as debts - ₹ 169.36 crores (previous year - ₹ 153.02 crores).

d) Guarantees given by the Group in respect of deposits received and loans obtained outstanding as on March 31, 2011 - ₹ 46.18 crores (previous year - ₹ 46.18 crores).

e) A subsidiary has unpaid Preference Dividend of ₹ Nil (previous year – ₹ 10.23 crores on 5% Cumulative Convertible Preference Shares of ₹ 100/- each). The Preference Shares have become non – cumulative during the year. (Refer Note 5, Page 134).

f) A subsidiary has reported a contingent liability in respect of a labour dispute, the amount of which is unascertainable.

g) In respect of a subsidiary, arbitration proceedings initiated to resolve a long standing dispute with the Airport Authority of India (AAI) for granting access through the subsidiary's land at Mumbai have been concluded in favour of the Company. As a result, the claim made by AAI on the Company amounting to ₹ 10.22 crores stands withdrawn. The revised claim pursuant to the award given by the arbitrator is awaited from the AAI. The Company does not expect any liability for the past period and should there be any liability crystallising on the subsidiary for any reason, the same is indemnifiable by the Company.

14. Guarantees and Undertaking Given :

a) Guarantees given to bankers:

St. James Court Hotel Limited owns the leasehold interest in a property in London, such interest having been assigned to it in an earlier period by an erstwhile subsidiary company on the basis of a licence granted by the landlord of the property, Scottish Widows' Fund and Life Assurance Society. The licence was granted for such assignment upon the guarantee from the Company for the due performance and observance by St. James Court Hotel Limited of the covenants and conditions contained in the licence. The obligations of the Company in favour of the landlord shall remain in force throughout the full term of the lease, including any renewals.

b) Undertakings given:

The Group has given the following undertakings as at the Balance Sheet date:

i. The Group has confirmed its intention to make financial support to a subsidiary, St James Court Hotels Limited ('SJCHL') to meet its liabilities as they fall due for a period of at least one year from the date of approval of SJCHL's financial statements for the year ended March 31, 2011.

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ii. 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, Taj Maldives Private Limited ('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.

iii. The Group has given an undertaking to a lender of Taj Air Limited ('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.

c) Shares of St. James Court Hotel Limited with a net book value of ₹ 191.07 crores (USD 4,27,92,430) have been pledged and guarantees have been issued in respect of a loan from a third party 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 ₹ 116.09 crores (USD 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 USD 26 million, representing the loan drawn down by Bjets as at the end of the reporting period.

15. Finance and Operating 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 Limited 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 ₹ 22.32 crores (USD 5 million), as to be renewed annually until expiration of the lease.

ii. Spend not less than ₹ 156.28 crores (USD 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 ₹ 357.20 crores (USD 80 million). In order to expedite the renovation, the New York LLC closed the hotel rooms and restaurant operations of the Hotel Pierre effective December 31, 2007, and entered into a severance arrangement with the union to offer eligible employees enhanced severance payments with no recall rights or normal severance payments with recall rights. The company paid approximately ₹ 54.70 crores (USD 12.25 million) in severance payments in January 2008.

The lease modification required the New York LLC to complete the renovation by January 30, 2009. On December 10, 2008, the New York LLC sent a letter request to 795 Corp. to extend the renovation completion date to June 30, 2009 which 795 Corp. agreed to through a letter dated December 19, 2008 to the New York LLC. The New York LLC substantially completed the renovation project on June 30, 2010.

Also as part of the renovations, 795 Corp. required the New York LLC to post a ₹ 89.30 crores (USD 20 million) performance bond. As the renovations were almost substantially completed, on April 8, 2009, 795 Corp. reduced the required performance bond to ₹ 44.65 crores (USD 10 million). On

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July 1, 2010, the required performance was further reduced to USD 1 million as the Hotel Pierre renovation was completed. Future fixed and minimum rentals, exclusive of formula or percentage rentals for the period ending March 31, are approximately as under:-

Year	₹ crores
2012	8.79
2013	8.79
2014	8.79
2015	8.79
2016	2.20
Total	**37.36**

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 June 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. Future fixed minimum rentals, exclusive of formula or percentage rentals for the years ending March 31, are approximately as follows:

Year	₹ crores
2012	3.82
2013	3.82
2014	1.66
2015	0.58
2016	0.58
Thereafter	0.58
Total	**11.04**

(b) IHMS New York 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 :-

₹ crores

Mar-31	San Francisco	Boston LLC	New York LLC	Total
2012	0.23	2.01	1.71	3.95
2013	0.24	1.94	1.61	3.79
2014	0.25	1.94	1.00	3.19
2015	0.24	1.94	1.03	3.21
2016	0.14	1.94	1.07	3.15
Thereafter	-	2.27	4.99	7.26
Total	**1.10**	**12.04**	**11.41**	**24.55**

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(c) 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:

₹ crores

Particulars	Current Year	Previous Year
Minimum lease rentals payable as on Balance Sheet date	**0.38**	1.10
Present value of Minimum lease rentals payable at discounted rate implicit in lease agreement	**0.37**	1.05

₹ crores

Particulars	Minimum lease payment		Present value of minimum lease payment at discounted rate implicit in lease agreement	
	Current Year	Previous Year	**Current Year**	Previous Year
Not later than one year	**0.18**	0.72	**0.17**	0.68
Later than one year but not later than five years	**0.11**	0.26	**0.11**	0.25
Later than five years	**0.09**	0.12	**0.09**	0.12
Total	**0.38**	1.10	**0.37**	1.05

(d) The Group has taken on operating lease, certain assets, the minimum future lease rentals payable on which are as follows:

₹ crores

Particulars	Current Year	Previous Year
Not later than one year	**31.77**	22.46
Later than one year but not later than five years	**115.32**	81.41
Later than five years	**841.64**	562.96

A subsidiary company is liable, in certain cases, to pay variable rent based on fulfilment of certain operational parameters. The total amount charged to Profit and Loss Account in respect thereof is ₹ 0.12 crore (previous year ₹ 0.06 crore).

16. Depreciation for the year is net of ₹ 0.80 crore (previous year - ₹ Nil) recouped from the revaluation reserve created for some of the assets which were revalued during the year in one of the jointly controlled entity.

17. Exceptional items amounting to ₹ 0.91 crore comprise of profit on sale of hotel property – ₹ 4.29 crores and expenditure on a discontinued project charged off for commercial reasons – ₹ 5.20 crores. In respect of previous year, Exceptional Items of ₹ 51.33 crores includes a non- recurring profit on sale of investments - ₹ 39.16 crores, profit on exit from a development project/sale of a hotel property - ₹ 10.25 crores and refund of annuity pension premium ₹ 1.92 crores.

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18. The Group has sold its entire stake in a subsidiary company, Innovative Foods Limited (IFL) on February 11, 2011. Net Revenue & Net Loss in IFL for the period ended January 31, 2011 were ₹ 32.50 crores and ₹ 3.66 crores respectively and was accordingly incorporated in the consolidated financial statement. Net assets on January 31, 2011 were ₹ 14.42 crores.

19. Interest expense is net of interest income and it comprises of:

₹ crores

Particulars	Current Year	Previous Year
Interest Expenses		
Fixed Loans *	**261.64**	324.66
Other Loans	**44.56**	18.49
On Income Tax Demand	**0.17**	5.75
	306.37	348.90
Less : Interest Capitalised	**12.65**	9.92
Total Expenses	**293.72**	338.98
Interest Income (Gross)		
Inter-Corporate Deposits	**11.62**	10.63
Deposits with Banks	**9.72**	1.87
Interest on Income Tax Refund	**7.08**	15.20
Currency Swap Gain	**12.36**	1.55
Others	**1.79**	3.59
Total Income	**42.57**	32.84
Interest (Net)	**251.15**	306.14

* Interest on Fixed Loans include ₹ 12.82 crores (previous year - ₹ 15.50 crores) being expenses on loans amortised over the tenure of the loan.

20. Auditors' Remuneration:

₹ crores

Particulars	Current Year	Previous Year
1) Audit Fees	**3.89**	3.50
2) Payment for Other Services	**1.08**	0.84
3) Expenses and incidentals	**0.09**	0.22
Total Auditors' Remuneration	**5.06**	4.56

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21. Derivative Instruments :

The Group uses forward exchange contracts, interest rate swaps, currency swaps, forward contracts and option contract to hedge its exposure in foreign currency borrowings and interest rates. The information on derivative instruments is as follows:-

(a) Derivative Instruments outstanding:

Particulars	**Risk Hedged**	**Current Year**		Previous Year	
		(USD Million)	**₹ crores**	(USD Million)	₹ crores
Option Contracts	USD/INR	30.00	132.00	30.00	132.00
	GBP/USD	144.00	-	144.00	-
	USD/ZAR	-	-	1.03	-
Libor Cap	USD	73.15	-	70.00	-
	GBP	61.01	-	60.47	-
Forward Contracts	GBP/USD	15.00	-	15.00	-
	USD/ZAR	-	-	2.12	-

(b) Un-hedged Foreign currency exposure receivables (net):

Currency	**Current Year**	Previous Year
United States Dollar (Million)*	88.05	121.32
South African Rand (Million)	127.12	85.79

* Net of foreign currency liability of USD 97.47 million (previous year - USD 40.00 million).

22. The Company had exercised the option granted vide notification F.No.17/33/2008/CL-V dated March 31, 2009, issued by the Ministry of Corporate Affairs and, accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items for the year ended March 31, 2010 have been recognised over the shorter of the maturity period or March 31, 2011. The unamortised balances as at the year end are presented as "Foreign Currency Monetary Item Translation Difference Account" Foreign currency monetary items outstanding as at March 31, 2011 are accounted as per Company's Policy on "Transactions in Foreign Exchange" [Refer Note 2(f), Page 132].

23. Provision for Loyalty Programmes :

₹ crores

Particulars	**Current Year**	Previous Year
Opening Balance	**14.77**	12.57
Less : Redemption during the year	**6.93**	0.66
	7.84	11.91
Add : Provision for the year	**6.74**	2.86
Closing Balance	**14.58**	14.77

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24. Provision for Contingent Claims:

The Group is carrying provisions for contingencies towards various claims against the Company not acknowledged as debts towards disputed statutory claims.

₹ crores

Particulars	Opening Balance	Addition	Closing Balance
Tax matters	**1.12** *(1.12)*	**-** *(-)*	**1.12** *(1.12)*
Contractual matters in the course of business	**0.28** *(0.28)*	**5.08** *(-)*	**5.36** *(0.28)*
Employee related matters	**0.64** *(-)*	**0.32** *(0.64)*	**0.96** *(0.64)*
Total	**2.04** ***(1.40)***	**5.68** ***(0.64)***	**7.44** ***(2.04)***

Figures in italics are in respect of the previous year.

25. Employee Benefits:

(a) The Group has contributed the following amounts towards domestic defined contribution plans in the Profit and Loss Account under the head Group's Contribution to Provident Fund and Other Funds:-

₹ crores

Particulars	**Current Year**	Previous Year
Provident Fund	16.57	16.27
Superannuation Fund	6.84	5.34
Others	0.23	0.09
Total	**23.64**	21.70

(b) The Group has contributed ₹ 17.41 crores (previous year - ₹ 14.59 crores) towards foreign Defined Contribution Plans in the Profit and Loss Account under the head Group's Contribution to Provident Fund and Other Funds.

(c) The Group operates post retirement defined benefit plans as follows :-

a. Funded :

i. Post Retirement Gratuity

ii. Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

b. Unfunded :

i. Pension to Executive Directors and Employees – Post retirement minimum guaranteed pension scheme for certain retired executive directors and certain categories of employees, which is unfunded.

ii. Post Retirement Gratuity

(d) Details of funded gratuity plans are as follows :-

i. Amount to be recognised in Balance Sheet and movement in net liability

₹ crores

Particulars	**Current Year**	Previous Year
Present Value of Funded Obligations	**134.77**	114.50
Fair Value of Plan Assets	**(133.24)**	(115.10)
Net Liability recognised in the Balance Sheet and included under Sundry Creditors	**1.53**	(0.60)

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Notes on Consolidated Balance Sheet and Profit and Loss Account

ii. **Expenses recognised in the Profit and Loss Account**

₹ crores

Particulars	**Current Year**	Previous Year
Current Service Cost	**6.81**	7.40
Interest Cost	**9.34**	8.04
Expected return on Plan Assets	**(8.40)**	(6.50)
Actuarial Losses/(Gains)	**13.58**	(16.54)
Past Service Cost	**0.02**	0.02
Net gratuity expenses included in Payments to and Provision for Employees	**21.35**	(7.58)
Actual Return on Plan Assets	**8.59**	15.72

iii. **Reconciliation of Defined Benefit Obligation**

₹ crores

Particulars	**Current Year**	Previous Year
Opening Defined Benefit Obligation	**114.50**	112.51
Current Service Cost	**6.81**	7.40
Interest Cost	**9.34**	8.04
Actuarial Losses/ (Gains)	**13.93**	(7.09)
Benefits Paid	**(9.83)**	(6.38)
Past Service Cost	**0.02**	0.02
Closing Defined Benefit Obligation	**134.77**	114.50

iv. **Reconciliation of Fair Value of Plan Assets**

₹ crores

Particulars	**Current Year**	Previous Year
Opening Fair Value of Plan Assets	**115.10**	86.99
Expected return on Plan Assets	**8.40**	6.50
Actuarial Gains/(Losses)	**0.27**	9.45
Contributions by Employer	**19.30**	18.54
Benefits Paid	**(9.83)**	(6.38)
Closing Fair Value of Plan Assets	**133.24**	115.10
Expected Employer's contribution next year	**7.00**	7.43

v. **Description of Plan Assets (Managed by Insurance Companies)**

₹ crores

Particulars	**Current Year (%)**	Previous Year (%)
Government of India Securities	**2.53**	5.78
Corporate Bonds	**53.91**	53.69
Special Deposit Scheme	**-**	0.83
Insurer Managed Funds – Equity	**13.84**	14.52
Insurer Managed Funds – Debt	**13.56**	14.27
Others	**16.16**	10.91
Grand Total	**100**	100

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

vi. Summary of Actuarial Assumptions

Particulars	Current Year (%)	Previous Year (%)
Discount Rate	**8.00 – 8.20**	7.00 - 8.30
Expected rate of return on Assets	**7.50 - 9.15**	7.50 - 9.15
Salary Escalation Rate	**3 – 10**	5 – 10
Attrition rate	**1 -2**	1 -2
Mortality	Published notes under the LIC (1994-96) mortality tables	

(e) 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 March 31, 2011, under the basis of uniform accrual benefit with demographic assumptions taken as Nil is as follows:

i. Amount to be recognised in Balance Sheet

₹ crores

Particulars	Current Year	Previous Year
Present Value of Funded Obligation	**4.19**	3.75
Fair Value of Plan Asset	**(5.24)**	(3.85)
Present Value of Obligation	**-**	-
Unrecognised Past Service Cost	**(1.90)**	(2.28)
Amount not recognised as an Asset	**0.36**	-
Net Liability	**(2.59)**	(2.38)

ii. Expense to be recognised in the Profit & Loss Account

₹ crores

Particulars	Current Year	Previous Year
Current Service Cost	**0.12**	0.13
Interest on Defined Benefit Obligation	**0.31**	0.25
Expected Return on Plan Assets	**(0.29)**	-
Net Actuarial Losses / (Gains) recognised in Year	**0.21**	(0.19)
Past Service Cost	**0.38**	0.38
Amount not recognised as an Asset	**0.36**	-
Net expenses included in Payments to and Provision for Employees	**1.09**	0.57
Actual Return on Plan Asset	**0.10**	0.12

iii. Reconciliation of Defined Benefit Obligation

₹ crores

Particulars	Current Year	Previous Year
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**3.75**	3.44
Current Service Cost	**0.12**	0.13
Interest Cost	**0.31**	0.25
Benefits Paid	**(0.01)**	-
Actuarial Losses / (Gains)	**0.02**	(0.07)
Closing Defined Benefit Obligation	**4.19**	3.75

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

iv. Reconciliation of Fair Value of Plan Assets

₹ crores

Particulars	Current Year	Previous Year
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	**3.85**	-
Expected return on Plan Assets	**0.29**	-
Actuarial (Losses) / Gains	**(0.19)**	0.12
Contributions by Employer	**1.30**	3.73
Benefits Paid	**(0.01)**	-
Closing Fair Value of Plan Assets	**5.24**	3.85
Expected Employer's contribution next year	**-**	-

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

Particulars	Current Year (%)	Previous Year (%)
Government of India Securities	**-**	-
Corporate Bonds	**10**	-
Special Deposit Scheme	**-**	-
Equity	**-**	-
Property	**-**	-
Insurer Managed Funds	**-**	-
Others (Fixed Deposits)	**90**	100
Grand Total	**100**	100

vi. Experience Adjustments

₹ crores

Particulars	Year Ended March 31,				
	2011	**2010**	**2009**	**2008**	**2007**
Defined Benefit Obligation	**4.19**	3.75	3.44	3.04	-
Plan Asset	**5.24**	3.85	-	-	-
Surplus/ (Deficit)	**1.04**	0.10	(3.44)	(3.04)	-
Exp. Adj. on Plan Liabilities	**0.02**	0.55	(0.37)	-	-
Exp. Adj. on Plan Asset	**(0.19)**	0.12	-	-	-

vii. Financial Assumption at the Valuation date

Particulars	Current Year (%)	Previous Year (%)
Discount Rate	**8.15**	8.15
Expected rate of return on Assets	**7.50**	7.50

The past service liability is being amortised over the average vesting period of 8.02 years.

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

(f) Details of unfunded post retirement defined benefit obligation are as follows :-

i. Reconciliation of Defined Benefit Obligation

₹ crores

Particulars	**Current Year**	Previous Year
Opening Defined Benefit Obligation	**6.86**	8.90
Current Service Cost	**0.62**	0.95
Interest Cost	**0.58**	0.67
Actuarial (Gains) / Losses	**0.48**	(2.21)
Benefits Paid	**(1.09)**	(1.45)
Closing Defined Benefit Obligation	**7.45**	6.86

ii. Expenses recognised in the Profit and Loss Account

₹ crores

Particulars	**Current Year**	Previous Year
Current Service Cost	**0.62**	0.95
Interest Cost	**0.58**	0.67
Actuarial (Gains) / Losses	**0.48**	(2.23)
Net expenses included in Payments to and Provisions for Employees	**1.68**	(0.59)

(g) Provident Fund

In keeping with the Guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as Defined Benefit Plans, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees. According to the Management, the Actuary has opined that actuarial valuation cannot be applied to reliably measure provident fund liabilities in the absences of guidance from the Actuarial Society of India. Accordingly, the Company is currently not in a position to provide other related disclosures as required by the aforesaid AS 15 read with the Accounting Standards Board Guidance. However, having regard to the position of the Fund (for covered employees) and confirmation from the Trustees of such Fund, provision has been made for such shortfall as at the year-end.

(h) One of the international subsidiaries makes contributions along with many other employers to union-sponsored multiemployer pension plans based on the number of hours worked by employees covered under union contracts. The Multiemployer Pension Plan Amendments Act of 1980 of that country imposes certain liabilities upon employers associated with multiemployer plans who withdraw from such a plan or upon termination of said plans. The subsidiary had not undertaken to terminate, withdraw or partially withdraw from the plans. The subsidiary has not received information from the plans' administrators to determine its share of unfunded vested benefits, if any. Amounts charged to the subsidiary's expense for contribution to the multiemployer plans for the years ended March 31, 2011 and 2010 amounted to USD 18,87,115 (equivalent to ₹ 8.64 crores) and USD 15,80,472 (equivalent to ₹ 7.55 crores) respectively.

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. Experience Adjustments are not disclosed since the information from a group's perspective is not readily available with the Company. The above information has been certified by the actuaries and has been relied upon by the Auditors.

26. Related Party Disclosures :

(a) Company having substantial interest

Tata Sons Ltd. (with effect from December 23, 2010)

(b) Associates and Jointly Controlled Entities

The names of all the associates and jointly controlled entities are given in Note no. 1 (b) (ii) and (iii) on Page 127 and 128.

(c) Investing Parties

Singapore Airport Terminal Services Ltd. (SATS)

Malaysian Airline Systems

Tourism Resorts Kerala Ltd.

Zinc Holdings Ltd.

And Beyond Holdings Pty. Ltd.

(d) 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.

Following are the Key Management Personnel:
a) Mr. Raymond N. Bickson
b) Mr. Anil P. Goel
c) Mr. Abhijit Mukerji

(e) The details of transactions with related parties are as follows :

₹ crores

Associates	**Company having substantial interest**		**Associates**		**Investing Parties**		**Total**	
	CY	PY	**CY**	PY	**CY**	PY	**CY**	PY
Interest Paid/Provided	**-**	-	**0.31**	1.56	**-**	0.04	**0.31**	1.60
Interest received/accrued	**-**	-	**2.67**	4.59	**0.85**	0.99	**3.52**	5.58
Dividend Received	**-**	-	**8.65**	7.40	**2.38**	4.61	**11.03**	12.01
Operating/License Fees Paid/Provided	**-**	-	**-**	0.85	**0.44**	0.44	**0.44**	1.29
Operating/License Fees Received/Accrued	**-**	-	**50.79**	42.60	**20.73**	21.71	**71.52**	64.31

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

₹ crores

Associates	**Company having substantial interest**		**Associates**		**Investing Parties**		**Total**	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Purchase of goods and services	**2.56**	-	**26.55**	46.35	**0.45**	1.29	**29.56**	47.64
Sale of goods and services	**0.79**	-	**7.77**	6.10	**4.16**	2.37	**12.72**	8.47
Due from/(to) Current Account	**(1.19)**	-	**5.86**	12.96	**2.36**	0.38	**7.03**	13.34
Allotment of Shares	**373.10**	-	**-**	-	**-**	-	**373.10**	-
Allotment of Warrants	**124.37**	-	**-**	-	**-**	-	**124.37**	-
Sundry Debtors	**-**	-	**0.84**	14.40	**8.50**	19.14	**9.34**	33.54
Sundry Creditor	**-**	-	**11.40**	-	**0.10**	-	**11.50**	-
ICDs given Outstanding	**-**	-	**25.05**	-	**11.91**	-	**36.96**	-
Loans given Outstanding	**-**	-	**3.43**	-	**0.18**	-	**3.61**	-
Deposit placed Outstanding	**-**	-	**-**	64.66	**30.14**	46.85	**30.14**	111.51
Issue of Shares	**-**	-	**-**	-	**-**	3.35	**-**	3.35

Key managerial personnel comprise whole-time directors, who have the authority and responsibility for planning, directing and controlling the activities of the Company. Presently Mr. Raymond N Bickson, the Managing Director, Mr. Anil P. Goel, the Executive Director - Finance and Mr. Abhijit Mukerji, the Executive Director - Hotel Operations, are the Key Management Personnel drawing remuneration excluding commission of ₹ 6.69 crores (previous year - ₹ 5.45 crores), ₹ 1.17 crores (previous year - ₹ 1.02 crore) and ₹ 0.90 crore (previous year - ₹ 0.82 crore) respectively.

(f) Statement of Material Transaction:

₹ crores

Name of the Company	**Current Year**	Previous Year
Company having substantial interest		
Tata Sons Ltd.		
- Allotment of Shares	**373.10**	-
- Allotment of Warrants	**124.37**	-
- Purchase of goods and services	**2.56**	-
- Sale of goods and services	**0.79**	-
- Due to – Current Account	**(1.19)**	-
Associates		
Taj Air Ltd.		
- Purchase of goods and services	**15.47**	36.32
- ICDs Encashed	**17.60**	25.00
- ICDs repaid	**27.17**	-

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

Name of the Company	Current Year	Previous Year
- ICDs given Outstanding	**6.10**	-
- Interest received/accrued	**0.51**	3.85
- ICDs Placed	**-**	17.30
- Operating / License fee paid/provided	**-**	0.85
- Sale of Goods and services	**1.68**	-
- Due from – Current Account	**2.15**	-
Piem Hotels Ltd.		
- Dividend Received	**3.52**	3.52
- Operating/License Fees Received/Accrued	**25.05**	25.07
- Sale of goods and services	**2.58**	2.16
- Sundry Debtors	**-**	5.64
Inditravel Private Ltd.		
- Purchase of goods and services	**8.18**	8.52
- Dividend Received	**1.28**	-
- Due from – Current Account	**0.94**	-
- Sundry Creditor	**1.20**	-
Oriental Hotels Ltd.		
- Interest Paid/Provided	**0.31**	1.42
- Interest received/accrued	**1.34**	0.68
- Dividend Received	**2.53**	3.88
- Operating/License Fees Received/Accrued	**22.15**	17.53
- Sundry Creditors	**10.31**	-
- ICDs Encashed	**47.00**	-
- ICDs repaid	**71.43**	79.50
- Sale of goods and services	**-**	2.40
- Sundry Debtors	**-**	8.77
- ICDs Raised	**-**	92.50
- Loans given Outstanding	**3.43**	-
Kaveri Retreats & Resorts Ltd.		
- ICDs given Outstanding	**16.20**	-
- Interest Received/Accrued	**0.47**	-
Taida Trading & Industries Ltd.		
- Due From – Current Account	**1.03**	1.03
Benares Hotels Ltd.		
- Due From – Current Account	**10.41**	2.45
Ideal Ice & Cold Storage Co. Ltd.		
- Due to – Current Account	**(0.34)**	(0.34)
Lanka Island Resorts Ltd.		
- Due to – Current Account	**(0.12)**	-
TAL Lanka Hotels PLC (formerly known as Taj Lanka Hotels Ltd.)		
- Due from – Current Account	**-**	10.43
Jointly Controlled Entities		
Taj GVK Hotels & Resorts Ltd.		
- Dividend Received	**2.38**	3.20

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

Name of the Company	Current Year	Previous Year
- Operating / License Fees Received/Accrued	**14.33**	19.19
- Due from/(to) – Current Account	**(0.47)**	2.25
- Sundry Debtors	**-**	7.36
- ICDs given Outstanding	**3.72**	-
Taj Madras Flight Kitchen Private Ltd.		
- Dividend Received	**-**	1.99
Taj Kerala Hotels & Resorts Ltd.		
- Due from/(to) – Current Account	**(0.41)**	2.44
- Sundry Debtors	**1.24**	3.96
Taj Karnataka Hotels & Resorts Ltd.		
- Due to - Current Account	**-**	(2.20)
Taj Safaris Ltd.		
- ICDs given	**3.47**	-
- Due from – Current Account	**1.22**	-
- Sundry Debtors	**2.28**	-
TAL Hotels & Resorts Ltd.		
- Interest received/accrued	**0.44**	0.61
- Sundry Debtors	**4.27**	7.70
- ICDs given Outstanding	**4.19**	-
- Due to - Current Account	**-**	(2.15)
- Deposits given Outstanding	**9.63**	-
IHMS Hotels (SA) (Proprietary) Ltd.		
- Deposits Placed	**11.61**	-
- Deposit given Outstanding	**20.51**	-
Investing Parties		
Malaysian Airline Systems		
- Sale of Goods & Services	**2.79**	-
Singapore Airline Terminal Services		
- Sale of Goods & Services	**-**	1.18
Zinc Holdings Ltd.		
- Issue of Shares	**-**	2.61
Tourism Resorts Kerala Ltd.		
- Licence Fees Paid	**0.44**	0.44
And Beyond Holdings Pty. Ltd.		
- Issue of Shares	**-**	0.74

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

27. Segmental Information:

The Group regards the business segment as the primary segments. The business segments have been classified as follows:

- Hoteliering
- Air Catering
- Others – comprising of Food Processing and Investing activities.

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

The disclosure in respect of the above business segments are as under:

Business Segments **₹ crores**

Particulars	Hoteliering		Air Catering		Others		Total	
	CY	PY	**CY**	PY	**CY**	PY	**CY**	PY
Segment Revenue	**2,603.36**	2,265.99	**256.62**	248.05	**32.95**	28.41	**2,892.93**	2,542.45
Dividend							**17.89**	20.08
Profit on sale of investments							**4.08**	-
Total Revenue							**2,914.90**	2,562.53
Segment Results	**267.83**	192.18	**1.98**	20.07	**(14.93)**	(11.21)	**254.88**	201.04
Add: Unallocable Income (net of expenses)							**21.97**	20.08
Interest (net)							**251.15**	306.14
Profit/(Loss) before tax and Exceptional Item							**25.70**	(85.02)
(Less)/Add: Exceptional Item							**(0.91)**	51.33
Profit/(Loss) before tax							**24.79**	(33.69)
Provision for tax							**93.66**	84.71
(Loss) after tax							**(68.87)**	(118.40)
Segment Assets	**5,674.75**	5,911.93	**228.08**	237.66	**19.34**	59.23	**5,922.17**	6,208.82
Unallocated Assets							**2,955.19**	2,437.19
Total Assets							**8,877.36**	8,646.01
Segment Liabilities	**1,203.02**	1,175.84	**51.57**	45.80	**36.06**	24.98	**1,290.65**	1,246.62
Unallocated Liabilities							**4,379.54**	4,581.50
Total Liabilities							**5,670.19**	5,828.12
Other Information								
Depreciation	**211.23**	200.78	**15.82**	16.67	**0.90**	1.09	**227.95**	218.54
Significant non-cash expenditure other than depreciation	**12.50**	6.07	**1.57**	(4.36)	**0.29**	(0.17)	**14.36**	1.54
Capital Expenditure	**434.83**	694.44	**4.51**	23.09	**-**	0.43	**439.34**	717.96

Schedule 12

Notes on Consolidated Balance Sheet and Profit and Loss Account

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

Geographic Segments

₹ crores

Particulars	**Domestic**		**International**		**Total**	
	CY	PY	**CY**	PY	**CY**	PY
Segment Revenue	**2,100.45**	1,851.90	**792.48**	690.55	**2,892.93**	2,542.45
Segment Assets	**3,396.31**	3,711.92	**2,525.86**	2,496.90	**5,922.17**	6,208.82
Capital Expenditure	**397.20**	181.34	**42.14**	536.62	**439.34**	717.96

Figures pertaining to Subsidiaries and Jointly Controlled Entities have been reclassified wherever necessary in order to confirm to the presentation in the Company's financial statements.

28. Earnings Per Share (EPS) :

Earnings per share is calculated in accordance with Accounting Standard 20 – 'Earnings Per Share' as notified by the Companies (Accounting Standards) Rules, 2006.

Particulars	**Current Year**	Previous Year
(Loss) after tax after Minority Interest and Share of Profits of Associates (₹ crores)	**(87.26)**	(136.88)
Less: Preference Dividend (not provided for)	**-**	(7.02)
Adjusted (Loss)	**(87.26)**	(143.90)
No. of Ordinary Shares – Basic and Diluted	**75,94,72,787**	72,34,72,787
Weighted Average No. of Ordinary Shares	**73,32,37,171**	72,34,72,787
Earnings Per Share – Basic and Diluted (In ₹)	**(1.19)**	(1.99)

Note: 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 on Consolidated Balance Sheet and Profit and Loss Account

29. Information of Subsidiaries in terms of section 212(8) of 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.

Summary of Financial Information of Subsidiary Companies

₹ Crores

Name	Domestic Subsidiariesc						International subsidiaries								
Name of Subsidiary	**TIFCO Holdings Ltd**	**KTC Hotels Ltd.**	**United Hotels Ltd.**	**Roots Corporation Ltd.**	**Taj SATS Air Catering Ltd.**	**Residency Food and Beverages Ltd (Unaudited)**	**Apex Hotel Management Services PTE Ltd.**	**Taj International (H.K.) Ltd.**	**St. James Court Hotels Ltd.**	**Chieftain Corporation NV**	**IHOCO BV**	**Taj International Hotels Ltd.**	**International Hotel Management Services Inc.**	**IHMS (Australia) Pty Ltd**	**Samsara Properties Ltd.**
Funds Employed															
Capital	81.50	0.60	8.40	191.00	17.40	19.30	-	223.25	406.60	0.07	11.77	-	1,564.98	23.34	89.30
Reserves	111.77	2.63	24.05	(55.96)	196.74	(17.23)	-	24.00	(48.62)	83.17	77.60	12.73	(666.11)	(78.67)	(280.30)
Total Liabilities	-	4.30	-	152.05	19.69	0.25	-	1,002.45	279.11	-	-	1.50	463.95	126.49	1,482.81
Total Assets (Net)	193.27	7.53	32.45	287.09	233.83	2.32	-	1,249.70	637.09	83.24	89.37	14.23	1,362.82	71.16	1,291.81
Investments	143.76	-	6.26	-	3.50	-	-	91.99	-	-	-	-	-	-	1,169.09
Total Income	11.78	0.58	36.04	78.10	202.91	1.20	1.55	20.63	195.70	0.04	-	40.89	417.39	49.83	-
Profit Before Taxation	11.68	0.50	11.73	(8.80)	1.66	(8.98)	0.01	15.20	15.65	-	(0.07)	0.21	(166.67)	0.07	(86.16)
Provision for Taxation	0.85	0.17	4.13	-	0.65	2.26	0.01	-	-	-	0.03	0.04	1.50	-	-
Profit After Taxation	10.83	0.33	7.60	(8.80)	1.01	(11.24)	-	15.20	15.65	-	(0.10)	0.17	(168.16)	0.07	(86.16)
Proposed / Interim Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Residency Foods & Beverages Ltd. sold its entire holding in its Subsidiary Innovative Foods Ltd ("IFL"). Hence IFL ceased to be a Subsidiary Company with effect from February 11, 2011.

30. Previous year's figures have been regrouped wherever necessary 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

Mumbai, May 24, 2011

Consolidated Financial Statistics

₹ crores

	Capital Accounts						Revenue accounts								
Year	Share Capital	Reserves and Surplus	Borrow-ings	Gross Block	Net Block	Invest-ments	Gross Revenue	Expen-diture	Deprec-iation	Profit before Taxes	Prov. Taxes	Profit/ (Loss) after Tax @	Net Tran-sfer to Reserve	Earning per Share (Basic) * in ₹	Earning per Share (Diluted) * in ₹
2001-02	45.12	981.09	1436.65	2014.82	1618.86	404.47	826.97	825.41	78.85	30.99	17.67	21.80	10.60	4.83	4.83
2002-03	45.12	1023.08	1374.91	2136.14	1703.46	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	2385.28	1872.81	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	3059.17	2372.47	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	3285.19	2458.80	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	4590.62	3556.61	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	5081.62	3949.54	1541.94	3012.62	2416.84	167.62	560.52	246.98	354.98	38.00	5.43	5.43
2008-09	72.34Ω	3105.55	4646.88	6119.65	4815.57	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	6244.14	4803.48	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	4245.18	6531.97	4941.23	2505.81	2914.90	2903.72	227.95	24.79	93.66	(87.26)	16.67	(1.19)	(1.19)

Ω After Right issue of shares in the Ratio of 5:1

¶ Conversion of foreign currency bonds into share capital.

▲ Split of shares of face value ₹ 10/ each to share of Face value ₹ 1/- each.

& Allotment of shares on preferential basis to promoters.

Issue of ordinary shares, being warrants exercised pursuant to right issue of ordinary shares.

@ Profit after Tax is after Eliminating Minority's share of Profit/Loss and after Considering share of Profit/Loss in Associates.

* Earning Per Share is after extraordinary item.

Notes

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Taj Lake Palace, Udaipur

Taj Falaknuma Palace, Hyderabad

Taj Mahal Palace, Mumbai

The Pierre, New York

AWARDS – TAJ HOTELS RESORTS AND PALACES 2010-2011

Credit Suisse - 27 'Great Brands of Tomorrow'
Taj Hotels Resorts and Palaces, the only hospitality brand to be awarded

Gallup Great Place Global Award
Awarded to Taj Hotels Resorts and Palaces for fostering an engaged workplace culture

CMO Asia Awards for Excellence in Branding and Marketing
Awarded to Taj Hotels Resorts and Palaces for perceived brand image

Hotel Loyalty Program of the Year - Frequent Traveler Awards, 2010
Awarded to Taj InnerCircle and Epicure Plus for the most rewarding loyalty program in the hospitality sector

Business Traveller Awards, UK - Best Business Hotel Chain in India
Taj Hotels Resorts and Palaces

Travel + Leisure, USA Annual Reader's Survey - World's Best Awards
The Taj Mahal Palace, Mumbai | The Taj Lake Palace, Udaipur | Rambagh Palace, Jaipur | Umaid Bhawan Palace, Jodhpur | The Pierre, New York, USA | Taj Boston, USA

Travel + Leisure, USA – 'IT' List
Vivanta by Taj – Whitefield, Bangalore & Taj Cape Town, South Africa

Travel + Leisure, USA - World's Best Business Hotels
The Taj Mahal Hotel, New Delhi

Conde Nast Traveler, USA - Hot List
Banjaar Tola, Kanha National Park, Madhya Pradesh

Conde Nast Traveler, UK - Hot List
The Taj Mahal Palace, Mumbai | Taj Falaknuma Palace, Hyderabad | Nadesar Palace, Varanasi | The Pierre, New York, USA | Taj Cape Town, South Africa

The Luxury Travel Bible, Australia - The World's Ultimate Destination Guide
The Taj Mahal Palace, Mumbai | The Taj Lake Palace, Udaipur | Rambagh Palace, Jaipur

World Travel Awards - Australia's Leading Boutique Hotel Award
Blue Sydney

Singapore Architecture Awards – 'Building Of the Year'
Vivanta by Taj – Whitefield, Bangalore

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