















#### **About the report**

### Approach to reporting

The report offers a detailed overview of the Company's financial and non-financial performance during FY 2020-21, along with its multi-dimensional approach to value creation, strategy and risk management. It is the third Integrated Report (IR) of IHCL, prepared in accordance with the International Integrated Reporting <IR> framework published by the International Integrated Reporting Council (IIRC).

The report also covers the businesses of the IHCL group, including subsidiaries, joint ventures and other collaborations, and reflects our transition, achievements and future aspirations. The report also abides by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI circular on voluntary adoption of Integrated Reporting, dated February 6, 2017.

#### Standards and framework

The non-statutory section of the report follows the <IR> framework. The other statutory reports—the Directors' Report, its annexures, including the Management Discussion and Analysis (MDA), and the Corporate Governance Report—are in accordance with the Companies Act, 2013 (including the Rules framed thereunder), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the revised Secretarial Standards issued by The Institute of Company Secretaries of India. The financial statements are in accordance with the Indian Accounting Standards (Ind-AS).

#### Materiality

The report provides information on all issues that are identified as material by the stakeholders and the Company. These issues have significant business impact and are key to the Company's value-creation process. The report discloses information on material matters that will enable investors and other interested stakeholders to make informed decisions about their engagement with the Company.

#### **Board and management assurance**

The responsibility of ensuring the integrity of the report lies with the Board of Directors and Management Team. The Board has accordingly applied its collective mind and believes the report addresses all material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner. We will request our stakeholders to review this report and provide feedback at investorrelations@tajhotels.com

#### **Report navigation**





**Financial capital** 

Manufactured capital





**Human capital** 

Intellectual capital

 $|\Theta|$ 





Social and relationship capital

**Natural capital** 



**Explore online** 

Visit website to find more: www.ihcltata.com

# Like always. Like never before.

Some things about us will never change – our iconic hotels, warm service, guest-first approach and our spirit of Tajness.

While we have a solid foundation and a remarkable legacy, we always strive to do more – for our guests, for the society and for our business.



#### In focus

Leveraging digital

Pg. 22

Reimagining businesses. Seizing opportunities Pg. 24 +

Redefining the F&B experience



#### **Contents**



#### Who we are

- 6 The essence of IHCL
- **12** Footprint



#### How we performed

- **16** Operational highlights
- **18** Key performance indicators
- 20 MD & CEO's message
- 22 In focus: Leveraging digital
- 24 In focus: Reimagining businesses. Seizing opportunities
- 26 In focus: Redefining the F&B experience
- 28 Awards

Food and Beverage (F&B)



#### What our strategy focuses on

- **42** R.E.S.E.T 2020
- **44** R Revenue growth
- 48 E Excellence in guest well-being, experience and operations
- **50** S Spend optimisation
- **52** E Effective asset management
- 53 T Thrift and financial prudence



#### How we prioritised ESG issues

- **56** Environment
- 60 Social
- **66** Governance
- **68** Board of Directors
- **70** Senior management
- **74** Risk management



#### How we create value

- 32 Business model
- **34** Operating environment
- 36 Stakeholder engagement
- **38** Materiality



#### **Statutory reports**

- 76 Management Discussion and Analysis
- 98 Financial Highlights
- 99 Board's Report
- **115** Corporate Governance Report
- **138** Business Responsibility Report

#### **Financial statements**

- **150** Standalone
- 234 Consolidated
- 325 Notice

#### FY 2020-21 highlights

**Delivering resilient performance** 

₹1,740 Cr

₹(197) Cr

Revenue

**EBITDA** 

₹(720) Cr

Profit after tax

#### Reducing our environmental impact

156.02 TJ\*

Usage of renewable sources

26.7%

Water withdrawal recycled

**1,397** tonnes

Organic waste recycled

Establishing strong relations with stakeholders

6.3 Lakhs

₹17.26 Cr

New customers added

CSR spend

#### **Building a strong team to lead**

50%

62 years

Independent Directors on the Board

Median Director age

98%

Average attendance rate in Board meetings

\*TJ – Terajoule

#### **OUR CAPITALS**

# Prudence like always. Optimisation like never before.



#### **Financial capital**



Financial resources that the Company already has or obtains through financing

#### Management approach

Create value for shareholders through sustainable growth

#### What it means to us

- Balanced and diversified growth
- Sound financial structure
- Operational excellence
- Sustainable outcomes and dividends

₹1,740 Cr

0.73 Net debt to Equity



#### **Manufactured capital**



Pg. 12 +

Tangible assets or goods used by the Company to conduct its business initiatives

#### Management approach

Well-maintained functional assets and equipment

#### What it means to us

- Hotels/properties we own/manage
- Our offices across the globe

165

Operational

27,604\*

19,425 + 8,179

Operational

#### **Intellectual capital**



Pg. 22

Rooms (operational) as on March 31, 2021

Intangible, knowledge-based assets

#### Management approach

Build equity for existing intellectual properties and create new ones through innovation.

#### What it means to us

- Create positive brand perceptions, by delivering beyond guest expectations
- Creating exceptional consumer experiences through service and digitisation
- · Constantly protecting and honing intellectual capital

Hotels (operational) as on March 31, 2021

48

Trademarks registered



# ABBBHuman capital



Pg. 60

Employee knowledge, skills, experience and motivation

#### Management approach

Availability of a committed and qualified workforce offers an inclusive and balanced work environment

#### What it means to us

- Human resource management
- Talent management
- Training and development
- Diversity, equal opportunity and reconciliation

25,906 Employees

77.1%



#### Social and relationship capital



Pg. 62 +

Ability to share, relate and collaborate with stakeholders, promoting community development and well-being

#### Management approach

Promote trust with stakeholders, improving the quality of life of people in areas of presence

#### What it means to us

- Stakeholder engagement
- Community support programmes
- Human rights and due diligence system
- Brand management
- Transparency and good governance
- Corporate reputation

8,500+Direct and indirect beneficiaries

₹17.26 Cr CSR expenditure



#### **Natural capital**



Pg. 56 +

Natural resources impacted by the Company's activities

#### Management approach

Ensure sustainable use of natural resources and contribute to combating climate change

#### What it means to us

- Efforts towards mitigating climate change
- Preservation of biodiversity
- Management of environmental footprint
- Operating excellence and energy efficiency
- Focus on circular economy

26.7% Water recycled **1** 5% Increased recycling

310.0 MJ/ guest night **Energy consumed** 

WHO WE ARE

# Hospitality like always.

Strong heritage. Rich legacy. Unparalleled guest connect. Pioneering destinations. Iconic brands. Care for community.

These are just some core principles and defining values that have helped IHCL maintain a leadership position in the global landscape of luxury hospitality over the past century.

IHCL has been redefining hospitality over the past 117 years.

Our scale

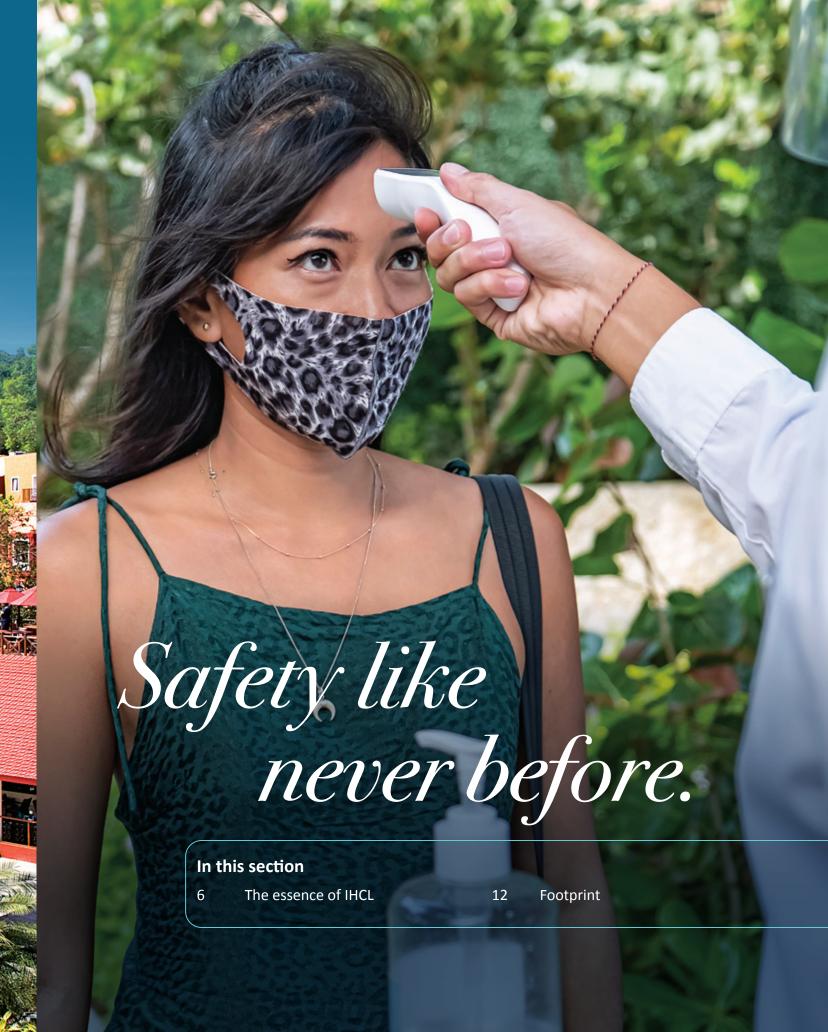
12+

100+

221

400+

As on March 31, 2021



#### THE ESSENCE OF IHCL

# An impeccable service culture

Since the opening of the iconic Taj Mahal Palace in Bombay in 1903, IHCL has welcomed guests with world class refinement and warmth, while remaining deeply rooted in local heritage and strong global values.

IHCL has evolved from an iconic hotel company to a dynamic hospitality ecosystem. By strategically reimagining and enhancing its brand portfolio the company has successfully transitioned from a brand house to a respected house of brands. Each of the IHCL brands evolves from the foundational culture of Tajness,

reflecting trust, awareness and joy, and offers an unparalleled value proposition based on deep consumer insight and an insatiable spirit of re-imagination.

From lovingly restored palaces, both original and authentic, to raw and luxurious safaris. From rejuvenating spas to rarefied clubs and more. The IHCL offering is as varied as it is charming. IHCLs jewelled portfolio of brands spans across multiple sectors of hospitality, and is built with legendary professionalism, unmatched expertise and genuine affection.



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

#### Our values

We have spent years perfecting our craft, decades earning a reputation, and centuries building a culture. We call it Tajness. The spirit of Tajness and everything that we do at IHCL, is guided by our values of Trust, Awareness and Joy.

#### **Trust**

- Fairness with all stakeholders
- Openness and transparency in what we do
- Free flow of information
- Alignment of all stakeholders
- Build and strengthen long-term relationships

#### Awareness

- Enhance awareness around our plans, strategies, tactics,
- Work together to create greater enterprise value
- Participative in our decision-making
- Imbibe a sense of belonging across all stakeholders

#### Jov

- Derive joy and happiness from what we do and how we do it
- Serve all stakeholders with joy and utmost dedication
- · Create and maintain an environment where there is joy and happiness, where people are respected, and diversity is celebrated
- Share our success with all stakeholders



"With honest and straightforward business principles, close and careful attention to details, and the ability to take advantage of favourable opportunities and circumstances, there is a scope for success."

#### Jamsetji Tata

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

#### Rich parentage like no other

Founded by Jamestji Tata in 1868, the Tata group is a renowned conglomerate that comprises 30 operating companies across 10 diverse industries – steel, automotive, consumer and retail, infrastructure, financial services, tourism and travel, aerospace and defence, telecom and media, and trading and investments. The group operates in over 100 countries across six continents

and has revenues of over \$110 billion. The group is led by the credo of 'Leadership with Trust' and serves as a strong foundation for its businesses. Every day, we draw inspiration from our strong parentage and are proud to be one of the timeless initiatives of the Tata group.

#### Our brandscape



HCL | INTEGRATED ANNUAL REPORT 2020-21 • WHO WE ARE 0 0 0 0 0

#### THE ESSENCE OF IHCL

#### Our brand portfolio

#### HOTELS





Authentic palaces, landmark hotels, idyllic resorts and natural safaris across key cities and leisure destinations across the globe

10,488

#### **Target market segment**

Global achievers and discerning individuals who are sophisticated and world-travelled

#### **Nature of arrangements**

Owned, leased and management contracts





Collection of marquee hotels in and around key metro cities across India

1,206

#### that are distinct and tell a unique story

Travellers seeking varied stay experiences

**Target market segment** 

#### **Nature of arrangements**

Owned, leased and management contracts



#### VIVANTA

Bon vivant hotels across business and leisure centres across India and South East Asia

3,197

#### Target market segment

Young, contemporary achievers who are high on style and energy

#### **Nature of arrangements**

Owned, leased and management contracts



## GINGER

Key travel destinations across Tier-1 and Tier-2 cities across India

54 4,534

#### **Target market segment**

Millennials who switch between work and play effortlessly and seek seamless flexible stay experiences

#### **Nature of arrangements**

Owned, leased and management contracts

Rooms (operational) as on March 31, 2021 Hotels (operational) as on March 31, 2021

₩HCL | INTEGRATED ANNUAL REPORT 2020-21

#### THE ESSENCE OF IHCL

#### **Our brand portfolio**

#### **BEYOND HOTELS**



# Select Taj hotels in key metro cities in India and Dubai

#### **Brand proposition**

India's foremost and most exalted club and an icon of unparalleled exclusivity, power and hospitality

Clubs

#### Target market segment

Accomplished acclaimed achievers of today who are pushing boundaries in business and lifestyle across the globe

### Nature of arrangements

Owned

#### Taj hotels and select Vivanta and SeleQtions hotels at key business and leisure destinations across the globe

#### **Brand proposition**

Rejuvenation of mind, body and soul based on the principles of Ayurveda, yoga and wellness

#### **Target market segment**

Individuals seeking holistic well-being using time-tested techniques and age-old remedies and rituals

76 Spas

Nature of arrangements

Owned





# Taj, SeleQtions and Vivanta hotels across the globe

#### **Brand proposition**

Excellence in food and beverage by offering authentic cuisines from around the globe

#### **Target market segment**

Individuals who seek authentic and elevated F&B experiences

400+
Bars and

restaurants

Nature of arrangements

Owned



# Unexplored holiday destinations across India.

#### **Brand proposition**

Experiential stays with charming bungalows and villas across India

#### **Target market segment**

Travellers who seek immersive local experiences that reflect natural beauty and simplistic charm

19
Properties

ropertie

75+
Rooms

Nature of arrangements
Owned

# Select Taj hotels in key metro cities in India

#### **Brand proposition**

Handpicked artisanal mementos that reflect the finesse and richness of Indian craftmanship

#### **Target market segment**

Discerning shoppers and world travellers with a true liking for India's eclectic art and cultural heritage

# I'/

Boutiques

Nature of arrangements
Multi-product retail outlets



# niu&nau

# Select Taj hotels in Mumbai and Bengaluru

#### **Brand proposition**

A reimagined salon concept that serves as a social hub and creative space, offering personalised experiences

#### Target market segment

Creative and forward-thinking individuals seeking an inspired and social salon experience

#### 3 Salons

Nature of arrangements

Owned

#### Mumbai, New Delhi, Kolkata, Bengaluru, Goa, Chennai

#### **Brand proposition**

Innovative culinary solutions for travel and catering with creative twists and elegant accents

#### Target market segment

In-flight catering, airline lounge management, institutional catering, outdoor catering, corporate gifting

#### 6 Units

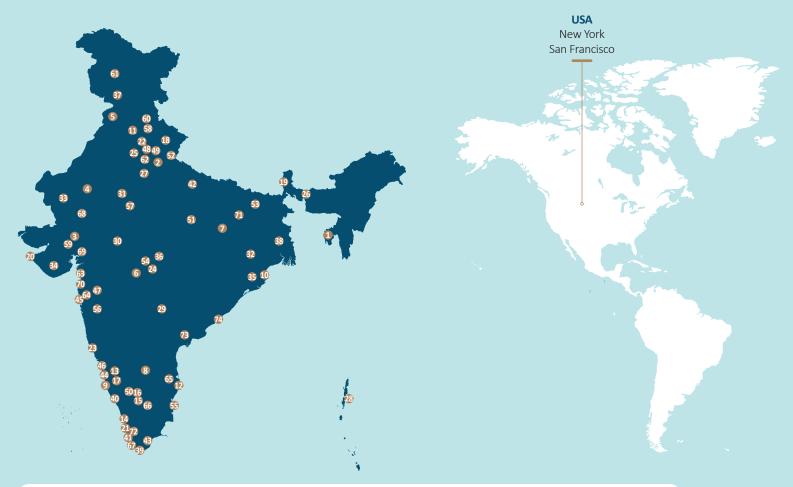
Nature of arrangements
Owned



Clubs, Spas, Bars and restaurants, Rooms, Boutiques, Salons, Units (operational) as on March 31, 2021

#### **FOOTPRINT**

# Expansive like always. Consolidated like never before.







#### Locations in pipeline and not yet operational (including Ginger)

4.1	5.1.1	
Alwar	Dehradun	Lonaval
Amravati	Dharamshala	Lucknov
Amritsar	Gangtok	Manipa
Aurangabad	Goa	Mirama
Bangalore	Gorakhpur	Mumba
Belgaum	Guwahati	Nagpur
Bharuch	Hampi	Nashik
Bhopal	Haridwar	Noida
Bhubaneshwar	Jaipur	Patna
Chandigarh	Jhansi	Puri
Chennai	Karad	Shillong
Cochin	Kolkata	Shiroda

Srinagar Taboda Tawang Trivandrum Udaipur

Varanasi

Wayanad

Dubai London Makkah

Note: All locations exclude amã Stays and Trails

Map not to scale



# Passionate like never before. In this section

Operational highlights

MD & CEO's message

Key performance indicators

In focus: Leveraging digital

In focus: Reimagining businesses.

In focus: Redefining the F&B

Seizing opportunities

experience

**Awards** 

#### **OPERATIONAL HIGHLIGHTS**

# Delivering like always. Momentum like never before.

Hotels*	 	Keys*	 	Keys (new	openings)	
FY 2016-17	155	FY 2016-17	18,361	FY 2016-17		442
FY 2017-18	160	FY 2017-18	18,965	FY 2017-18		625
FY 2018-19	179	FY 2018-19	22,231	FY 2018-19		524
FY 2019-20	200	FY 2019-20	25,168	FY 2019-20		1,565
FY 2020-21	221	FY 2020-21	27,604	FY 2020-21		558

<sup>\*</sup> Hotel portfolio includes hotels under various stages of development

#### How we grew every quarter



#### Portfolio expansion

- Launched Qmin, a repertoire of culinary offerings, including home delivery, in addition to the proprietary Qmin App for
- · Launched multiple customer-focused campaigns including 4D, Hospitality@Home, and others
- Signed one hotel Vivanta in Lucknow

#### **Corporate developments**

- Signed a binding agreement to acquire 100% shareholding in ELEL Hotels and Investments Limited (ELEL) for the iconic Hotel Sea Rock
- Restructured the holding of Taj Cape Town, which became a wholly owned subsidiary of IHCL, by acquiring 50% holding in Tata Africa Holdings (TAH)
- Supported the community in its effort to combat the pandemic by delivering over 3 million meals to the medical fraternity and migrant workers and hosting close to 70,000 room nights for the medical community
- Launched Tajness A Commitment Restrengthened to reinforce the assurance of stringent health and safety protocols at all our hotels and offices



#### **Portfolio expansion**

- Signed seven hotels across brands across multiple locations and states in India
- Relaunched the city's iconic Machan at Taj Mahal, New Delhi and launched its first outpost at Taj West End, Bengaluru
- Launched India's first on-site brewpub at Taj MG Road, Bengaluru, in partnership with Anheuser-Busch InBev (AB InBev)
- Expanded the presence of Qmin across 12 cities
- Extended the Qmin brand with the launch of the first Qmin Shop, a gourmet lifestyle store at President, Mumbai
- Launched the #TravelForIndia initiative on World Tourism Day to inspire safe travel while rebuilding the tourism industry and making a positive impact on lives and livelihood

#### **Corporate developments**

- Joined hands with Tata Power to provide solar energy for all Mumbai hotels, saving energy costs and reducing the carbon footprint
- Launched I-ZEST, IHCL's Zero-Touch Service Transformation, which leverages technology to ensure heightened safety for guests and employees

#### **Portfolio expansion**

- Signed six new hotels with over 1,100 rooms across brands at multiple locations and states in India
- Strengthened the Company's presence in the eastern part of India with the signing of three Taj hotels, two in Kolkata and one in Patna, Bihar
- · Opened four new hotels across brands, including The Connaught, an IHCL SeleQtions hotel, in the heart of New Delhi
- Introduced luxury hospitality to the city of Ahmedabad with the opening of Taj Skyline
- Pioneered a new destination in the East with the launch of Taj Chia Kutir Resort & Spa, Darjeeling
- Opened a new Ginger hotel in Kalinganagar
- Expanded the amã Stays & Trails portfolio with the opening of four new villas: two in Goa, one in Lonavala, Maharashtra and one in Thiruvananthapuram, Kerala
- Ginger reached a milestone of 75 hotels

#### Portfolio expansion

- Signed three hotels with over 350 rooms across brands at multiple locations in India
- Expanded the presence of Qmin to 14 cities across the country
- Launched the re-imagined The Chambers at Taj Mahal Hotel, New Delhi

#### **Corporate developments**

- Sale and manage back transaction concluded for Ginger Whitefield
- Taj SATS secured over 50% market share in the quarter with acquisition of new business

#### KEY PERFORMANCE INDICATORS

# Resolute like always. Resilient like never before.

#### Financial performance Our leading position across most brands enables us to command premium pricing compared to industry average. Further, the improving occupancies have contributed to consistent growth in revenues. We are also focusing on driving overall profitability by enhancing operational efficiencies. CONSOLIDATED Revenues

Revenues		(₹ Crores)	EBITDA margin	(%)
FY 2016-17		4,075.51	FY 2016-17	16
FY 2017-18		4,165.28	FY 2017-18	18
FY 2018-19		4,595.38	FY 2018-19	20
FY 2019-20		4,595.56	FY 2019-20	24
FY 2020-21	_	1,739.88	FY 2020-21	(11)
Profit after tax		(₹ Crores)	Net debt/equity	(X)
Profit after tax FY 2016-17	•	(₹ Crores) (63.20)	Net debt/equity  FY 2016-17	(X)
	•			
FY 2016-17		(63.20)	FY 2016-17	0.97
FY 2016-17 FY 2017-18		(63.20) 100.87	FY 2016-17 FY 2017-18	0.97 0.38

#### **Environment**

18

We believe that the tourism industry can play a significant role in preserving the environment. As the largest player in South Asia's hospitality space, we have assumed ambitious commitments with regard to effective waste management, and optimal utilisation of water, energy and other resources. Environment considerations are weaved into our projects right from the beginning and our day-to-day operations are carried out without impacting the surroundings. Our well-defined specific targets to preserve the planet are making steady progress towards our goals.

Water saved through recycling and rainwater harvesting	(Million KL)	CO <sub>2</sub> emissions avoided by embracing renewable energy	(tCO <sub>2</sub> e)
FY 2016-17	1.90	FY 2016-17 <b>—</b>	51,241.72
FY 2017-18	1.57	FY 2017-18	55,454.21
FY 2018-19	2.78	FY 2018-19	65,225.49
FY 2019-20	8.79	FY 2019-20	4,51,202.1
FY 2020-21 -	0.99	FY 2020-21 -	34,832.15

\* FY 2020-21 might not be comparable due to hotels operations being shut for a large part of the year due to the COVID-19 pandemic

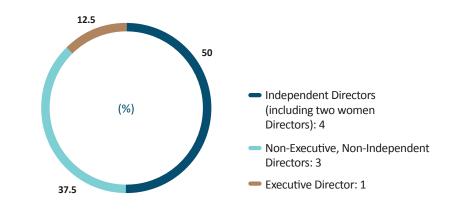
#### Social

As active members of the society and part of the Tata group known for its philanthropy, we have been working towards the upliftment of communities since we opened the doors to our first hotel. We are committed to build capabilities and further the livelihoods of our underprivileged communities. We engage with all our stakeholders in a responsible manner to develop mutually beneficial, long-lasting relationships with them.

CSR spend	(₹ Crores)	Number o	of employees		
FY 2016-17	4.36	FY 2016-17		28,012 4,485	
FY 2017-18	5.27	FY 2017-18		28,140 4,192	
FY 2018-19	6.35	FY 2018-19		28,393	
FY 2019-20	7.56			4,291	
FY 2020-21	17.26	FY 2019-20		29,337 4,460	
		FY 2020-21		22,400 3,506	<ul><li>India</li><li>International</li></ul>

The tenets of inclusiveness, transparency, ethics and diligence are integral to our corporate governance practices. Our experienced and diverse Board is the custodian of corporate governance and helps ensure business sustainability, compliance with stakeholder expectations and creation of economic and social value.

#### Size and composition of the Board



Pg. 66

Pg. 60

19

Pg. 56

#### MD & CEO'S MESSAGE

# Progress like always. Responsible like never before.



Our strength and values as a Tata company are strongly reflected in the humanitarian support that we have been able to humbly extend to our immediate community during this crisis.

#### Dear Shareholders,

I am writing to you at a time when the world is witnessing the second wave of the COVID-19 pandemic. Businesses are once again feeling the heat with the uncertainty of restrictions and lockdowns amid the rising number of cases. Like always, we are at the forefront in fighting the war against COVID-19 by helping in whatever capacity possible.

In FY 2020-21, the pandemic landed a severe blow to the hospitality industry and IHCL is no exception. The positive news is that we began the year well placed to sail through the crisis, with a strong balance sheet and significant liquidity. In an uncertain environment and with challenging industry dynamics, our top priorities were the safety of our people and guests, and continuity of our operations. And we were able to mitigate impact in both these areas with our resilience, strict safety measures, high quality and diverse portfolio of assets, robust financial position, a passionate workforce and an experienced Board and management.

#### Performing in extraordinary times

Despite the difficult year, we registered a positive EBITDA of ₹14 Crores on a standalone basis. On a consolidated basis, our profit after tax stood at ₹(720) Crores and EBITDA was ₹(197) Crores. Our flagship brand Taj delivered robust performance as we have continued to harness the power of our re-imagined multi-product, multi-segment brandscape to transform IHCL from a hotels' business to a hospitality ecosystem. Our presence in the Eastern part of India was strengthened with the signing of three Taj hotels, two in Kolkata and one in Patna. Our new collection of hotels—SeleQtions with 16 hotels in its portfolio—accompanied by the expansion of amã Stays & Trails with 38 properties, including those in the pipeline across offbeat locations has allowed us to provide a value proposition to customer segments across demographics. The repositioned Ginger has seen strong growth and crossed a milestone of 75 hotels in our portfolio. Ginger's fresh take on redefining luxury and comfort has been both pioneering and successful.

We continued our growth momentum in FY 2020-21 and were recognised by HVS Anarock as the highest growth hospitality company in India for the year. Our focus was on expanding our footprint tenaciously. We signed 17 new hotels across brands during the year, including Taj in Puri, (Odisha), Kolkata, Patna and Shiroda (Maharashtra); Vivanta in Lucknow, Bangalore and

Hampi (Karnataka); a SeleQtions hotel in Tadoba Andhari Tiger Reserve, Maharashtra; Ginger hotels in Chandigarh, Guwahati (Assam), Aurangabad (Maharashtra) Bangalore, Cochin (Kerala) and two Ginger guest houses in BKC Mumbai and Jamshedpur (Jharkhand), among others. We believe that with every crisis comes the opportunity to re-imagine and explore new business avenues.

In response to the pandemic, we detailed a comprehensive five-point mitigation strategy—R.E.S.E.T 2020—that will cater to the rapidly changing market conditions, shifting government policies and dynamic customer needs. It will also focus on reimagining business models, implementing various operational excellence interventions required for safety and hygiene, revenue enhancement, cost optimisation and financial prudence. This has, most importantly, translated into the implementation of enhanced safety and hygiene protocols. To assure our clients, we launched a reinvigorated spirit of Tajness. Tajness – A Commitment Restrengthened is our promise to provide the heartfelt warmth of our signature hospitality strengthened with the assurance of safety and hygiene.

We also explored new avenues of revenue growth through a variety of innovations such as Hospitality@Home, the launch of our F&B app - Qmin and curated guest offerings such as Dream, Drive, Discover, Delight – a new offering which gives guests the perfect opportunity to drive with families and friends to discover, unwind, and be with the nature, among others. We also came up with New Urban Getaways to encourage travellers to take a short and much-needed break post the country-wide lockdown. We accelerated the rollout of technology enhancements through the launch of I-ZEST. With I-ZEST we leveraged digitalisation to offer enhanced guest experiences, from pre-arrival to departure, offering zero to minimal touch options through innovative facilities such as digital pre-check-in registrations to contactless guest access to their rooms via digital mobile key cards.

The performance of our hospitality brands has been perfectly complemented by the healthy performance of our ancillary service brands. The Chambers—Taj's exclusive business club was relaunched with enhanced features. We have re-imagined our F&B offerings with an exclusive partnership with AB InBev, the world's leading brewery, for an industry first on-site chain of microbreweries.

With the initiatives outlined under R.E.S.E.T 2020, we are confident of overcoming the challenges posed by COVID-19 and emerging stronger to continue our journey of sustained excellence

#### Walking the talk of sustainability

Our commitment to aligning Environmental, Social and Governance (ESG) measures to our business strategy and objectives remains unwavering. We have set a global benchmark for environmental sustainability with 78 EarthCheck certified hotels, 47 of which have won the Platinum Certification, making us the proud owners of the highest number of Earthcheck Platinum certified hotels globally. Energy optimisation and conservation is one of the focus areas and each hotel has defined energy efficiency and emissions reduction targets.

Our strength and values as a Tata company are strongly reflected in the humanitarian support that we have been able to humbly extend to our immediate community during this crisis. Through our disaster response vehicle, the Taj Public Service Welfare Trust (TPSWT), we undertook various initiatives such as the COVID-19 Disaster Response, Taj for Family and Meals to Smiles. We opened the doors of our properties to house medical staff so that they can cut down on commute time, rest close to their place of work and do not have to fear spreading the contagion at home. We have also been providing nutritious meals to doctors and medical staff at hospitals, as well as medical equipment and supplies. We have not faced a crisis like this one before and are ready to do whatever we can in humanity's fight against this pandemic.

#### Looking ahead with optimism

2020 was a year that would not be forgotten easily. I want to thank all those who remained committed to IHCL during these challenging times. Our employees prioritised the safety and convenience of the guests and remained steadfast and resolute to making our guests' experiences memorable even during this adversity. Our other stakeholders have shown immense trust and faith in us. Our solid focus on embracing best practices in the environmental, social and governance domains will enable us to create holistic value for all.

As we look ahead, we are full of hope and optimism. The rollout of vaccines is extremely encouraging and, of course, vital to our industry's recovery, but we know it will take time. I am confident that our business model and strategy, which builds on the investments made in recent years to expand our brand portfolio and enhance our ways of working, puts IHCL in a strong position to outperform the industry as it returns to full strength.

Sincerely,

#### **Puneet Chhatwal**

Managing Director and CEO

#### IN FOCUS: LEVERAGING DIGITAL

# Digitalising like always. Transforming like never before.

As part of our R.E.S.E.T 2020 strategy, we have accelerated our digitalisation initiatives. We are introducing new digital technologies and encouraging a culture of innovation to identify service improvements and optimise processes. Through increased digitalisation, we hope to provide seamless, contactless and improved experiences to our customers.



#### A repertory of culinary experiences

The Qmin app has been designed and developed in collaboration with Tata Digital. It offers a distinguished delivery experience through a seamless interface that allows customers to personalise their order, curate menus and track deliveries in real-time. This addition leverages a digital platform to address a growing consumer demand for online gourmet food delivery services, thus enhancing our F&B offerings.

The interface is user-friendly and enables guests to choose their favourite cuisine from celebrated restaurants, based on their location. With features such as the multi-restaurant order, which allows guests to order from multiple restaurants in the same hotel simultaneously, and a scheduling assistant, which allows guests to schedule orders for the same day, as per requirements, it offers flexibility and ease of service.







Launched the first **Qmin Shop, a gourmet** lifestyle store at President, Mumbai -**IHCL SeleQtions** Expanded presence across 14 cities

Rolled out a new menu of comfort classics across 8 cities



#### I-ZEST: Zero-touch service transformation

Physical touch has been replaced by a touch of safety with the introduction of I-ZEST – a suite of digital solutions across Taj, Vivanta and SeleQtions. With I-ZEST, we have built an enhanced digital layer over our existing systems to ensure the safety of our guests and associates.

I-ZEST's digital features include zero-touch check-ins and checkouts, digital invoicing, online payment options and QR codes for digital menus in restaurants. From sanitised iPads to touchless HR systems, the emphasis is on ensuring zero contact. These digital enhancements span guest experiences, from pre-arrival to departure, offering zero-to-minimal touch options through innovative facilities such as digital pre-check-in registrations and check-outs that are optimised with online invoicing services without the need to use card machines.

Digital menus installed across restaurants, salons and spas facilitate dining orders and other services through QR codes and digital payments, thereby ensuring zero-to-minimal contact throughout a guest's stay with us.

#### **I-ZEST Digital Ordering System (DOS)**

To prevent the spread of pandemic, it is essential to minimise physical contact of all kinds and practice social distancing. To facilitate this, we replaced physical menus with DOS that can be accessed by guests on their smart phones. It provides images of how the dishes look and information on the ingredients that comprise the dishes, making it convenient for the guests to place their order.

#### **I-ZEST Mobile Door Key**

Mobile door key, also known as a digital key, allows guests to unlock the door to their room using IHCL I-ZEST Mobile Door Key App on their smartphone. The app offers a safer, more convenient and more sustainable room access than a traditional plastic room kev.

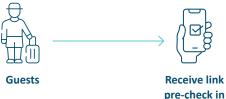


#### **IHCL Response Assistant (IRA)**

IRA is an automated chatbot that serves as a virtual partner for all guest needs.

Pg. 65 <sup>+</sup>

### **I-ZEST** process flow





**Hotel verifies Upload** documents documents







QR code Digitally sign verified health form









Guest

check-out



#### IN FOCUS: REIMAGINING BUSINESSES. SEIZING OPPORTUNITIES

# Experience like always. Innovation like never before.

FY 2020-21 brought with it a host of unprecedented challenges for people and businesses alike. With concerns around health and safety, and restrictions around travel, the times called for novel ways of doing business, and we responded with agility and a renewed strategy. Keeping the welfare of guests, associates, stakeholders and community at heart, we reimagined ways to deliver our exemplary hospitality to our ever-loyal patrons.

Our unique and personalised customer experiences keep our guests coming back for more. Though the year was replete with unprecedented challenges, we left no stone unturned in ensuring the most memorable stay and dining experiences for our guests.



#### Tajness – A Commitment Restrengthened

As the world stepped into the new normal, the spirit of Tajness stood bolstered, driven by the supreme importance it places on the safety and delight of its guests. Tajness - A Commitment Restrengthened is a mark of assurance of our authentic Indian hospitality, with an added comfort of safety, hygiene and physical distancing. With world-class practices, the touch of technology and persistence towards guests and associates'

safety, we successfully transformed all hotels and spaces into safe havens, offering the warmth and comfort of our signature hospitality. During these testing times, we stepped up to support our frontline warriors, offering more than 1.5 million meals and accommodation to doctors, policemen and municipal workers who worked tirelessly to serve the community.



#### Taj Hospitality@Home

The unrivalled guardian of Indian hospitality, Taj conjures a panoply of compliments. Its experience embodies legacy, luxury, warmth and elegance. With Hospitality@Home, Taj brought the same spirit to its guests. Hospitality@Home is a handpicked collection of the finest luxury products reflecting the iconic brand. We entered into an exclusive partnership with Tata Unistore Limited to offer our patrons a chance to shop this collection via Tata CLiQ Luxury website and mobile application and bring a bit of Taj to their homes.

#### **Intimate timeless weddings**

With the new norms around physical distancing, the grand Indian weddings became an intimate affair. Offering unique destinations, carefully curated menus, exotic themes, the quintessential Taj service and an unprecedented level of personalisation and finesse, we restrengthened our offering to continue making weddings memorable. An e-concierge service, assisting guests in virtual hotel visits and end-to-end wedding planning was also introduced to make their overall experience easy and exceptional



#### Taj wellness retreats

A heightened focus on health and well-being provided a revived boost to the global and domestic wellness travel industry. With Jiva Spa's decades of expertise, deep-rooted in the Indian traditions of Ayurveda, yoga and meditation, we introduced Taj Wellness Retreats, allowing travellers to embark on a soulful journey to revitalise the mind, body and spirit. Thoughtfully designed by Jiva Spa's wellness experts, these 3-15-day retreats combine holistic healing techniques at serene locations to help our guests indulge, nourish and reenergise themselves.



#### 4D – Dream. Drive. Discover. Delight.

With frequent travel restrictions and concerns around longdistance travel, urban travellers who were confined to their homes sought opportunities to drive with families and friends to discover, unwind and be one with nature once again. We created special all-inclusive stay packages around these driveoriented holidays with our unique portfolio of exclusive villas, bungalows, cottages and suites across hotels. Each offering provided an assurance of the highest standards of safety and hygiene.

#### IN FOCUS: REDEFINING THE F&B EXPERIENCE

# Authenticity like always. Service like never before.

Our culinary legacy is as rich and storied as our hotels. Known for excellence in food and beverage, we pride ourselves on showcasing authentic cuisines from around the world. With award-winning master chefs, a great depth of knowledge and passion, and more than a century of experience, we have built a culinary legacy that only enhances with time.

The changing times brought with them opportunities to bring this legacy to our guests in newer ways and forms. With new brands and offerings, these opportunities were converted into strategic businesses.

From introducing global cuisines to setting and introducing the latest trends in beverages, we have pioneered F&B experiences for over a century.

#### Qmin

In a pioneering initiative, we leveraged the power of technology to bring our wide and exquisite array of F&B offerings closer to our guests and address their growing demand for online gourmet food delivery services with Qmin. By following stringent safety and hygiene protocols, offering contactless delivery and using insulated, eco-friendly packaging, Qmin successfully created an enhanced and differentiated delivery experience for our guests.

#### **Reimagined Epicure programme**

Be it bonding with family over a delectable meal or with friends over a quick bite, food has always played an important role in India's social fabric. With a range of instant discounts on 200+ restaurants in our portfolio and on Qmin food deliveries, the reimagined Epicure programme created an unparalleled world of indulgence for its members. Special benefits like complimentary stays, spa therapy, dining experiences and exclusive savings on a range of services, made the programme a truly exceptional proposition for our patrons.





#### **7Rivers Brewing Company**

7Rivers Brewing Company is a craft beer brand that aims to bring innovation in craft beers using locally sourced ingredients. We joined hands with its maker and the world's largest brewer, AB InBev, to bring this pioneering craft beer brand to the iconic Taj hotels. We opened the first 7Rivers brewpub at Taj MG Road, Bengaluru in September 2020.

The brewpub is spread across 2,700 sq. ft. of indoor space. It represents the synergies between the two leading companies - IHCL's expertise in delivering innovative F&B concepts, culinary expertise and excellent service coupled with AB InBev's 600-year-old brewing heritage.

Packed with Cicerone-certified brewers, community-led experiences, Taj's hospitality and authentic culinary experiences, 7Rivers will give consumers an experience unmatched in India.

#### Machan

We relaunched the city's iconic Machan at Taj Mahal, New Delhi and launched its first outpost at Taj West End, Bengaluru.

Machan, the iconic restaurant at Taj Mahal Hotel, New Delhi, not only got a makeover with its reopening, but the brand also travelled south, with an avatar opening at the Taj West End in Bengaluru. The Bengaluru Machan has an eclectic menu with local and global cuisines inspired by the jungles of the world and pays homage to the forests of Karnataka. The Machan at Taj West End offers a culinary tribute to the impressive wildlife of the region and has a library of books highlighting the rich heritage of the forests of Karnataka.

#### **AWARDS**

# Prominence like always. Recognitions like never before.

- Brand Finance Brand Value Report India 2020: Taj has been ranked Number #1 on the list of India's Strongest Brands 2020 among all sectors by Brand Finance
- TrustYou 2019-2020: The Taj Mahal Palace, Mumbai has been accorded the highest guest satisfaction score amongst its hospitality peers globally for the third consecutive time
- EarthCheck Certifications: With 78 EarthCheck certified hotels. we have set a benchmark for environmental sustainability in hospitality with the highest number of EarthCheck Platinum certified hotels globally, with 47 hotels awarded the EarthCheck Platinum certification
- Travel + Leisure Top 500 Hotels in The World 2021: Several Taj hotels have been recognised in this coveted list where readers have voted for the top 500 hotels across the globe. These include the following:
- Taj Lake Palace, Udaipur
- The Taj Mahal Palace, Mumbai
- Taj Lands End, Mumbai
- Taj Palace, New Delhi
- 33rd Global Condé Nast Traveler Readers' Choice Awards **2020:** We received top honours in these prestigious global awards based on readers' votes across multiple categories:
- Top Hotels in India
- Rambagh Palace, Jaipur has been ranked Number #1
- Taj Lake Palace, Udaipur
- The Taj Mahal Palace, Mumbai

- Best Hotels in the World
- Rambagh Palace, Jaipur has been ranked Number #15
- Best Resorts in the World
- Taj Exotica Resorts & Spa, Goa
- Top 30 Resorts in Asia
- Taj Exotica Resorts & Spa, Goa
- Top 30 Resorts in the Indian Ocean
- Taj Exotica Resorts & Spa, Maldives
- Taj Coral Reef Resort & Spa, Maldives
- Top Hotels in New York City
- The Pierre, New York
- Condé Nast Traveler Hot List and Best New Wellness Resorts in The World 2020: Taj Rishikesh Resort & Spa, Uttarakhand has been featured in both these prestigious lists
- Condé Nast Traveller Middle East Readers' Choice Awards 2020: Taj Jumeirah Lakes Towers, Dubai, has been recognised as 'Favourite New Hotel' in the Middle East and North Africa
- Conde Nast Traveller Middle East Hot List 2020: Taj Jumeirah Lakes Towers, Dubai has featured in this prestigious list
- Travel + Leisure India's Best Awards 2020: Taj Jumeirah Lakes Towers. Dubai was awarded 'Best New Hotel' in these coveted awards





- Conde Nast Traveller Readers' Travel Awards 2020: Our hotels have been recognised by these prestigious awards basis readers' votes across multiple categories:
- Favourite Leisure Hotel in India: Taj Fort Aguada Resort & Spa, Goa
- Favourite Business Hotel in India: The Taj Mahal Palace, Mumbai
- Favourite Safari Lodge in India: Mahua Kothi, A Taj Safari Bandhavgarh National Park
- Favourite Destination Wedding Hotel in India: Rambagh
- Favourite Spa in an Indian Hotel: Taj Exotica Resort & Spa, Goa
- Favourite Hotel Loyalty Programme: Taj InnerCircle
- Favourite Overseas Leisure Hotel: Taj Exotica Resort & Spa Maldives
- Favourite Heritage Hotel in India: Umaid Bhawan Palace, Jodhpur
- Presents Favourite Restaurant in an Indian Hotel: Wasabi by Morimoto, The Taj Mahal Palace, Mumbai
- Favourite Hotel Bar in India: Blue Bar, Taj Palace, New Delhi
- Hotel with the Best Service in India: The Taj Mahal Palace, Mumbai



- Travel + Leisure US the World's Best Hotel Awards 2020: We have been recognised in these prestigious awards based on readers' votes across multiple categories:
- The Top 25 Hotel Brands in the World
- The Top 100 Hotels in the World
- Rambagh Palace, Jaipur, India
- The Top 15 Hotels in New York City
- The Pierre. New York
- Top 15 Resort Hotels in Asia
- Rambagh Palace, Jaipur, India
- Taj Lake Palace, Udaipur
- The Top 15 Asia City Hotels
- Taj Palace, New Delhi, India
- Top 5 India Resort Hotels
- Rambagh Palace, Jaipur
- Michelin Guide: Quilon, Taj's award-winning coastal Indian cuisine restaurant in London, retained its Michelin Star for the 14th successive year
- BBC Good Food Middle East Awards 2020: Shamiana at Tai Jumeirah Lakes Towers has won the coveted 'Best Indian Restaurant', thereby marking the signature restaurant's successful foray in the international market
- World Architecture Community Awards: Devi Ratn IHCL SeleQtions was honoured by these global awards
- TripAdvisor Travellers' Choice 2020 Top 25 Luxury Hotels in India: Four of our hotels were recognised in these annual awards – Rambagh Palace, Jaipur; Taj Lake Palace, Udaipur; Umaid Bhawan Palace, Jodhpur and Taj Exotica Resort & Spa, Goa



# Value-driven like never before.

#### In this section

- Business model
- A Committee of the comm
  - Operating environment
- 6 Stakeholder engagement
- 8 Materiality

#### **BUSINESS MODEL**

# Foresight like always. Prudence like never before.

# Inputs

#### **Financial capital**

Equity: ₹4,283 Crores Net debt: ₹3,110 Crores



#### **Manufactured capital**

Fixed assets: ₹8,603 Crores



#### **Intellectual capital**

Trademarks registered: 48



#### **Human capital**

#### **Employees**

15,409

4,436 6,061 Full time Contractual Permanent contractors

Investment in employee training:

#### ₹1.20 Crores

Investments in employee engagement initiatives and recognition: ₹1.06 Crores



#### Social and relationship capital

CSR expenditure: ₹17.26 Crores Number of trade body memberships: 17



#### **Natural capital**

Investments in EarthCheck certification: ₹1.56 Crores

#### **Our activities**

We build and manage hotels under various formats We also offer a wide spectrum of services that include:



Air catering

and spas

Food and beverages

Boutiques

Trails

#### and stays

#### Our process chain



#### Our strategy

#### R.E.S.E.T 2020

Revenue growth

Excellence

Spend optimisation

Effective asset management

#### Thrift and financial prudence

#### Value generated

#### For providers of financial capital

We deliver consistent, profitable and responsible growth

#### For customers

We provide high quality product and sustainable services and memorable experiences

#### For our people

We strive to provide equal opportunities to all our employees, and ensure capacity building, training and a safe work environment

#### For suppliers

We ensure an optimum supply chain with competent suppliers for seamless operations. We also engage and collaborate with our suppliers closely for knowledge enhancement and process improvements

#### For our communities

We empower the communities around us through our CSR activities and ensure that any adverse impact on

our business does not have the environment

#### **Outcomes**



#### **Financial capital**

Revenue: **₹1,740 Crores** EPS: **₹(6.05)** PAT: **₹(720) Crores** 



#### **Manufactured capital**

- Total room nights: **23,02,836**
- · Healthy growth across all assets: hotels, service outlets and digital platforms
- · Best-in-class customer service and higher base of loyal customers



**Outputs** 

Occupancy: 31.75%

Total guests welcomed

(including Ginger hotels):

12.8 Lakhs

Number of covers at events

organised: 14 Lakhs

#### Intellectual capital

- Brand value: US\$309 Million
- Bookings through digital channels: 9.4%
- Top-of-the mind brand recall among customers
- High degree of brand salience across segments
- Strong brand reputation



# **Human capital**

#### • Revenue per employee: ₹11.79 Lakhs

- Rated highly by employees as a good place
- · Ability to attract, train and retain some
- of the finest industry talent



#### Social and relationship capital

- Beneficiaries of CSR initiatives: 8,500+
- Net Promoter Score (NPS): 66
- Customer satisfaction score: 90 from across 161,071 reviews
- · Long-lasting and rewarding associations with suppliers, customers, vendors and development partners
- Social licence to operate



#### Natural capital

- Number of properties powered by renewable energy: 27
- Number of EarthCheck certified hotels: 78
- Increase in water recycling percentage by **5%** from FY 2019-20
- 22% from renewable energy (4 times in the past 4 years)
- Focus on continuous performance improvement over a rolling baseline for the material aspects of waste, water and energy

Pg. 42

#### OPERATING ENVIRONMENT

# Transforming like always. Agile like never before.

The year 2020 has altered the tourism and hospitality landscape forever. The increased demand for health, hygiene and social distancing have had a significant impact on the hospitality industry. Even though there is uncertainty over the short term, some emerging trends hold the promise of paving a growth path for the industry in the medium to long term.



#### **Short distance tours and staycations**

Restricted to the safety of their homes, people have been looking for ground-breaking yet safe ways to spend quality time with their close friends and family. People are looking for a comfortable and safe home-away-from-home without the worry of contracting the virus. Staycations are the perfect solution to the problem to nation-wide lockdowns and travel bans. They require minimal travel and less planning time, are cost-effective and low on carbon footprint. Hence, they have become increasingly popular at city hotels across Mumbai, Bangalore, Delhi and Kolkata.

Due to travel restrictions, people began using their personal or rented vehicles for road trips. There is a high possibility that travellers will choose road travel over flights and trains as they get to choose from a plethora of options that offer comfort and peace of mind and are a one-of-a-kind experience.

IHCL launched several schemes like 4D and New Urban Getaways. 4D, which stands for 'Dream, Drive, Discover, Delight' is a new offering that gives guests the perfect opportunity to drive with families and friends to discover, unwind and be one with nature once again. New Urban Getaways offered to encourage travellers to take a short and much-needed break post the country-wide lockdown.



#### Digitalised guest experience and contactless technology

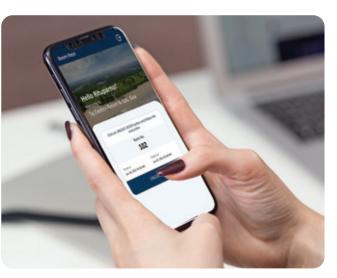
To comply with the new normal, hotels are directing their focus towards digitalisation. Contactless service is the norm and apps, in particular, are playing a crucial role in the way hotels offer their services.

Traditionally customer-facing services are being given an overhaul, thanks to the more widespread use of technology-assisted options such as mobile check-in, contactless payments, voice control and biometrics. Minimising touchpoints will continue to be a primary goal across the sector. Restaurants have turned to mobile apps and QR codes for menus to reduce the spread of potentially harmful germs. Online check-ins and check-outs, mobile keys and room settings controlled by Internet of Things (IoT) are expected to become commonplace.



The pandemic has heightened people's awareness of hygiene and safety. Guests are more interested in housekeeping than décor and sophistication. The hospitality industry is, therefore, implementing intensive new hygiene and safety protocols and improving their various healthy stay programmes and partnerships to assure guests, and stay a notch above their peers.

The 'Tajness – A Commitment Restrengthened' programme laid out safety and sanitisation standards for guests and associates to ensure that guests have a safe stay while enjoying the hospitality offered by us.



Launched I-ZEST, a suite of digital solutions across our hotels under the brand Taj, Vivanta and SeleQtions. The new digital features allow guests to interact and engage with IHCL hotels by minimising 'physical' touch. The I-ZEST measures also extends to employees, with the chain's hotel pre-opening processes now being driven through mobile-application based checklists and a contactless attendance system.



#### Commitment to sustainability

Hotels and resorts have been going green for some time now and that trend is likely to become more popular as travellers look to limit their impact on the environment and experience the local culture.

In recent years, top hotel brands have pledged to reduce water usage, carbon emissions and waste, while pursuing LEED certifications for properties, renewable energy sources and locally sourced food. 'Green' hotel initiatives will help ecologically conscious guests make informed choices and also transform themselves to lead the change towards sustainability.

IHCL has undertaken wide-ranging steps to integrate planet sustainability initiatives into its day-to-day operations. We follow the EarthCheck guidelines for implementation of standard practices across hotels. There has been considerable growth in the use of renewable energy, waste treatment and reduction in water consumption in the hotels.

#### STAKEHOLDER ENGAGEMENT

# Engaging like always. Responsive like never before.

The success and sustainability of our business depends on the support extended by our stakeholders. It is, therefore, crucial that we understand and respond to their needs and interests. We stay attuned to our stakeholders' needs through continuous dialogue, and by understanding the dynamic market requirements and global developments and predicting future trends.



Our engagement methods are customised to meet the needs of each stakeholder group. We maintain an open-door policy for stakeholder interaction so that the concerned parties can easily access the appointed representatives at individual hotels or within the corporate structure.



**Employees** 





**Customers** 

Local







**Owners and** 



#### **Fostering lasting relationships**

Stakeholders	Why they are important	Key priorities	How we engage	How we deliver value
Employees	Our people are at the core of our business They are our biggest strength and differentiator  Our people are at the core of our business  They are our biggest strength	Capability building, development and skill enhancement Positive and enabling work environment Safety and security Employee well-being	Real-time engagement through VConnect Daily meetings and briefings Monthly town halls Timely internal communications Published training calendar Employee committees and union meeting	₹894 Crores consolidated employee benefit expense     ₹1.20 Crores invested in employees' learning and development     World-class performance management and career development programmes for employees
なかか Customers	Customer loyalty and long-term relationships add to the distinctiveness of our brands Their feedback helps us improve and maintain our position in the industry	Service quality     Differentiation and product relevance     Safety and privacy     Ethical business practices     Environmental impact	Direct feedback from guests during and after each experience     Loyalty programme     Real-time social media engagement     Periodic market research	Focus on delivering superior customer experiences, consistently     Overall customer rating of 90% from across 1,61,071 customer reviews
Shareholders	Support from our shareholders and investors is essential to finance the growth and development of our Company	Financial performance and dividends Good governance Transparency Growth and expansion Operational and resource efficiencies	Quarterly investor calls, annual investor meets, AGMs, public and media announcements     Annual report and sustainability disclosures     A dedicated investor relations department	40% dividend declared     Market capitalisation down by 7.6% over the previous year
Owners and Partners	Hotel owners are our partners in business operations and in sustainability Alignment of priorities with owners is critical for efficient operations and business performance	Business performance     Health of assets     Operational and resource efficiencies	Annual partner meets     Ongoing communication from the business development department	Revenues shared with asset owners through licence fees and other partnership models Emphasis on efficiency and maintenance of infrastructure
Suppliers	Our suppliers provide materials and services that influence the quality of our customers' experiences Supplier relationships ensure efficiency, quality, reliability and an ethical value chain	Quality and availability of goods and services     Resource efficiency     Supplier development	Supplier development initiatives     Supplier feedback surveys     throughout the year     Annual suppliers' meet     Onboarding process and     constantly open communication     channels	8 suppliers engaged in supplier development initiatives     50% of suppliers are with IHCL for over four years
Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q Q	<ul> <li>A positive relationship with local communities ensures our social licence to operate</li> <li>Furthering the livelihoods, heritage and culture of regions we operate in are important for our destination's sustainability and our long-term business viability</li> </ul>	Livelihood opportunities     Environmental protection     Community development     Preservation of culture and heritage	CSR partnerships Minimisation of our environmental footprint Community welfare programmes Participation in neighbourhood associations Annual volunteering calendar	Invested ₹2.63 Crores as CSR funds towards ongoing livelihoods and heritage-linked programmes in communities through CSR     Supported 8,500+ livelihoods of the under-served communities through our CSR programmes and partnerships
Government and regulators	We comply with the regulations governing our properties and engage with regulators frequently to drive important policies in the sector     We partner the government in various policies and community improvement initiatives	Timely compliance with regulations Transparent and open operations Timely tax payments Support to various schemes of central and state governments	Participation in government consultation programmes     Representation through trade bodies	Timely tax payment High compliances with regulations Support government initiatives
₹ Lenders	<ul> <li>A positive relationship with lenders enables us to raise growth capital in a timely and cost-effective manner</li> <li>We have a credit rating of AA (Stable) by CARE and AA (negative) by ICRA</li> </ul>	Timely repayment of both principal and interest Adherence to a healthy credit discipline Timely updates on our financial performance	Meetings     Ongoing communication and relationship     Sharing regular updates on financial performance	Maintaining high credit discipline     Timely pre-payment of loans

#### ○ ○ ● HOW WE ○ ○ ○ ○ CREATE VALUE

#### **MATERIALITY**

# Focused like always. Strategy like never before.

Material matters have the potential to substantially affect, both positively and negatively, the Company's ability to create value and deliver on its strategy and investment case in the short, medium and long term. We manage material matters by identifying, prioritising, responding and reporting on them. After focused discussions with the Board and the management, we have identified four broad areas of materiality for FY 2020-21. The assessment and validation of the material issues were carried out with the highest levels of transparency and integrity to ensure the accuracy of the outcome.

#### **Our material topics**

#### Scalability

We will continue to achieve revenue growth while overcoming the COVID-19 related challenges with our R.E.S.E.T 2020 strategy.

#### **Material Topics**











Reputation and

#### **Topic Definition**

- Key economic performance parameters of the Company, covering the direct economic value generated, retained
- Growth in inventory across multi-product, multi-segment categories to meet the emerging demands of the discerning traveller, through leveraging our business enablers
- Exceeding customer expectations and creating a positive emotional connect
- Driving digital to strengthen competitiveness, achieve service excellence and make core operations faster, better streamlined and more efficient
- Reimagining the brand landscape to build on the opportunities across categories, protecting and enhancing reputation through effective communications

#### **Environmental stewardship**

The hotels under IHCL are getting stronger in the game of going green. There has been considerable growth in the use of renewable energy, waste treatment and reduction in water consumption in the hotel. IHCL has partnered with EarthCheck, the world's leading scientific benchmarking, certification and advisory group for travel and tourism, for the performance monitoring and verification.

#### **Material Topics**







Climate change. Water Energy and

Circular

#### **Topic Definition**

- Optimise our energy management to reduce our specific energy consumption and greenhouse gas (GHG) emissions
- Effective water management to reduce our water use intensity, including steps taken to recycle water
- Minimising waste and maximising the end-of-life value to decrease our natural resource footprint



#### Social responsibility

Our hotels are an active part of local life in the destinations where we operate. We work with social organisations to drive positive change through direct support and corporate volunteering.

#### **Material Topics**













health and inclusion and

and equal

#### Topic Definition

- Attracting and retaining individuals with the right knowledge and skills by providing them with rewarding careers and an enriching experience
- Ensuring the health and safety of all employees through risk assessments, effective policies, timely interventions and proactive trainings
- Offering a healthy and safe experience to our customers by establishing robust infrastructure and well-trained staff at all
- Upholding diversity and equal opportunity among all our employees through well-established policies, initiatives and culture-building
- An inclusive and collaborative approach towards helping improve the quality of life and giving back to the communities we serve

#### **Environmental stewardship**

We undertake continuous value chain transformation to modify our business every step of the way – right from optimising our infrastructure processes and systems and promoting local procurement to delivering competitive customer service.

#### **Material Topics**





Sustainability Procurement practices

#### **Topic Definition**

- Supporting the growth and capability development of our suppliers and vendors, efficient procurement practices, and emphasis on local and indigenous procurement
- Holistic improvement in our supply chain that addresses the environmental and social impact and externalities

WHAT OUR STRATEGY FOCUSES ON

# Planning like ahvays.

During the year, we devised a five-point strategy called R.E.S.E.T 2020 to handle the challenges caused by the unprecedented global crisis and aid us navigate through difficult times.

# Execution like never before.

#### In this section

- 42 R.E.S.E.T 2020
- 44 R Revenue growth
- 48 E Excellence in guest well-being, experience and operations
- S Spend optimisation
- E Effective asset management
- 53 T Thrift and financial prudence

#### R.E.S.E.T 2020

# Determined like always. Resetting like never before.

In February 2018, we embarked on the journey to realise our Aspiration 2022 strategy – to re-imagine, re-engineer and re-structure our business. Within two years of outlining the strategy, we have driven strong operational performance with significant improvement across all key financial metrics like profitability, cash-flows, EBITDA margins and debt ratios in the current financial year. As we were tenaciously pursuing our goals, we were hit by the COVID-19 pandemic, which demanded that we change our strategy to emerge stronger from this storm. Thus, we implemented R.E.S.E.T 2020.





R.E.S.E.T 2020 is a comprehensive five-point strategy that provides a transformative framework to help us overcome the impact of the pandemic and achieve revenue growth.

#### The strategy will focus on:



Rapidly changing market conditions



**Dynamic** customer needs



**Implementing various** operational excellence interventions required for safety and hygiene



**Shifting** government policies



**Re-imagining** business models



Revenue enhancement and creating alternative sources of revenue through a well-established hospitality eco-system, cost optimisation and other measure, while being financially prudent













# Revenue growth

We built multiple revenue streams, introduced innovations and focused on improving cashflow generation of all group companies to enhance our overall profitability.

#### **Material issues**











#### **Key risks**

- Shorter time-to-market detailed market research not feasible
- New brands have lower brand recall

#### How did we achieve this

1. Introduced innovative F&B concepts



#### Qmin

We launched Qmin, a food delivery platform to bring a repertory of culinary experiences and dishes from our restaurants to customers' homes in Mumbai, Delhi, Kolkata, Bengaluru and Chennai. We added pan-Asian, Indian and Thai comfort food and sweet offerings to our menu. Customers can order their favourite dishes to their doorstep through the Qmin app. We also launched Qmin Shop, an exclusive full-service gourmet walk-in store. With high-quality products, global flavours and a creatively designed space, guests can now look forward to a differentiated experience.

65,000+

Meals served since

launch

Cities presence

Hotels

30

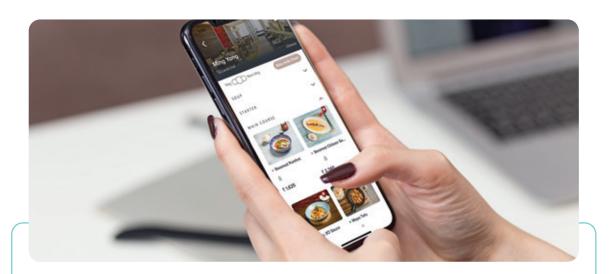


#### **7Rivers Brewing Co.**

We launched India's first on-site brewpub called 7Rivers Brewing Co. at Taj MG Road, Bengaluru in partnership with AB InBev.

₹4.5 Crores

Revenue earned since launch till March 31, 2021



#### Hospitality@Home

Through our Hospitality@Home services, people can order some of the finest luxury products from our iconic city hotels. This initiative allows our guests to experience Tajness in the comfort of their homes. This contactless delivery was made available across Mumbai, Delhi, Bangalore, Chennai, Hyderabad and Kolkata.

₹34 Crores

Revenue earned since launch till March 31, 2021



#### 2. Explored enhancement of occupancies through focused need-based campaigns

- 4D Dream, Drive, Discover and Delight: 4D is a new offering that allows guests to drive with their families and friends to discover, unwind and be one with nature. Guests can select from our range of exclusive villas, bungalows, cottages or suites across hotels, each offering an assurance of the highest standards of safety and hygiene
- **Urban Getaways:** We launched this innovative offer across Mumbai to encourage travellers to take a short and muchneeded break during these challenging times. Guests can choose from a variety of experiences to enjoy a mini vacation within the safety and comfort of the city
- One Tata initiative: We launched IHCL World of Privileges for all Tata group employees to purchase vouchers in exchange for a bouquet of benefits which can be availed across IHCL properties in future
- Several other need-based campaigns were run from time to time, including suite surprises, new beginnings, Bizcation, 3R, Taj Wellness Retreats, etc.

## ₹230 Crores

Contribution to enterprise revenue during the year through these campaigns and promotional initiatives



#### 3. Continued growth momentum with new openings

- We signed 17 new hotels across brands:
- 1. Taj in Puri (Odisha), Kolkata, Patna (Bihar) and Shiroda (Maharashtra)
- 2. Vivanta in Hampi (Karnataka), Bangalore and Lucknow
- 3. SeleQtions in Tadoba Andhari Tiger Reserve (Maharashtra)
- 4. Six Ginger hotels in Chandigarh, Guwahati (Assam), Aurangabad (Maharashtra), Bangalore and Cochin (Kerala)

• We relaunched Machan at Taj Mahal, New Delhi. The iconic restaurant found its first outpost in Bengaluru at Taj West End

Hotels signed

Hotels opened

5 amã Stays & Trails opened



#### 4. Re-imagination of existing brands

During the year, we revealed the re-imagined and re-designed embodiment of The Chambers. The new Chambers at Taj Mahal, New Delhi offers classic elegance in a contemporary setting in the capital's landmark location with spectacular views of the city's skyline. With the recent launch of The Chambers Global Membership, members can enjoy enhanced privileges and benefits. The Chambers is located across seven marquee Taj hotels in six cities, including Dubai, and will soon have its presence in London and Bengaluru.

We also, relaunched Epicure – our exclusive lifestyle membership programme with new and enhanced features. Members can now enjoy a range of discounts on extravagant stays at iconic hotels, dining at award-winning restaurants, doorstep delivery of food via the Qmin mobile application, spa therapies at Jiva spas and salon services.

### ₹264 Crores

Total contribution to consolidated revenues due to effective revenue initiatives

#### Revenue recovery and improvement in **RevPAR (Domestic hotels)**













In addition to driving scale, we also worked on ensuring the highest levels of focus on guest and associate well-being, satisfaction and in achieving better efficiencies across our operations.

#### **Material issues**







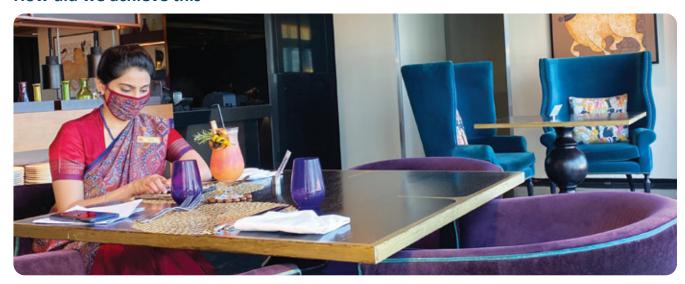




#### **Key risks**

- Health and safety during the pandemic
- Enhancing customer experience and satisfaction with less resources
- Delay in acceptance and adoption of new ways of working

#### How did we achieve this

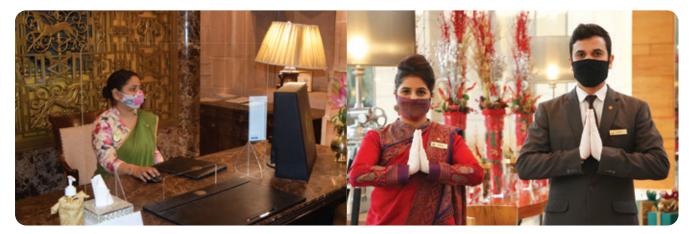


#### 1. Introduced 'Tajness - A Commitment Restrengthened'

As the world steps into the new normal, the spirit of Tajness stands bolstered, propelled by the supreme importance it places on the safety and delight of its guests. 'Tajness – A Commitment Restrengthened' is a symbol of assurance of our trustworthy Indian hospitality, with an added comfort of safety, hygiene and physical distancing.

#### **Net Promoter Score (NPS)**

Previous 12 months	66
Previous 6 months	71
Previous 3	72



#### 2. Accelerated digital transformation

We are harnessing the power of digital and leveraging technologies to ensure minimal contact while offering our signature warmth and service excellence. We undertook some digital transformation initiatives this year:

- We rolled out I-Zest, a 'zero-touch service transformation' initiative that will further encourage social distancing among our guests and associates. It features a set of digital solutions that are implemented across our Taj, Vivanta and SeleQtions properties.
- We undertook various technology enhancements such as digital pre-check-in registrations and contactless access to the rooms via optional digital key cards.
- · Check-outs are being optimised with online invoicing services, which eliminates the need to use card machines.
- Digital menus have been installed across restaurants, enabling guests to order through QR codes and make digital payments.
- We have introduced a contactless attendance system with facial recognition and thermal sensor in 30+ hotels.
- Our aim is to optimise the digital and use it as an accelerator to amplify customer experiences and customer loyalty.

#### 3. Service to the nation

We have been at the forefront of helping fight the COVID-19 pandemic. We extended support to various states across the country, including hosting the medical fraternity and providing over 3 Million meals. The initiatives involved provision of meals to medical practitioners, migrant workers and the police from our hotels and air catering facilities in partnership with the Taj Public Service Welfare Trust. We opened the doors of various hotels to medical professionals. These rooms helped doctors and nurses spend less time commuting, thereby lowering the risk of viral transmission.

#### 4. Taj for Family

For associates whose livelihoods were adversely impacted by loss of business, especially at their partner-owned hotels, we launched a fund under 'Taj For Family' to extend requisite monetary support in a transparent and fair manner.

#### 5. Protecting our employees

As an immediate response, we undertook various steps to protect the health of employees and guests by implementing renewed health and hygiene standards and complying with the directives of the government and municipal authorities. New and detailed standard operating procedures were articulated as a comprehensive guide covering all areas of operations and service design, factoring in social distancing, digital-first approach and heightened precautionary processes for guests and employees. We also launched an 'Employee Well-being Programme'—a scalable app-based technology solution to positively impact health—in association with HealthifyMe and an 'Employee Assistance Programme', a confidential counselling service.

#### ○○○● WHAT OUR ○○○ **STRATEGY FOCUSES ON**

#### STRATEGIC FRAMEWORK











We leveraged opportunities across all cost heads to rationalise resources and optimise expenditure across all cost heads, including payroll and various hotel operating cost heads.

#### **Material issues**











#### **Key risks**

- Delay in redeployment to new hotels
- Potential impact on hotel operations

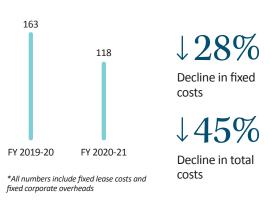
#### How did we achieve this

#### 1. Reducing our hotel operating expenses

We reduced our hotel operating expenses this year by undertaking the following initiatives:

- Renegotiating the contracts entered into with various vendors, suppliers and service providers
- Outsourcing certain functions that were undertaken internally
- Centralising our back-end processes and leveraging shared services
- Closure of hotels during times of low demand; re-routing demand to a single hotel in a city
- Optimising heat, light and power expenditure at the hotels

#### Fixed expenses per month





#### 2. Optimised payroll

We revisited our existing processes to improve our team's productivity and reduce wasteful expenditure arising from duplication of processes. Our aim is to simplify processes and ensure meticulous expense management through technology upgradation to make us more efficient and competitive.

We redeployed staff in new properties that are opening and redeployed some of the corporate employees in other Tata group companies, multi-skilling. We also scaled our people in different areas so they are able to work in different departments within an eight hour shift, and that's the new way of working.

#### New ways of working and transformational initiatives

- Re-imagined ways of working in terms of a lean organisation structure, focus on multi-skilling and elimination of non-valueadded activities by embracing digital
- Rolled out the A1 initiative through which our multi-skilled frontline workforce can contribute to multiple departments depending on business need
- Cluster approach to operations including city-level management committee structure to improve payroll optimisation efforts

1.53 Staff to room ratio -Staff to room ratio April 2020 - March 2021 **New ways** Redeployments Multi-skilling of working



#### 3. Leveraging partnership

We collaborated with Tata Power for supply of solar energy for all Mumbai hotels as part of our strategy to focus on sustainable and cost-efficient business practices. We signed a solar energy Power Purchase Agreement (PPA) with TP Kirnali Solar, a wholly owned subsidiary of Tata Power. The agreement is valid for 25 years. The initiative is in line with our focus on implementing sustainable and cost-efficient business practices, while leveraging group-wide collaborations and competencies.

## ₹420 Crores

Total contribution to consolidated EBITDA due to effective spend optimisation initiatives









# Effective asset management

One of the key aspects of the new strategic plan is to create shareholder value by optimising our assets. We are focusing on maximising our profitability by continuing to undertake renegotiation of contracts and lease rentals, while monetising assets. We are confident that this will be a core contributor to our margin expansion.

#### **Material issues**



#### **Key risks**

- Mismatch in valuation expectation
- Test of owner relationships

#### How did we achieve this



#### 1. Minimised lease costs

This year, we managed to achieve a lease rental waiver benefit of ₹49 Crores in our consolidated financials.

#### 2. Achieved property tax waiver

Representations to BMC helped secure waiver of three months' property tax for Mumbai hotels from April-June 2020.

#### 3. Sold non-core assets

Unlocking value in non-core and latent assets is an ongoing process at IHCL. Sale of residential apartments contributed to an incremental ₹21 Crores addition to our bottom line.

#### 4. Acquired 100% stake in ELEL

We signed a binding agreement to acquire 100% shareholding in ELEL Hotels and Investments Limited (ELEL) for the iconic Hotel Sea Rock. This makes us the 100% leasehold owner of the landmark Sea Rock Hotel site.

#### 5. Restructured holding of African subsidiary

We restructured the holding of Taj Cape Town, which became a wholly owned subsidiary of IHCL, by acquiring 50% of the holding in Tata Africa Holding (TAH).

## ₹70 Crores

Total contribution to consolidated EBITDA due to effective asset management initiatives







# Thrift and financial prudence

At IHCL, identification of inefficiencies/redundancies is an ongoing process. It is our constant endeavour to address any bottlenecks across our entire operations and achieve better efficiencies. We took judicious steps to ensure adequate cash flows while reducing our corporate overheads.

#### **Material issues**





#### **Key risks**

- Cash mismanagement
- Inefficient resource allocation

#### How did we achieve this



- 1. Through prudent spending, our corporate overheads declined by 39% during the year. We reduced corporate overheads such as professional contracts, marketing spends, renegotiating annual maintenance contracts, technology support agreements, leased-line costs, reducing support staff of inbound and outbound call centres, travel expenses, etc.
- 2. We deferred all non-essential renovations to conserve liquidity and manage cash flow efficiently.
- 3. Prudence in resource allocation was exercised at all avenues to focus on quality and impact as against quantity and volume. We prioritised key

- projects and placed our bets on what had the highest chances of positive contribution to business performance.
- 4. We proactively secured funding tie-ups with multiple banks to ensure that there is always sufficient liquidity to manage our commitments.

# ₹135 Crores

Savings in FY 2020-21 due to thrift and financial prudence initiatives

HOW WE PRIORITISED ESG ISSUES

Ninimising impact like always.

We recognise that we have a responsibility to conserve the

to preserve destinations for future generations of travellers.

environment and protect the communities in which we operate

# Working responsibly like never before.

#### In this section

- 56 Environment
- 60 Social
- 6 Governance

- Board of Directors
- 70 Senior management

4 Risk management

#### **ENVIRONMENT**

# Conscious like always. Impactful like never before.

As an industry leader, we are aware of our responsibility towards the planet. We are committed towards operating in an environmentally responsible manner while catering to the interests of our diverse stakeholders. During the year, we took various measures to mitigate the impact of our operations on the climate and environment and preserve the planet for the future generations.

#### Material issues addressed











**Strategic priorities** 









Optimising use of natural resources such as energy and water and managing waste efficiently are some of our priority focus areas. We communicate our performance on these parameters regularly through United Nations Global Compact and Business Responsibility Reporting. We have maintained band C in CDP—Carbon Disclosure Project—climate change response and Band B in water response, thus setting benchmarks in the hospitality industry.

Since 2008, a total of 78 EarthCheck certified hotels have generated significant savings by conserving water, energy and installing organic waste convertors to reduce waste sent to landfill. During FY 2020-21, ~47 IHCL hotels received EarthCheck Platinum certification which is a global benchmark in the hospitality industry.

- Recycled 907,021 KL of water, which is equivalent to 363 standard Olympic-sized swimming pools
- 26.7% of total water consumption was recycled and reused by the hotels grey water treatment in onsite wastewater treatment facilities
- Minimised waste sent to landfill by composting 1,397 tonnes of organic waste which is equivalent to 42 standard 20 feet shipping containers
- Reduced greenhouse gas emissions by adopting renewable energy at sites by 34,832 TCO<sub>3</sub>eq, which is equivalent to taking 11,688 cars off the road

#### **Key achievements**



#### **Water conservation**

907,021 KL of water recycled = 363 standard Olympic-sized swimming pools



#### **Greenhouse emission**

34,832 TCO<sub>3</sub>eg emission reduced = Taking 11,688 cars off the road



#### **Recycling waste**

1,397 tonnes of organic waste composed = 42 standard 20 feet shipping containers



#### Renewable energy

27 IHCL hotels powered by renewable energy



#### Single-use plastic

Avoided use of PET bottles by installing RO bottling plant in 15 hotels



#### **EARTHCHECK**

Highest number of EarthCheck Platinum certified hotels globally - 47 hotels

Total number of EarthCheck certified hotels is 78



#### **Energy management**

We are conscious of the impact of climate change on communities and ecosystems, and we recognise that managing our energy usage is one of the most effective ways of limiting emissions. Further, the adoption of renewables and improved energy efficiency also yields financial benefits for IHCL

#### **Energy consumption per guest night**



#### **ENVIRONMENT**

#### **EarthCheck**

IHCL joined EarthCheck, the world's leading scientific benchmarking and certification group for the tourism and travel industry, in 2008 and has ever since endeavoured to continuously deliver on its sustainable objectives. We have persistently worked towards optimising energy and water usage and responsible waste management. In our journey towards sustainability, we have achieved EarthCheck Certification for 78 of our hotels, which has generated significant savings.

While 47 IHCL hotels achieved EarthCheck Certified Platinum recognition, 26 hotels received Gold and 5 hotels bagged Silver. For 12 continuous years, we have measured and monitored the best practices in sustainability. Our 47 platinum certified hotels are the largest in the global tourism industry – a perfect resonance of our efforts.

These certified hotels have generated significant savings by conserving water and energy and installing organic waste convertors to reduce waste sent to landfill.

- During the year, IHCL hotels together used a total of 156,022,944 MJ from renewable energy sources both through Green Power Agreements with their electricity providers as well as onsite and offsite renewable energy, including wind farms and solar panels. Thereby, we avoided 34,832 tCO<sub>2</sub>, equivalent to taking 11,688 cars off the road.
- We recycled and reused a total of 907,021 KL of water through rainwater harvesting and recycling of grey water through onsite wastewater treatment plants. The amount of recycled and reused water is equivalent to 363 Olympic-sized swimming pools.
- Waste management is an integral part of our environment management endeavours. We have installed in-house composters at 41 hotels. This has prevented 1,397 tonnes of organic waste from going into landfills, equivalent of 42 shipping containers 20-feet in size.

156,022,944 MJ

Renewable energy used in FY 2020-21

907,021 KL

Water recycled through rainwater harvesting in FY 2020-21

**1,397 Tonnes** 

Organic waste prevented from going into landfills





#### Partnered with International Finance Corporation (IFC) to pilot a project on sustainable cooling and ventilation

The IFC project team designed and applied the proven Tech Emerge process of identifying, curating and matching innovative cooling solutions that align with our assessed HVAC technology needs and related sustainability targets. This is the first-of-its-kind project in the global hospitality sector. It aims to:

- Assess, identify and match innovative cooling technology providers with our needs
- Provide catalytic funding to accelerate the testing and validation of select sustainable cooling solutions in our hotels
- Help realise targeted savings relative to baseline on a case-by-case basis
- Help promote IHCL as a 'green, safe and resilient' hospitality brand in the post-pandemic landscape

#### Solar energy PPA signed with Tata Power

We signed a solar energy Power Purchase Agreement (PPA) with TP Kirnali Solar Limited, a wholly owned subsidiary of The Tata Power Company Limited, in August 2020. The Taj Mahal Palace, Taj Lands' End and Taj Wellington Mews will get ~60% energy from green source and will reduce nearly 22.9 million kg of CO. emissions on an annual basis. This agreement is valid for a period of 25 years.



#### Water management

Water is a critical and scarce resource for local communities and for our industry. We are aware of the increasing water stress in our areas of operation and the need to strive for maximum water efficiency. We optimise our water consumption and work hard to mitigate our impact on the availability of freshwater in ecologically sensitive regions.



#### **Waste management**

Our hotels operate in locations that are ecologically fragile as well as in dense urban areas. Communities and governments are increasingly demanding improved waste management practices, which are also essential for the well-being of employees and guests. We view waste as a potential material that can begin a new cycle of production, and we are relentlessly striving to improve waste management across our value chain.

Dry waste generated in our premises is sent to licensed recyclers for safe handling. All our hazardous waste recyclers are certified by the pollution control board of the state in which the hotel is located. Sludge from sewage treatment plants is safely disposed by the agencies contracted for the management of these units.

#### Eliminating single-use plastics

We are committed to phasing out single-use plastics across all our properties and have been making steadfast progress towards this goal every year. We have reinforced our commitment towards sustainable business practices with the introduction of bottling plants across hotels in Mumbai, Delhi, Bengaluru and Chennai in India and in the Maldives and Sri Lanka.

We have installed bottling water plants at 15 of our hotels to reduce the use of plastic PET bottles. With this initiative we could eliminate 0.2 Million kg of plastic from IHCL ecosystem.

IHCL is also credited with the introduction of the country's first ever 'Zero Single-Use Plastic Hotel' - Taj Exotica Resort & Spa, Andamans. With focus on sustainability to preserve the fragile ecosystem of the island, 72 beach villas at the resort have been constructed without felling a single tree, and the resort has an onsite bottling plant, a waste disposal system that converts wet waste to gas and compost, and a sanitation treatment plant to limit its carbon footprint.

#### **Enhancing biodiversity**

As a large-scale landholder, our approach to the preservation of land and protecting biodiversity is an integral part of the way we operate. We strive to improve natural habitats and encourage a culture of appreciation and respect for biodiversity across our locations.

#### Panna Tiger Reserve near Taj Pashangarh gets UNESCO's **Biosphere Reserve status**

About a decade ago, the number of tigers at Panna Tiger Reserve in Madhya Pradesh was zero. The main reason behind the diminishing trend was poaching. The Pardhi community of Panna hunted tigers as the sole means of their livelihood. After hunting was banned, the community was pushed to the fringes and survived by engaging in poaching.

We collaborated with Last Wilderness Foundation and Panna Forest Department to pilot an inclusive tourism model for enabling alternate livelihood opportunities for the Pardhi community. We developed a unique tourist experience called 'Walk with the Pardhis' near Panna Tiger Reserve to enable tourists to have an authentic engagement with the local culture and give back to the ecosystem, thus participating in the larger purpose and cause of biodiversity conservation and inclusion. Our naturalists at the Taj Safaris have worked on training the Pardhi community youth in polishing their skills to make them nature tour guides.

Due to the stellar efforts on tiger conservation and increase in tiger population from 0 to 50, Panna Tiger Reserve was included in the global network of biosphere reserves by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in November 2020.

#### SOCIAL

# Caring like always. Empowering like never before.

Our people and the relationships we build with the communities are the foundations on which we grow and prosper. Through close collaboration with our employees, alliances, partners and communities, we maintain our social licence to operate and create shared value for all.

#### People

We recognise that having an engaged workforce is critical for IHCL to deliver value. We continue to prioritise the engagement of our people with focus on two specific areas – keeping our promise to our employees and making it safe to speak up. We are committed to an inclusive workplace that brings out the best in all of us. We continually strive to make our operations more efficient, while creating a respectful work environment for each member of

#### Material issues addressed









**Strategic priorities** 









We have been recognised by **Gallup** for the **8th time** as the winner of the Gallup Great place to work. Our culture of Tajness, which reveals implicit trust and forging invaluable relationships by creating an emotional connect with our various stakeholders, is our core competence and a critical enabler for the success of our strategy. Our colleagues put the organisation ahead of

themselves, especially during the period of lockdown, to ensure that the organisation could cater to essential services and quarantined guests. To recognise the outstanding contribution accomplished by our frontliners, we launched multiple recognition programmes last year.



**COVID Marshalls:** 'Back to work' training was supplemented by the COVID Marshall process, which enabled robust implementation of new processes. Cross-functional teams of COVID Marshalls were created at each hotel to conduct daily audits and ensure that hygiene, safety and physical distancing protocols are followed consistently by all stakeholders. The audit findings were captured on a digital app ensuring easy escalations and resolutions.

**VConnect:** We worked with a technology partner to enable 'VConnect' the continuous engagement survey that is a dynamic listening post also used by managers to engage with the workforce across levels. This has led to an increase in transparency and timeliness of communication. VConnect is available through a mobile app, biometric machines and the computer in eight Indian regional languages to ensure all employees are able to provide their feedback anonymously. Concerns can also be escalated based on the matrix.

Various training initiatives have been formulated as a means to instil brand standards and the Tajness ethos within each employee.

**E-learning:** A customised learning path was created on the learning platform LEAD and we had over 1,250 leaders who actualised this learning path. We also launched the access to the platform through the mobile app which had over 56% adoption. To enhance functional expertise, we collaborated with TYPSY for online video learning specific to the hospitality industry. The Netflix-style, all -you-can-consume library is designed to encourage learners to develop their skills and discover their passions. Learners have instant access to over 700 lessons and courses, which include downloadable resources, guizzes and certificates. Over 6,000 of our frontline colleagues registered on the platform and benefited from over 46,000 hours of learning.

Tajness Re-strengthened and Back to Work Modules: To combat the current scenario, our Centres of Excellence (COE) and key personnel redefined existing standards to address the requirements of physical distancing, hygiene and safety of our guests and associates while staying true to the core of our service philosophy of 'Tajness'. All associates were trained virtually and through socially distanced classrooms, ensuring readiness to deliver a safe and healthy workplace for all our stakeholders.

**BLEND:** This virtual learning platform was scheduled for our colleagues in F&B service of whom ~565 participated across 56 hotels. The focus of the programme was to enhance knowledge for our F&B colleagues on alcoholic beverages such as bourbon, malts and Roku craft Japanese gin. These sessions included updated trivia, videos, storytelling and guizzes in learning formats, which created a healthy competitive spirit.

#### Digital initiatives undertaken

**HR chatbot:** One of the tasks of the HR team is answering employee queries. Employees mostly encounter similar challenges and ask similar questions to HR professionals. Deploying a chatbot that answers FAQs of employees can save the HR team's time. This has been achieved via a WhatsApp-based chatbot or query resolution platform for all associates integrating it with the HRMS and its ancillary applications to facilitate query resolution for all associates.

The chatbot assists associates in getting instant answers to their queries without any dependencies on the HR team. It will also help reduce the volume of queries and guide employees with regard to raising HR-related tickets based on the bot's response.

- Compliance to hygiene norms set by the authorities
- Confidence and safety restoration among employees
- Real-time attendance and reports
- Real-time temperature alerts to HR, security and HOD

52

Hotels live with the facial recognition system

Facial recognition system: Pre-COVID, all unit hotels were using biometric devices to mark their attendance. Due to outbreak of COVID-19, there was emphasis on going contactless in all walks of life. Thus, we switched from fingerprint-based biometrics to the method of marking attendance using face-based biometrics or facial recognition. While adding face-based attendance, we also added an important element to detect the body temperature of an associate while marking the attendance.

**Employee Mobile App:** The employee mobile app helps improve HR efficiencies, making it easier for employees to complete basic tasks. Rather than having to visit the HR office or calling the HR department, employees can access and make changes to their personal profiles, apply leave, mark attendance, etc. directly from the app. It provides employees with ease of access to applications, improve productivity and foster deeper connect and engagement with HR as well as fellow associates.

The employee mobile app features have been extended to the web portal, thus providing an omni-channel experience to employees.

HR Helpdesk: The HR helpdesk feature will be integrated with the Employee Mobile app and bot. The HR helpdesk will allow employees to raise an HR ticket, which will be answered by HR staff, helping employees get their queries resolved in a timely manner by the centralised team of the HR Helpdesk or individual HR staff. This feature will also let the HR team share documents with employees on request.

#### SOCIAL

#### Safety

We reinforced our commitment to safety through the elevation of two Area Security Heads to Corporate Director —Safety and Security—one in each region. They will support the corporate safety team in driving safety initiatives across the Company. The IHCL Crisis Escalation Matrix was revisited to reflect organisational structure changes and ensure that all safety and security incidences are reported to those concerned.

To ensure a continuous focus on safety, we created and implemented a Basic Safety Training Module for all hotels. This will act as an induction as well as refresher module for all employees. Train the Trainer sessions have been conducted for effective and standardised dissemination of content. Other training interventions by the Tata group Safety Office such as The Occupational Safety, Health & Working Conditions Code, 2020 and Other EHS Legislation Updates and Motor Vehicle Business Travel on Roads and On-site vehicle movement have been well attended by our safety champions. Over 100 employees participated in the Annual Tata Group Safety and Health Conclave. Teams at hotels continue to drive health, safety and security awareness sessions continuously, thus ensuring unwavering focus. M/s DNV-GL for Taj Wellington Mews, Chennai to understand operations-related risks for hotel/services apartment. This will form a template for future opening.

FY 2020-21 employee health and safety performance

9,690

76,615

Safety training sessions

Participants in safety training

1,641

Health awareness sessions conducted **Fatalities** 



#### **Corporate social responsibility**

We aim to build more capable, inclusive and resilient communities through a shared approach that considers the specific needs of each community. Our social strategy aligns with

our core business strategy to empower communities and provide opportunities for us to create common value across our footprint.

#### **Material issues addressed**







#### **Strategic priorities**











#### **Building livelihoods**

We invested in creating high-quality intellect to support hospitality training across trades of F&B service, multi-cuisine cooking, and housekeeping. Our module and trainers have focused on screening students for interest levels in people-centric jobs and on building attitudinal readiness, confidence and life skills apart from domain skills training.

Despite the ongoing pandemic, in the current year 690+ youth have been trained at these centres. In partnership with Tata STRIVE, we conduct Recognition of Prior Learning (RPL) training programme, which helps fill the gap and obtain a certification from National Skill Development Corporation (NSDC). Over 80 individuals were trained through RPL programme in current year. Invested in creating high quality intellect to support hospitality training across trades of F&B service, multi-cuisine cooking, and housekeeping. Our module and trainers have focused on screening students for interest levels in people- centric jobs & on building attitudinal readiness, confidence and life skills apart from domain skills training.

#### **Community welfare**

We enable community livelihoods through home stays; excursions/tourist trails in rural, interior and under-served tribal belts through tourism-linked training and capability building initiatives by our volunteers; and community immersion stints for management trainees. Among the more recent initiatives is the Walk with the Pardhis supported by Taj Safaris Pashan Garh near Panna National Park.

#### Heritage conservation and promotion

Some of our key conservation and promotion projects include the Varanasi Weavers Project, beautification and landscaping at the National Railway Museum and Gateway of India precinct, Walk with the Pardhis, Tribal Culinary Heritage Preservation with Tata Steel. Several of our palaces and resorts provide a pro-bono platform to artisans, culture troupes and traditional home cooks.

Currently, 22 handloom households are actively producing Taj uniforms. We empower many such handloom and handicraft artisans by retailing them through our in-house lifestyle store, Khazana.

#### **COVID-19** response by the Taj Public **Service Welfare Trust (TPSWT)**

The COVID-19 pandemic had put immense pressure on the medical fraternity and frontline workers. Health workers at government hospitals were busy day and night treating patients and it was difficult for them to get meals during the lockdown. TPSWT supported the COVID-19 disaster response programme. The initiative started with support extended to eight hospitals in Mumbai and Delhi each, two hospitals in Bangalore, and one each in Coimbatore and Agra. TPSWT provided around 3 million meals to the health workers, police frontline and migrant workers.

The Trust also supported the stay of health workers and other frontline workers so that they rest close to their place of work without having the fear of spreading the infection among their family members. Over 70,000 room nights were utilised across the country in this regard.

TPSWT recognises the fact that the medical fraternity serving covid patients in government hospitals were in dire need of medical equipment's like ventilators.

The Trust also provided 30 state-of-the-art ventilators to various COVID-19 hospitals.

3 Mn

30

Meals provided

Ventilators provided to hospitals

70,000

Room nights utilised by frontline workers

#### Taj for Family

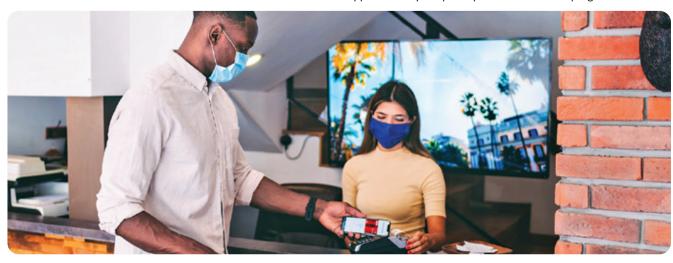
The COVID-19 pandemic and its consequent worldwide travel restrictions and lockdowns have had a significant adverse impact on the global economy and, more specifically, on the hospitality industry. To support the livelihood of the impacted workers of the hospitality sector, we created a Hospitality Benevolent Fund through the 'Taj For Family' project under the umbrella of TPSWT. This fund aims to financially support the distressed workers and reduce their struggle to the extent possible. Our employees, associated hotels and various other persons have collectively risen to the occasion in this moment of crisis and contributed generously in multiple ways to support their colleagues in distress.

The Taj for Family project is the first-of-its-kind by IHCL and could positively impact the lives of more than 7,000 beneficiaries.

#### Training programme for livelihood development for women in shelter homes in Delhi

Taj City Centre, Gurugram collaborated with Sahapedia to host a pilot training programme for women from homeless shelters in Delhi to skill them for hosting walks and become walk leaders. The objective was to conduct in-depth local cultural tours for our guests with these women at select IHCL hotels. IHCL conducted trainings for 20 women trainees of Sahapedia who came from various locations in Delhi. The programme was spread across 12 sessions and comprised field walks as well as classroom inputs, helping the participants gain knowledge (theory) as well as practical inputs.

Our team led the session on soft skills and guest experience for the participants. Our trainers helped the women understand the finer nuances of communication, presentation, body language, hygiene and guest experience. The sessions were highly appreciated by the participants as well as the programme leads.



#### **Customer engagement**

Customers continue to be at the core of our activities, and we are now working towards providing them with hyper-personalised experiences. We are deploying several tools such as digitalisation, data analytics, loyalty programmes and regular interactions, among others to enhance customer engagement.

- We provided our customers with brand-specific websites
- We launched I-ZEST, our our zero-touch service transformation programme. It is a suite of digital solutions across our hotels

#### Material issues addressed









**Strategic priorities** 







under our brands - Taj, Vivanta and SeleQtions. I-ZEST's digital features will further ensure social distancing for both, guests and associates, while maintaining secure and seamless services. It provides:

- Zero-touch check-ins and check-outs
- Digital invoicing
- Online payment options
- QR codes
- Digital menus in restaurants
- Intelligent conversation platform

We launched IHCL Response Assistant (IRA), an automated chatbot that serves as a virtual partner for all guest needs and is accessible via website and on WhatsApp. IRA is positioned to open up new avenues of distribution, reach out to a larger audience and, most importantly, promote quick and digital customer transactions for all major needs. IRA comes with a host of features that are already live. The bot will be upgraded with many other features soon.

#### Live features on the bot

- Stay management Book, modify, cancel
- Loyalty zone with the ability to check points, past transactions, memberships details, voucher management and book redemption stays

We have come up with an initiative to support and scale business teams in their relations with customers by implementing an omnichannel customer engagement platform. The plan has been to design and deploy digital virtual agents or chatbots, which give support and solve repetitive customer queries, freeing up service agents to handle more complex queries, provide better service to the customers and thereby help raise productivity.

The number of member/guests, interactions and bookings done since September 2020 to March 2021:

1,553 71%

Room nights

Members

Room nights 1,250

#### predominantly manage voice calls as well as reservation emails.

I-DOCS: IHCL's Digital Omnichannel Contact-centre Solution

The room reservation process is managed in individual hotels through

facility known as Taj Reservations Worldwide (TRW). These centres

Hotel Reservation Office (HRO) and at a centralised outsourced

As a part of the digitisation strategy at IHCL, project I-DOCS was conceptualised. This strategy included a digital transformation at TRW and HRO with a single platform for both. It also included consolidation of HROs within the same city to have a city-based regional reservation office (RRO) that enhances the experience through an omni-channel approach. Its benefits include:

- Omni-channel experience from a guest perspective with additional channels including WhatsApp, web chat, chatbot, etc.
- Uniform guest experience across all these platforms
- Synergy between TRW and HRO with call transfer between **RRO and TRW**
- Common city reservation number for a city RRO

The business advantages of such a unified approach would be:

- Higher revenues: Cross-selling across multiple properties in the same city
- Operational efficiency through a common cloud-based platform across the RRO and TRW
- Cost optimisation by combining these reservation centres

Itineraries, an extension to the proposition by Taj Holidays, provide a digital module to the traditional offline selling. Itineraries are pre-set travel programmes that traverse across multiple destinations that have our presence. Guests can customise their entire trip as desired and complete the booking online itself. Currently, 10+ itineraries are live on the website with key focus on driveable destinations.

#### Offers and loyalty programmes

We relaunched Epicure, our exclusive lifestyle membership programme, with new and enhanced features in December. Epicure offers year-round savings on myriad services across Taj, Vivanta and SeleQtions hotels globally.

We launched several customised schemes including The Floor Is Yours (book an entire floor), and 'The Sky Is Yours' (rooftop dining with a view) among others.

66

29%

Room nights

Guests

NPS score in FY 2020-21

#### **GOVERNANCE**

# Ethical like always. Diligent like never before.

At IHCL, we are committed to enhancing the long-term value for all stakeholders by embracing the highest standards of ethical practices and being a proactive corporate citizen. Our values guide our interactions with our customers, colleagues and other key stakeholders.

#### **Governance structure**

Our well-defined governance structure aligns each governance element to the IHCL's purpose and objectives. It is the responsibility of the Board and the committees to identify, mitigate and manage risks and material issues.

#### Board

Responsible for governance, ethics and sustainability

#### **Commitees**

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

#### Corporate social responsibility

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

#### Our best-in-class governance practices

- Implemented Tata Code of Conduct (TCoC) to ensure that business is conducted ethically and responsibly
- A diversified Board comprising Directors who practice and hold good ethics and integrity in high regard
- Well-defined roles, responsibilities and accountabilities of the Board members and Management
- Board evaluation as a tool to improve effectiveness in the Board members, followed by a result-driven action plan
- Effective and robust risk management framework overseen by the Risk Management Committee
- · Conducting business in a sustainable manner
- Embraced Integrated Reporting <IR> as a strategic framework designed to provide quantitative and qualitative disclosures to our stakeholders

#### **Board of Directors**

IHCL's diverse and determined leadership continues to steer the Company towards profit and exceptional quality and service, despite the challenges.

Age profile

56-70 years

Diversity

Female

#### **Board** expertise

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to drive the business profitably and deliver maximum stakeholder value.

#### Mr. N. Chandrasekaran (Chairman of the Board)











Mr. Puneet Chhatwal





Mr. Mehernosh Kapadia

Mr. Nasser Munjee











Mr. Venu Srinivasan

Ms. Vibha Paul Rishi





#### Ms. Hema Ravichandar

#### Mr. Venkataramanan **Anantharaman**



































#### Key activities of the Board during the year

#### Performance, strategy and implementation

- Direct, supervise and control the performance of IHCL
- Provide leadership and guidance to the management
- Review strategic and business plans
- · Aligning IHCL strategy and goals to its vision and mission statements

#### **Ensure efficient governance and ethical business practices**

- Oversee maintenance of high standards of Tata values and ethical conduct of business
- Monitor the responsibilities delegated to the Board Committees, to ensure proper and effective governance and control of the Company's activities
- Establish a framework for the assessment of risks

#### Compliance

- Monitoring and reviewing compliance of the Code of Conduct for Prevention of Insider Trading and Whistle Blower Mechanism
- Review of Tata Business Excellence Model findings and monitor the action plan

#### **Talent management**

- Reviewing the talent management, leadership development and succession plan
- Ensuring organisational design meets aspirations and future requirements

## **BOARD OF DIRECTORS**

# Steering like always. Spearheading like never before.



N. Chandrasekaran

Non-Executive Director and Chairman

N

## Vibha Paul Rishi

Non-Executive, Independent Director





#### **Nasser Munjee**

Non-Executive, Independent Director





## **Hema Ravichandar**

Non-Executive, **Independent Director** 





#### Venkataramanan Anantharaman

Non-Executive, Independent Director



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Non-Executive Director

**Venu Srinivasan** 

#### Mehernosh S. Kapadia

Non-Executive Director

S

## **Puneet Chhatwal**

Managing Director and Chief Executive Officer

69



A Audit Committee

N Nomination and Remuneration Committee

© Corporate Social Responsibility and Sustainability Committee

Risk Management Committee

Stakeholders' Relationship Committee

Member

Chairperson

#### SENIOR MANAGEMENT

# Leadership like always. Execution like never before.



**Puneet Chhatwal** Managing Director and Chief Executive Officer

Mr. Chhatwal joined IHCL as the Managing Director and Chief Executive Officer in November 2017. He is a global professional with over three decades of leadership experience at highly acclaimed hotel groups in Europe and North America.

Under his leadership, IHCL has embarked on a journey of re-imagination to achieve sustainable profitable growth. Prior to this, Mr. Chhatwal was the Chief Executive Officer and Member of the Executive Board of Steigenberger Hotels AG – Deutsche Hospitality. He was also the Chief Development Officer of The Rezidor Hotel Group - Carlson Hotels Worldwide, Mr. Chhatwal is a graduate of both Delhi University and Institute of Hotel Management, Delhi. He has completed an MBA in Hospitality from ESSEC, Paris and an Advanced Management Programme from INSEAD.

Mr. Chhatwal has won awards-, including the prestigious Carlson Fellowship and was rated as one of Europe's 20 extraordinary minds in Sales, Marketing and Technology - HSMAI European Awards 2014. He was also the First Alumni included in the ESSEC-IMHI Hall of Honour 2014.



**Rohit Khosla** Executive Vice President – Operations (North and West India)

Mr. Khosla joined IHCL in 1999 as Executive Assistant Manager, at the capital's iconic landmark, Taj Palace, New Delhi, and has held several positions within the group since then. Currently he oversees Hotels in Northern, Eastern and Western states of India (Maharashtra, Guiarat, Delhi, Rajasthan, J&K, Punjab, Uttar Pradesh, Uttaranchal, Madhya Pradesh, West Bengal, Assam), Taj Tashi, Bhutan and the Operations of Taj Safaris in India and Nepal. He is a postgraduate from Institute of Hotel Management, Mumbai and has been felicitated with numerous industry awards, including the Young Hotel General Manager in 2006 by the Federation of Hotel & Restaurant Associations of India (FHRAI), General Manager of the Year in 2006 by ITM Institute of Hotel Management and DNA, and International Achiever of the Year award by PATWA at ITB Berlin, Germany in 2019. He is the Chairman of Tata Network Forum – North, member of the Executive Committee of the Hotel Association of India (HAI) and SKAL, also serves as a member of the CII National Tourism Committee and The World Travel & Tourism Council, India Initiative (WTTCII).



**Prabhat Verma** Executive Vice President - Operations (South India, International and

Mr. Verma is overseeing the operations of South India, International hotels and the retail brand EXPRESSIONS. He joined IHCL in 1990 as a Management Trainee with the flagship Taj Mahal Palace & Towers. He has been the General Manager of some of the leading hotels of IHCL. Prior to his current role, he was the Senior Vice President - Operations, South. He is a hotel management graduate from IHMCTAN Kolkata and has also attended the Executive Development Programme at IIM, Bangalore. He is the recipient of many industry accolades including the 'International Cooperation between the UK and India Award' (2012) at the House of Parliament by Asian Voice, PATWA Award.



**Giridhar Sanjeevi Executive Vice President and Chief Financial Officer** 

Mr. Sanjeevi has built a broad-based career over 34 years across multiple businesses – consumer businesses, financial services, retail and pharma in Asia and Europe. A Chartered Accountant and a MBA from IIM Ahmedabad, he has won several awards and recently was inducted into the CFO India Hall of Fame for a lifetime of contribution to the world of finance.



Suma Venkatesh Executive Vice President - Real Estate and Development

Ms. Venkatesh brings over 28 years of varied experience across engineering, financial services, real estate and hospitality sectors. She has worked across different functions ranging advisory services, financial structuring and lending for infrastructure projects and contract negotiations, planning and development of real estate and hotel projects. She currently heads IHCL's Development, Technical Services and Projects functions and has been in the forefront of IHCL's initiatives for growth through greenfield developments, acquisitions, licences and management contracts.

Ms. Venkatesh is an Electrical Engineer from VJTI, Mumbai and holds a Master's degree in Management Studies from JBIMS in Mumbai. Additionally, she has attended specialised courses on Merger, Acquisition and Alliances Strategies and Infrastructure Development and Financing.

#### SENIOR MANAGEMENT



Raiendra Misra **Executive Vice President and General Counsel** 

Mr. Misra brings nearly three decades of rich legal experience, having occupied leadership positions in top Indian and multi-national corporations across diversified sectors. Heading the Legal and the Asset Management functions, he drives strategic initiatives, crafting legal strategy and managing organic and inorganic growth, apart from strategic litigation and IP management. He is an Alumnus of the Leadership in Corporate Counsel programme from Harvard. He holds a Bachelor of Laws degree from the University of Calcutta, and PGDPL from NALSAR. Mr. Misra has been featured consistently by The Legal 500 in the GC Powerlist: India. He is also featured in Forbes India list of Top General Counsel, and in the BW Legal World Top 100 General Counsel. He has been conferred with numerous awards and accolades over the years.



**Gaurav Pokharival** Senior Vice President & Global Head – Human Resources

An industry veteran, Mr. Pokhariyal brings to the table nearly three decades of prolific hands-on experience and an in-depth understanding of operational as well as people processes. He has essayed a number of critical roles along the way such as General Manager – The Taj Mahal Palace & Tower, Mumbai, Area Director - New Delhi & GM - Taj Palace, New Delhi, Senior Vice President - Operations Delhi, NCR & Rajasthan, Senior Vice President - Operations NCR, Uttar Pradesh, Uttarakhand. Jaipur & Ajmer and most recently, Senior Vice President – Operations, North.

Mr. Pokhariyal has an MBA in International Hospitality - Marketing and Innovation from the Glion Institute of Higher Education, Switzerland, and a Diploma in Hotel Management from IHM Pusa.

In his current role, he handles all people operations at IHCL with a focus on strategic and innovative initiatives relating to organisational culture, business excellence, people enablement and employee centricity.



**Parveen Chander Kumar** Senior Vice President - Sales & Marketing

Prior to this current role, Mr. Kumar was Area Director – West India and the General Manager Taj Lands End, Mumbai with a portfolio of 10 hotels, 1,587 keys and a turnover of \$ 101 million. With over two decades of experience, Mr. Kumar is a seasoned industry professional who brings with him an intense passion for the industry.

His key strength lies in Hotel Operations, Food and Beverage, Revenue Management, Sales & Marketing and Finance. Areas, where he has achieved exceptional results and are: delivering strong financial performance, improving service standards and maintaining excellent relationships with stakeholders.



**Beeial Desai** Senior Vice President – Corporate Affairs & Company Secretary (Group)

Mr. Desai holds an L.L.B. degree from Mumbai University and is a Fellow Member of the Institute of the Company Secretaries of India. Mr. Desai has over 36 years of rich, extensive and cross-functional experience and specialises in the areas of Secretarial, Legal, Corporate Governance, Corporate Affairs, Compliance & Investor relations. He has worked in leadership positions across diversified sectors, including Hospitality, Pharmaceuticals and Forging, among others. He has won several National and International awards, notably Golden Peacock Award for Excellence in Corporate Governance – 2019 by Institute of Directors, London and Best Company Secretary– Leisure & Hospitality – Asia 2019 by Ethical Boardroom, London, among others.



S. Y. Raman Vice President – Group Internal Audit

Mr. Raman has more than 32 years of work experience, all of which are with the Tata Group - 16 years with Tata Global Beverages Limited and 16 years with IHCL. At IHCL, he has served as Head of Finance at TajSATS Air Catering Limited, the erstwhile Taj Business SBU and Taj GVK Hotels & Resorts Limited. His stints at Tata Global Beverages Limited included positions of Head of Finance in an overseas JV, CFO at Mount Everest Mineral Water Limited and CFO at Nourish Co Beverages Limited. He is an Honours graduate in Commerce (from St Xavier's College, Kolkata), a Chartered Accountant, a Cost Accountant and a Company Secretary.



**Ashish Seth** Senior Vice President - Materials and Project Development

Mr. Seth joined IHCL in 1996 as a Finance Executive straight from the ICAI campus. Over the last 24 years, he has worked on several facets of Finance, including Strategic Planning, Finance & Accounts, Budgeting & Statutory Compliance, Procurement, Commercial and Project Development at various locations (including the US). He is a Chartered Accountant as well as a CPA (the US) and holds Cost Accounting and Company Secretary degrees too.



**Vinay Deshpande** Senior Vice President and Head of Digital & IT

Mr. Deshpande is a Tata group veteran and brings over 26 years of experience across Digital, Technology and IT Consulting. He has worked extensively with International as well as India-based customers and helped establish and grow several large client relationships. He has worked across different functions within the IT industry and led several large transformation programmes. A technologist at heart, he loves problem-solving and out-of-box solutions to technology challenges.

He is a Mechanical Engineer and holds a master's degree in technology from Indian Institute of Technology (IIT), Bombay. He has also done an Executive Leadership Programme from Ross School of Business, University of Michigan.

# Proactive like always. Pre-emptive like never before.

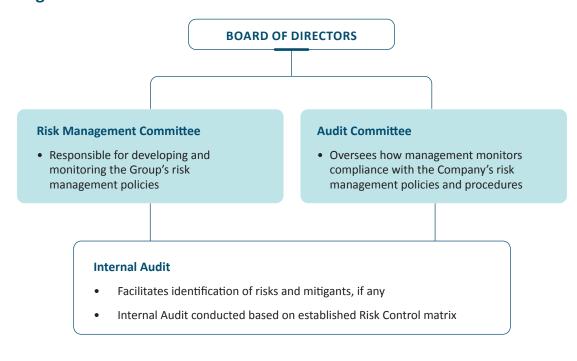
We have devised and implemented a comprehensive risk management system that is integral to executing our strategy. We also foster a culture of effective risk control and management by encouraging appropriate and monitored risk-taking.

## Risk management process

RISK MANAGEMENT



# Risk management framework



# **Key risks and mitigation measures**

Type of risks	Mitigation steps	Strategic priority	Material issues impacted
Business interruption inter alia on account of pandemic The pandemic has caused disruptions in the business environment resulting in severe drop in revenues	<ul> <li>R.E.S.E.T 2020 initiatives for the current pandemic</li> <li>Hotels categorised into High, Medium and Low based on risk profile and appropriate measures put in place</li> <li>Insure properties against force majeure</li> </ul>	RESET	
Inadequate returns from investments We have invested in overseas hotels and greenfield projects and there is a risk that we may not generate enough returns from them	Focused monitoring of business performances	RESE	(P)
Cyber risks Risks such as the recent global hacking incidents on hotel companies and widespread use of apps, sites, vendor sites, among others, may expose personal and sensitive guest data	<ul> <li>In-depth cyber risk assessment and remedial action</li> <li>Cyber security training and awareness programmes</li> </ul>	R E S E T	
Abuse of social media and other media by guests/staff/stakeholders The hospitality industry is more exposed to social media, due to various direct guest interfaces	Continuous monitoring of comments in social media and timely responses provided	RESET	
Employee and customer well-being Due to pandemic, guests need assurance in terms of hygiene and cleanliness of the hotel. The staff also needs to be trained and tools need to be given to perform their duties	<ul> <li>Protective care, communication and counselling</li> <li>Customer Communication</li> </ul>	R E S E T	
Data governance Quality and democratisation of data analytics	<ul><li>Data warehouse and analytics</li><li>Uniformity in inputting of data</li></ul>	RESET	- <del>-</del>
Complex organisation structure Some of our hotel companies are structured into various legal entities and are in a subsidiary/associate relationship with the parent	Simplification of structure of legal entities (ongoing)	RESET	<b>②</b>
Impact of climate change on organisation The hotel industry is exposed to the climatic changes and risks arising out of such events	Continuous scanning of the environment     Use of renewable / alternate energy	RESET	O1
Data Privacy Various regulations have been introduced across geographies for protection of data owner privacy	Internal audit and continuous monitoring     Data Processor/Controller agreements with all relevant	RESET	



Talent

management

Growth performance and scale

286

Employee health and











Diversity

and equal

• Changes in policies and processes



Social

inclusion and



**Procurement** 

practises







# **Economic Environment and Industry Insight**

#### **Preamble**

It has been over a year since COVID-19 was declared a global pandemic. The past year has seen more than 145 million infections. While the recovery rate has been a good 85%, more than 3 million fatalities have been registered. Governments across the world responded to the pandemic first with global travel advisories, suspension of visas and international flights, prohibition against mass gatherings, cancellation of sporting and cultural events, and then with closure of offices and educational institutions, halting of inter-state transport, railways, and other measures to enforce lockdowns in their respective nations. The restrictions were gradually lifted within a regulated environment. Actions taken by governments differed basis their infrastructural preparedness, number of testing done, reported number of cases and political consensus, but they all followed a basic minimum approach with regard to social distancing, hygiene and call for wearing a mask. The pandemic and the consequent lockdowns had an immediate impact on most

organisations have looked inwardly at their supply chains and other processes and, wherever possible, directed employees to work from home for reasons of safety and health. Many organisations have restricted travel, conferences, events and embarked on cost reduction and austerity measures to protect their own cashflows and profitability.

The pandemic severely impacted travel and tourism globally, causing the industry a loss of almost US\$ 4.5 trillion. Domestic visitor spends decreased by 45% while international visitor spends decreased by 69.4% compared to 2019 (Source: World Travel & Tourism Council, Economic Impact Reports 2020). With very little option, the hospitality industry explored ways to survive this period by exploring new revenue opportunities and optimising costs. A fallout of this has been the loss of 61.6 million jobs globally, and there is threat of higher losses if government retention schemes are withdrawn before the industry revives. However, this did not prevent the industry from supporting the medical fraternity and governments in every possible way during the pandemic. Also, service provided to guests continued despite the challenges in full compliance with the regulations and by ensuring the highest

New mutations of the virus have given rise to another COVID-19 wave in the fourth quarter of the year, affecting India, the United States of America (US), Brazil, Turkey and France amongst other countries. While reported cases are spiralling, the vaccines can reduce the severity and frequency of infections. There is a strong hope that an accelerated vaccination rollout, along with adherence to safety and hygiene norms, will neutralise the spread of the virus and bring back normalcy. The experience of countries leading this path, such as Israel and the United Kingdom (UK), should provide direction to countries lagging in their vaccination programmes.

#### **Global Economy: The Year in Review**

In consequence of the pandemic and efforts to contain it, the global economy contracted by 3.3% in 2020 as compared to a growth of 2.8% in 2019. Advanced economies contracted by 4.7% while emerging markets and developing economies contracted by 2.2%. The US economy contracted by 3.5% and that of the UK by 9.9% during the year. Emerging and developing Asian economies contacted by 1.0%. Within this group, the Indian economy contracted by 8.0% while the economies of Sri Lanka, Maldives, Malaysia, Bhutan and Nepal contracted by 3.6%, 32.2%, 5.6%, 0.8% and 1.9% respectively. China was the only large economy to register a 2.3% growth in 2020 (Source: IMF, World Economic Outlook, April 2021). Most developed and large economies responded to the pandemic by deploying measures to stimulate the economy through liquidity support, tax cuts and other regulatory changes. Economic output losses were particularly severe for countries that rely on tourism and commodity exports and for those with limited policy space to respond. The pandemic overshadowed all other major global events including the change in US administration, the UK's deal with the EU post Brexit, extreme weather events and geo-political tensions

The global economy is projected to grow at 6% in 2021, moderating to 4.4% in 2022. The US economy is projected to grow by 6.4% in 2021 and 3.5% in 2022, while the UK is projected to grow by 5.3% in 2021 and 5.1% in 2022. The IMF projects a 12.5% growth rate for India in 2021 and 6.9% in 2022 while China is projected to grow by 8.4% in 2021 and 5.6% in 2022. Emerging and developing Asia is projected to grow by 8.6% in 2021 and 6% in 2022. In Sri Lanka, the economy is expected to grow by 4.0% in 2021 while the Maldives is expected to grow by 18.9%. (Source: IMF, World Economic Outlook, April 2021). In the US, the US\$ 1.9 trillion economic package is expected to deliver a significant jump in employment and economic growth. As per the Bank of England, with the UK aggressively pushing its vaccination programme, the country's economic growth could reach pre-pandemic levels comparatively quickly. In its March 2021 report, the World Bank has highlighted clear signs of an economic rebound for south Asia, with per-capita incomes expected to revert to their pre-COVID levels by 2022. However, it has also highlighted that Bhutan, Sri Lanka, Maldives, and Nepal, which are dependent on tourism, could take significantly longer to recover depending on the pace of vaccination, reduction in infections and removal of travel restrictions. All estimates are subject to an adverse impact of the recent wave of COVID-19 infections.



#### Real GDP. Annual % Change

	Actual		Proje	ction
	2019	2020	2021	2022
World Output	2.8	-3.3	6.0	4.4
Advanced Economies	1.6	-4.7	5.1	3.6
USA	2.2	-3.5	6.4	3.5
UK	1.4	-9.9	5.3	5.1
Emerging Market & Developing Economies	3.6	-2.2	6.7	5.0
Emerging and Developing Asia	5.3	-1.0	8.6	6.0
India	4.0	-8.0	12.5	6.9
China	5.8	2.3	8.4	5.6
ASEAN-5	4.8	-3.4	4.9	6.1
Emerging and Developing Europe	2.4	-2.0	4.4	3.9
Sub Saharan Africa	3.2	-1.9	3.4	4.0
Middle East and Central Asia	1.4	-2.9	3.7	3.8

Source: IMF World Economic Outlook, April 2021

In its January 2021 report, the World Bank had forecast global economic output to expand by 4% in 2021 and moderate to 3.8% in 2022. However, it expects recovery of global economic output to remain below pre-pandemic trends for a prolonged period. It attributes the slower growth to the massive debt levels that have been accumulated over the past decade and recent stimulus packages, which, while creating liquidity, cause inflationary pressures, thereby exposing the global economy to financial market stress. The World Bank highlighted that downside risks could increase if the spread of virus was not controlled or there was delay in vaccine procurement and distribution. This could lead to more severe and longer-lasting effects on potential output and financial stress following from high debt levels and weak growth. The bank stated that limiting the spread of the virus, providing relief for vulnerable populations, and overcoming vaccine-related challenges were the immediate priorities (Source: Global Economic Prospects-World Bank).

#### **Indian Economy: The Year in Review**

The nation-wide lockdown caused a sharp contraction of 23.9% in GDP during Q1 FY 2021, recovering to a 7.5% drop in Q2, together with improvement in all key economic indicators. Commencing from July 2020, the recovery has been V-shaped, as demonstrated by Quarter-on-Quarter GDP growth, a sustained resurgence in high frequency indicators such as power demand, E-way bills, GST collection, steel consumption, and so on. GST collections, in fact, reached pre-COVID monthly levels following unlocking of industrial and commercial activity. Imports contracted more sharply than exports and foreign exchange reserves were at levels

covering 18 months of imports. Inflation, mainly driven by food prices, remained above 6% for much of the year. India's GDP is estimated to contract by 7.7% in FY 2020-21, with a sharp 15.7% decline in first half of the year and a minor 0.1% fall in the second half. Government consumption, improving private consumption and net exports have cushioned the economy in the second half. If taken sector-wise, agriculture can be said to have performed better in comparison to industries, with a growth of 3.4% during FY 2020-21. Industry and services are estimated to contract by 9.6% and 8.8% respectively during FY 2020-21. Within industry, mining is estimated to contract by 12.4%, manufacturing by 9.4% and construction by 12.6%. The utilities sector has shown a sharp recovery and is set to register a growth of 2.7% in FY 2020-21. Within services, trade, hotels, transport and communication, which together constitute one-third of overall services, are estimated to contract by 21.4%.

The Economic Survey projects India's real GDP to grow by 11% in 2021-22, provided normalisation of economic activities continues and the rollout of COVID-19 vaccines gathers traction. If this is supplemented with a supply-side push from reforms, the easing of regulation, continued infrastructural investments, recovery of pent-up demand, increase in discretionary consumption, low-interest credit disbursement and adequate liquidity, the Economic Survey projects that the economy can overtake the pre-pandemic levels of FY 2019-20 in another two years (Source: Economic Survey 2020-21). However, these estimates are subject to any adverse impact caused by the recent wave of the pandemic.

#### **Industry Insight**

#### **Global Hospitality and Tourism Industry**

Global tourism suffered its worst-ever year in 2020, with international arrivals dropping by 74% according to the latest data from the United Nations World Tourism Organization (UNWTO). International arrivals at destinations worldwide were a billion fewer in 2020 than in the previous year. This was due to an unprecedented fall in demand caused by the strict travel restrictions imposed by governments to curtail the spread of the pandemic. International tourist arrivals (overnight visitors) dropped by 87% in January 2021, amid new outbreaks and tighter travel restrictions following a decline of 85% in the guarter ended December 2020. In Asia-Pacific, the count dropped by 96% since the region continues to have the highest level of travel restrictions in place. Europe and Africa both saw a decline of 85% in arrivals, while the Middle East recorded a drop of 84%. International arrivals in the Americas decreased by 77% in January 2021. (Source: UNWTO, Barometer January 2021)

#### Outlook

Owing to a surge in COVID-19 cases and emergence of new variants, many countries have reintroduced stricter travel restrictions, mandatory testing, quarantines, and in some cases, border closures and domestic lockdowns. This has impacted the resumption of international travel. Further, the pace of vaccinations has been slower than expected and varies across countries. With 32% destinations worldwide with complete border closure in early February, 2021 and another 34% with partial closure, UNWTO expects international tourist arrivals to be down by 85% during January-March, 2021 over the same period in 2019, representing a loss of about 260 million international arrivals.

Most experts do not see global travel returning to prepandemic levels before 2023. Amongst all regions, Asia-Pacific is likely to see the highest rebound of international tourism. UNWTO's extended scenarios for 2021-2024 indicate that it could take 2 1/2-4 years for international tourism to return to 2019 levels. In one scenario projected by it, there could be a rebound in September 2021, with 22% increase in international arrivals. Another scenario sees a rebound in July 2021, with international arrivals increasing by 66% for 2021 compared to the historic lows of 2020. One optimistic scenario projects arrivals at 55% below the pre-pandemic levels recorded in 2019. The scenarios consider several factors such as a gradual improvement of the epidemiological situation, continued rollout of the COVID-19 vaccine, a significant improvement in traveller confidence and a major lifting of travel restrictions, particularly in Europe and the Americas.

When tourism does restart, UNWTO's panel of experts foresee growing demand for open-air and nature-based tourism activities, with domestic tourism and 'slow travel' experiences gaining increasing interest. (Source: UNWTO, Barometer January 2021)

## **Changes in traveller behaviour in times** of COVID-19

**Closer** – Domestic tourism has shown positive signs in many markets since people tend to travel closer. Travellers go for 'staycations' or vacations close to home

**Get away** – Nature, rural tourism and road trips have emerged as popular travel choices due to travel limitations and the quest for open-air experiences

**New concerns** – Health and safety measures and cancellation policies are consumers' top concerns

Last-minute bookings – These have increased due to volatility of pandemic-related events and the travel restrictions

vounger segments. 'Mature' travellers and retirees are deferring travel plans Sustainability, authenticity and **local hood** – Travellers have been giving more importance to creating a positive impact

**Change in demographics** – Travel

recovery has been stronger among

increasingly looking for authenticity



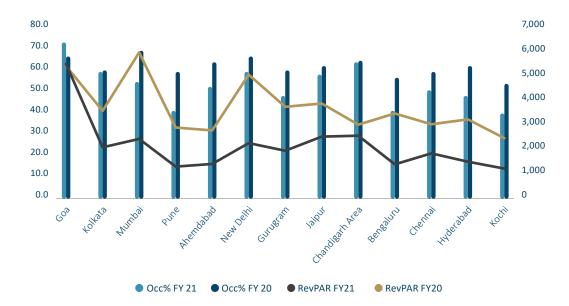
#### **Indian Hospitality and Tourism Industry**

Foreign tourist arrivals (FTAs) in India, as per statistics provided by the Ministry of Tourism, averages at more than 10 million a year. During CY 2020, FTAs numbered 2.68 million compared to 10.93 million in 2019. Of this, during April-December, 2020, FTAs were only 0.21 million tourist arrivals compared to 7.75 million arrivals during the same period of the previous year, registering a drop of 97%.

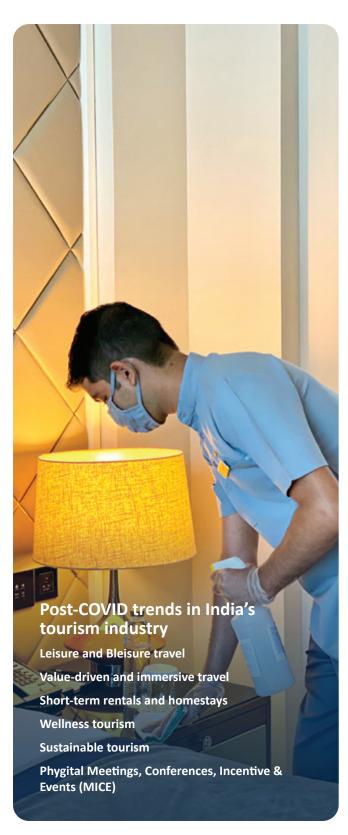
As per Horwath HTL Market Report: India Hotel Market Review 2020, during the calendar year, occupancy was 34.5% with occupancy during the pandemic period of March to December, 2020 at 27.8%. However, occupancies started improving from October 2020, averaging 38% for the period October-December, 2020. Leisure showed a positive revival in destinations such as Udaipur, Goa, Rajasthan, Agra, Mussoorie, Rishikesh, Coorg and Himachal, with city occupancies driven by staycations. Weddings were back, though curtailed in size, while business travel and corporate events were marginal.

The 13 Indian destinations tracked by STR, a global hospitality data analytics firm, registered an occupancy of 49.6% in Q4 FY 2021 as against 56.1% in Q4 FY 2019-20, with a 39% decline in Revenue per Available Room (RevPAR). As shown in the chart below, during this period, Goa registered an occupancy of 70.1%, higher than 63.8% during the same period in the previous year. Kolkata and Chandigarh area registered occupancies near to their previous year levels. Among the cities with large room inventories, Delhi registered an occupancy of 57.3% while that for Mumbai was 52.3%. Occupancy for Gurugram, Chennai and Bengaluru was 46.3%, 48.8% and 39.2% respectively. Except for Goa, RevPARs at most destinations remained subdued due to excessive supply and limited demand.

#### India Occupancy % and RevPAR by Cities for the Fourth Quarter



Source: STR



#### Outlook

With international arrivals dropping at an alarming rate due to travel restrictions and advisories from time to time, the demand for hospitality is expected to arise mainly from the domestic sector. Within this sector, business travel has remained subdued and is being undertaken only for essential purposes or return to hometowns. As restrictions on movement were relaxed, the industry saw pent-up demand emerging from a sudden urge to travel to leisure destinations, mostly resorts, wellness centres, eco-tourism destinations and homestays within drivable distances.

Successive lockdowns, resulting in businesses moving to a digital, work-from-home concept, ensured that the usual business travel was drastically reduced. Some hospitality experts are of the opinion that in the long run, a significant number of companies with mature digital adoption could continue with the work-from-home approach or adopt a hybrid approach. This would require the hotel industry to recalibrate itself to adapt to this change. Given the recent surge in COVID-19 cases in India and the US, it appears that the situation may not significantly improve for the hospitality sector in the next couple of quarters. Beyond that, the outlook of the industry will be closely tied to disciplined practices of people, ability of local health authorities to contain the virus within small pockets, control over new strains of the virus and production, distribution and administration of vaccines.

Two things are certain. First, that guests' preferences of accommodation and dining would steer towards reputed brands that embed hygiene and safety in their products and services. Second, the hospitality sector with its resilience will survive and adapt to the changing demands of hospitality in the years to come.

## **Review of the Business**

#### **Operational Review**

IHCL's strategy – 'Aspiration 2022' – and its vision to become the most iconic and profitable hospitality company while providing world-class customer service and experience, served the Company well during the past three years. It has directed its efforts at re-imagining its brandscape and service portfolio, re-engineering margins, technology and people and re-structuring itself to simplify and scale. These have enabled the Company to grow its portfolio, diversify its market presence and sustain its goal of expanding margins by continuous improvement in performance while preserving the health of its balance sheet. IHCL has a portfolio of 221 hotels, including 165 operational hotels, of which more than 50 hotels were signed in the past two years and 17 hotels were opened during the same period. The strength of its brands is reflected in the chart showing the Company's RevPAR, a key performance measure over the past 10 years in comparison with the market. Brand Finance's Brand Value Report – India 2020 ranked IHCL's flagship brand 'Taj' as the nation's strongest brand, positioned at #1 on the list of the country's strongest brands.

#### IHCL's Past 10-year RevPAR Performance in Comparison to the Market



Source: STR



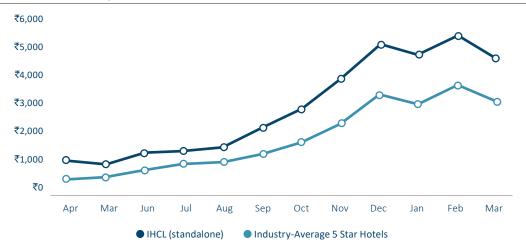
During the period of lockdown in Q1 FY 2020-21, demand was predominantly from the 'Vande Bharat Mission', Government of India's quarantine requirements for people returning from abroad, voluntarily guarantined corporate and individual travelling guests, medical practitioners and frontliners, international travellers awaiting return and corporate business continuity teams operating out of hotels. As the government begun easing the lockdown restrictions in June 2020, economic activity started reviving slowly. However, several state governments put in place strict guidelines and standard operating procedures (SOPs) that differed across states due to differential impact of the virus. As a result, hospitality, fine dining and spas were amongst the last few businesses to reopen.

The strategy of IHCL – R.E.S.E.T. 2020 – introduced early in the year, began paying rich dividends in such a challenging environment. In the third quarter of the year, the industry

started witnessing green shoots of revival with domestic leisure tourism leading the way, even as international tourism remained stagnant due to cross-border travel restrictions. The onset of the festive season brought much-needed cheer as people started travelling again to beat the lockdown and the work-from-home blues, especially to motorable leisure destinations, indicating the first signs of a gradual recovery in the sector. However, the fourth quarter of the year saw demand tapering off with the resurgence in COVID-19 cases. First the US and then Europe reported new strains of the virus, followed by similar occurrences towards the last week of March 2021 in India.

The chart on RevPAR performance for FY 2020-21 gives a snapshot of the premium that IHCL has been commanding over the market during the recovery period.

#### IHCL's RevPAR Performance as Compared to Market Performance for FY 2020-21



Source: STR



#### R.E.S.E.T. 2020 – IHCL's Response to COVID-19

IHCL defined a five-point agenda named 'R.E.S.E.T 2020' early in the year to address the challenges posed by the unprecedented global crisis and help the Group navigate the difficult times with agility. R.E.S.E.T. 2020 represents Revenue Growth, Excellence, Spend Optimisation, Effective Asset Management and Thrift and Financial Prudence. This strategy has been designed to ensure that the Company is able to survive, revive and thrive in times of the pandemic and beyond.

The actions of the Company under R.E.S.E.T. 2020 are:

#### Revenue Growth:

The pandemic compelled the Company to reimagine its operating model in an environment which restricted guests from visiting hotels. Along with the quarantine and medical business, the Company explored newer avenues of revenue growth by developing innovative products and services to cater to deliveries at homes of clients, resumption of leisure tourism by vacationers, staycations, workcations, driving holidays, smaller social gatherings within norms, and others. All of this was undertaken by strictly ensuring the health, safety and hygiene of employees and guests and leveraging relevant technology to reduce physical touch points.

Some of the innovative product and service offerings contributing to revenue growth:

amã Stays & Trails, a homestay brand was preferred by families for exclusive and longer duration stays vis-à-vis conventional hotels. The demand for homestays has been greater since the successive lifting of lockdown restrictions as families prefer to holiday together in a large holiday home environment. With the opening of five amã properties in the current year, this portfolio now has 40 bungalows, including 19 in operation.

Ginger is now a portfolio of 78 hotels across 50 cities, including 24 under development. With its refurbished hotels and new openings under the Lean Luxe model, the brand is well poised to harness the opportunities offered by a new normal. During the year, Ginger achieved 63% of its previous year's turnover, aided by a good recovery in accommodations, increased revenue from its new food and beverage outlets and increased fees from managed properties. It also improved on its average yearly Tripadvisor rating at 4.72 in comparison with the previous year, reinforcing positive customer experiences.

Qmin, a gourmet food delivery service based on IHCL's own Qmin App, an industry first by an Indian hospitality brand, across 14 cities. Qmin also introduced its offline segment with a Qmin Shop in Mumbai. There are plans to introduce Qmin food trucks in the near future.

Hospitality@Home, a programme by which hotels supply bakery, confectionery, gourmet hampers, wellness products and laundry services to homes of its patrons. IHCL formed an alliance with Tata CLiQ to sell linen, beauty and grooming products on their digital channels.

**Holiday promotions** such as 4D – Dream.Drive.Discover. Delight., Suites, New Beginnings, Urban Getaways targeted at driving-distance holidays and younger travellers, IHCL World of Privileges aimed at Tata Group colleagues, Wellness Retreats, Safe Escapes, Intimate Timeless Weddings, and others.

Growth through expansion continued high on IHCL's agenda as it pursued its strategy of growing its portfolio and pioneering new destinations in India. Despite challenges posed by the pandemic, IHCL signed 14 hotels during the year and opened seven new hotels and five amã bungalows. During the year, The Connaught, New Delhi-IHCL SeleQtions, re-opened in November 2020 after extensive renovations. New hotels were also opened in Darjeeling and Ahmedabad. Further, four new Ginger hotels at Kalinganagar, BKC-Mumbai, Jamshedpur and Visakhapatnam were opened during the year. HVS Anarock has recently acknowledged IHCL for achieving the highest number of signings and openings in India in 2020. The Company re-launched the renovated Machan restaurant in Delhi and opened its first out-post in Bengaluru. It also opened India's first on-site brewpub at the Taj MG Road in Bengaluru. In its continued endeavour towards diversity and inclusion, IHCL announced India's first all women-run luxury residences in Chennai – Taj Wellington Mews, which is scheduled to open shortly.

Excellence has always been engrained in IHCL's business model. During the year, IHCL focused on the following areas of excellence:

Tajness, a commitment restrengthened of the warmth of IHCL's signature hospitality together with the assurance of safety and hygiene for a new normal. Detailed SOPs were re-drafted as a comprehensive guide covering all areas across accommodation, food and beverage services, banqueting,

transportation, spa, fitness centre and pool, and business centre, factoring in social distancing, digital-first approach and heightened precautionary processes for guests and employees.

I-Zest, IHCL's Zero-Touch Service Transformation, a suite of digital solutions comprising contactless check-ins and checkouts, digital invoicing, online payment options and QR code enabled digital menus in restaurants to ensure a seamless customer journey by minimising contact.

Taj for Family, a special employee benefit was launched Groupwide to provide employees an avenue for vacationing and experiencing the products and services they themselves work to deliver.

#### **Spend Optimisation:**

IHCL has instituted a robust spend optimisation programme to reduce fixed costs and optimise resources. While variable costs reduced with lower business volumes, the Company's focus shifted to fixed costs. It took the following initiatives to optimise expenses:

- Operating hotels for medical and guarantine purposes and phased re-opening ensured that hotels operated optimally in city clusters. By the third quarter, a substantial number of hotels were open for business
- Optimising positions at hotels, multiskilling people and discovering newer ways of working, freezing recruitment, redeploying people to newly-opened hotels, voluntary

payroll reductions and leave management assisted in saving human resource costs. Group companies have accessed government support where available eg. in the UK, the Company's employees benefited from a Wage Subsidy Scheme, and in the US, it secured the benefit of a Federal Employee Retention Credit for furloughed staff

- Optimising power and fuel by rationalising open floors or wings at operating hotels and re-negotiating power contracts, where possible. In certain states in India, the Group has taken benefit of waivers or deferrals in minimum demand of electricity charges
- Securing benefits from waivers and holidays in rates and taxes by local governments. Eg. in the UK, the Group benefited from business rates holiday on its London properties. In Mumbai, the hotels taken over by the local government for quarantine purposes were granted a waiver in property taxes for three months and in Delhi, hotels secured an exemption in licence fee of liquor for five months
- Renegotiating F&B ingredient contracts and exploring alternative sources of procurement; pruning F&B offerings to essentials
- Reducing discretionary spends on repairs, selling, distribution, marketing and administration costs at hotels and renegotiation of contracts for the longer term



#### **Effective Asset Management:**

Effective management of assets involved discussing lease agreements with lessors, and by mutual agreement or in some cases judiciously invoking 'force majeure' clauses, obtaining relief on lease costs during the lockdown period. IHCL was able to successfully secure lease rent concessions for leased properties from several lessors, providing a muchneeded relief in cash outflows. In certain cases, relief in lease rentals were secured for the next year as well. Monetisation of non-core assets continued during the current year, albeit with a lower quantum of apartment sales due to lower liquidity in the market and enforced lockdowns.

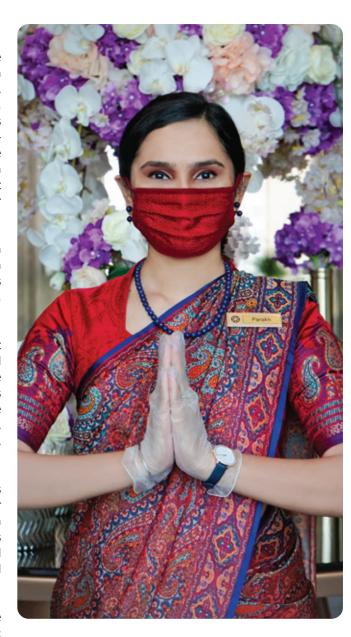
Asset management included a continuous dialogue with property owners to assist them with cost optimisation programmes and managing operational cashflows in times when such assistance was most necessary for mutual benefit.

#### Thrift and Financial Prudence:

Reducing corporate overheads by reviewing all cost heads with prudence. Initiatives undertaken included restructuring and redeployment of select corporate office positions, reviewing contracts with professional consultants and marketing spends, renegotiating annual maintenance contracts, technology support agreements, leased-line costs, reducing support staff of inbound and outbound call centres, travel expenses, etc.

**Deferring capital expenditure** and renovations, unless absolutely required, such as essential hotel maintenance or where a project is nearing completion, in order to reduce cash outflows and maintain liquidity. A fully-fitted lease model, as in the case of Ginger, also optimises capital expenditure and minimises cash outflows, allowing the brand to expand and grow without initial high capital outlays.

Raising liquidity through fresh borrowings to refinance maturing debt and meeting operational cash requirements; also arranging lines of credit from banks and financial institutions for unforeseen contingencies.



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# Compliance

IHCL deploys a robust internal check process to prevent and limit the risk of non-compliance. The Company approaches compliance from a proactive standpoint and believes in responsive intervention. Compliance with laws and regulations is an essential part of its business operations and it adheres to all national and regional laws and regulations in such diverse areas as product safety, product claims, trademark, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes. Nevertheless, it is focusing on increasing awareness, documentation and supplementing the expertise of internal professionals with that of independent consultants, as may be required from time to time.

# **Internal Control Systems and Their** Adequacy

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

The internal audit process (Taj Positive Assurance Model), based on the audits of operating units and corporate functions, provide positive assurance. It converges the process framework, risk and control matrix and a scoring matrix, covering all critical and important functions inter alia revenue management, hotel operations, purchase, finance, human resources and safety. A framework for each functional area is identified based on risk assessment and control, while allowing the unit to identify and mitigate high-risk areas. These policies and procedures are updated periodically and monitored by the Group Internal Audit. The Company aligns all its processes and controls with best practices.

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

- Identification of weaknesses and improvement areas
- Compliance with defined policies and processes
- · Compliance with applicable statutes

- Safeguarding tangible and intangible assets
- Managing risk environment, including operational, financial, social and regulatory risks
- Conformity with the Tata Code of Conduct

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

# **Information Technology**

Read more on pages 22-23 of the Integrated Report

# **Environment, Health and Safety**

Read more on pages 56-65 of the Integrated Report

# **Risk Governance and Management**

Read more on pages 66-75 of the Integrated Report



# **Management Discussion and Analysis of Operating Results and Financial Positions**

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

#### Results of Operations for the year ended March 31, 2021

#### **Standalone Financial Results**

The following table sets forth financial information for the Company for the year ended March 31, 2021

(₹ crores)

		(\Cioles)		
Particulars	Year en	ded		
ratuculars	March 31, 2021	March 31, 2020		
INCOME				
Revenue from Operations	1,133.15	2,743.47		
Other Income	110.52	134.41		
Total Income	1,243.67	2,877.88		
EXPENDITURE				
Food and Beverages Consumed	107.93	235.74		
Employee Benefit Expenses	538.64	725.07		
Depreciation and Amortisation Expense	203.81	203.78		
Other Expenditure	583.48	1,021.60		
Total Expenditure	1,433.86	2,186.19		
PROFIT/(LOSS) BEFORE FINANCE COSTS AND TAX	(190.19)	691.69		
Finance Costs	294.79	237.55		
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	(484.98)	454.14		
Exceptional Items	(155.30)	(16.40)		
PROFIT/(LOSS) BEFORE TAX	(640.28)	437.74		
Tax Expense/(Benefit)	(115.50)	36.33		
PROFIT/(LOSS) AFTER TAX	(524.78)	401.41		

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

#### a) Income

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

			(₹ crores)
Bantindan	Year End	Year Ended	
Particulars	March 31, 2021	March 31, 2020	% Change
Room Income	471.55	1,135.51	(58)
Food, Beverage & Banqueting Income	401.80	1,091.72	(63)
Other Operating Income	169.32	297.47	(43)
Management & Reimbursable fees	90.48	218.77	(59)
Non-operating Income	110.52	134.41	(18)
Total Income	1,243.67	2,877.88	(57)
Statistical information			
Average Rate Per Room (₹)	7,351	10,734	(32)
Occupancy (%)	39	67	(28% pts)

- i) Room income for the year was lower by 58% from the previous year with an average occupancy at 39% and an average rate per room (ARR) of ₹7,351. On a sequential quarter basis, hotel occupancies dropped to a record low of 20% in the first guarter, and 32% in the second guarter accompanied by a drop in ARR to 53% and 63% of the ARR in the same quarters of the previous year respectively. Room income for this period was mainly from medical practitioners, frontline workers, quarantined travellers and some companies that operated their business continuity plans from hotels. The Company's strategy to pursue revenue growth, including 4D drivable distance vacations, bizcations, Safe Escapes and Wellness Retreats and a general sense of confidence amongst domestic leisure travellers during the festive season resulted in a rise in occupancies to 47% in the third quarter with a steady rise in ARRs. The momentum continued in the fourth quarter, with occupancies averaging to 57% and ARRs settling at 69% of the same quarter in the previous year. The Company's hotels in leisure destinations led this growth while city hotels began hosting small business travellers and events. The Company's residential apartments in Mumbai provided a good hedge to accommodation revenue in a market inflicted by the pandemic.
- ii) F&B income for the year was lower by 63% from the previous year. A fall in occupancies contributed to lower business from resident guests predominantly in the first two quarters of the year. Business from non-resident guests shrunk mainly due to a regulated reduction in capacity in most states within the country and social distancing norms to curtail the spread of the virus. Against the benchmarked covers of the previous year, the first quarter of the current year saw a drop in covers to 20%, which steadily rose during the subsequent quarters to end the year at 49%. F&B price realisations also declined due to a proportionately higher volume of quarantined guests and medical practitioners over non-resident guests staying on regulated all-inclusive pricing published by local governments. An innovative food delivery service, Qmin introduced in the second quarter, enhanced customer experience and augmented hotel F&B income by contactless delivery of signature and curated dishes in safe, hygienic and sustainable packaging to the homes of guests ordering from the Qmin App or through a call on a toll-free number. Qmin has since reached 14 cities

covering more than 60 restaurants. During the periods of lockdowns, several city hotels reached out to guests and serviced them with culinary experiences at their homes under the Hospitality@Home service. Hotels also focused on adapting to customer requirements by hosting guests for intimate timeless weddings in a safe and hygienic environment.



#### ○○○○● STATUTORY ○ REPORTS

91

#### Management Discussion and Analysis

- iii) Other operating income primarily comprises income from membership fees, rentals, spa and health club, laundry, transportation, telephone and business centre rents among others. Other operating income decreased by 43% over the previous year with declining spa, salon and other accommodation dependent income due to a reduction in occupancies. The Company also saw a decline in fee income from its dining membership programme, The Chambers initiation fees, rentals from shops and showcases and export incentive income. Annual membership fees from The Chambers marginally declined while income from rental of office and other commercial spaces continued at previous year's levels. During the year, the Company accrued a benefit of ₹13.14 crores towards reimbursement of state indirect taxes under a revenue grant for the construction of a hotel.
- iv) Management and reimbursable fees at ₹90.48 crores were lower by 59% from that earned in the previous year. The drop in basic management fees and reimbursable fees was due to a reduction in the operating turnover of managed hotels and an even more significant decrease in incentive fees, which are linked to operating margins of managed
- v) Non-operating income decreased to ₹110.52 crores from ₹134.41 crores in the previous year. Income in the current year included lease rent concessions granted by lessors amounting to ₹26.79 crores, gain on fair valuation of a financial liability for acquisition of shares in a company, amounting to ₹23.06 crores, and a profit on disposal of non-core assets at ₹20.68 crores, which was lower than the previous year.

#### Expenditure

The Company responded with agility to the unprecedented drop in revenues consequent to COVID-19. It promptly began reviewing fixed costs and discretionary spends, renegotiating contractual obligations, temporary closure of rooms or hotels during the peak of the pandemic, phased re-opening of hotels with optimal manning and reduction of corporate overheads. The Company's efforts of spend optimisation, effective asset management and financial prudence have contributed to reducing fixed costs by approximately 21% from the previous year's levels. This, coupled with declining variable costs due to lower business volumes, resulted in a decrease in Total Expenditure by 34% from ₹2,186.19 crores to ₹1,433.86 crores during the current year. Details of interventions under each expenditure head is explained below:

#### **Food and Beverages Consumed**

	March 31, 2021	March 31, 2020	Change
	(₹ crores)	(₹ crores)	(%)
Food and Beverages Consumed	107.93	235.74	54

The decrease in consumption of food and beverages was variable to income from food, beverages and banqueting business, which correspondingly decreased by 63% from the previous year.

#### ii) Employee Benefit Expenses and Payment to Contractors

	March 31, 2021	March 31, 2020	Change
	(₹ crores)	(₹ crores)	(%)
Employee Benefit Expenses and Payment to Contractors	538.64	725.07	26

Employee benefit expenses at ₹538.64 crores were lower than the previous year by ₹186.43 crores. In response to the COVID-19 pandemic, the Company has been compelled to take many steps to control employee and contractual staff costs, many of which were fixed and contractual in nature. These included optimising manning at hotels, redeployment of people to newly opened hotels and other Group companies, expiry of fixed term contracts, voluntary salary reductions by employees and leave management. Reduction in variable pay and incentives also contributed to savings in employee benefit expenses.

#### iii) Depreciation and Amortisation Expenses

	March 31, 2021	March 31, 2020	Change
	(₹ crores)	(₹ crores)	(%)
Depreciation and Amortisation Expenses	203.81	203.78	-

Depreciation and amortisation costs for the year were at the same levels of the previous year.

#### iv) Other Expenditure

	March 31, 2021	March 31, 2020	Change
	(₹ crores)	(₹ crores)	(%)
Other Operating Expenses	297.35	532.56	44
General Expenses	286.13	489.04	41
Total	583.48	1,021.60	43

Other expenditure decreased by 43% from ₹1,021.60 crores to ₹583.48 crores in the current year.

Other operating expenses decreased from ₹532.56 crores in the previous year to ₹297.35 crores. This was primarily due to decreases in variable costs corresponding to lower business volumes, reflected in linen and room supplies, transportation, commissions to travel agencies, credit card charges and costs of hosting banqueting events. Shutting down floors within a hotel and temporary closure of select hotels within city clusters during the peak of the pandemic resulted in savings in semi-variable costs such as power and fuel, discretionary maintenance costs and expenses on security.

General expenses decreased from ₹489.04 crores in the previous year to ₹286.13 crores. Primary reasons for decrease in such costs were reduction in variable lease costs, linked to turnover of leased properties, waiver of property taxes and licence fees by certain local governments for a select period during the year; discontinuation or reduction in the cost of consultancy contracts; reduction in inbound and outbound voice support centres and technology service contracts. The Company also reviewed its advertising and marketing plans, focusing its spend judiciously on campaigns and channels relevant to the consumer sentiment and new product launches, contributing further to cost savings.

#### Finance Costs

	March 31, 2021	March 31, 2020	Change
	(₹ crores)	(₹ crores)	(%)
Finance Costs	294.79	237.55	(24)

Finance costs for the current year at ₹294.79 crores were higher than the preceding year by ₹57.24 crores, mainly due to interest on increased borrowings during the year to maintain sufficient liquidity, interest on lease liabilities and other charges, including interest on income tax demands.

#### ○○○○● STATUTORY ○ REPORTS

#### Management Discussion and Analysis

#### **Exceptional Items**

Exceptional items include items as under:

(₹ crores)

Particulars	Year End	led
rarticulars	March 31, 2021	March 31, 2020
Change in fair value of derivative contracts	25.00	(21.76)
Provision for impairment of investment in subsidiaries that incurred losses	(179.52)	(68.98)
Provision for impairment of investment in a Joint Venture	(0.78)	(1.39)
Profit on sale of investment in a Joint Venture company	-	21.23
Profit on sale of land and building	-	54.50
Total	(155.30)	(16.40)

Exceptional items for the current year included a higher provision for operating losses of foreign subsidiaries while the previous year included a profit on sale of investment in a joint venture company and sale of land and building.

#### e) Tax Expense

Tax expense for the previous year of ₹36.33 crores decreased to a tax benefit of ₹115.50 crores due to operating losses consequent to the impact of COVID-19 allowed to be carried forward and set off against future profits.

#### Profit/(Loss) after Tax

During the current year, the Company incurred a loss after accounting for tax benefits of ₹524.78 crores compared to a Profit after Tax of ₹401.41 crores. This was due to a significant drop in the operating revenues of the Company due to a sudden limitation on global travel and tourism imposed by COVID-19, partially offset by reduction in variable costs and management interventions in reducing fixed costs.

#### **Gross Debt and Net Debt**

	March 31, 2021	March 31, 2020	Change
	(₹ crores)	(₹ crores)	(%)
Gross Debt	2,591.79	1,943.32	(33)
Less: Cash and Cash Equivalents*	38.42	146.62	(74)
Less: Current Investments	374.39	408.72	(8)
Net Debt	2,178.98	1,387.98	(57)

<sup>\*</sup> includes balances greater than 3 months not earmarked or pledged

Gross debt increased during the year by ₹648.47 crores to ₹2,591.79 crores as the Company maintained adequate liquidity during the year to meet its financial obligations and commitments. Liquidity positions were reinforced in anticipation of expected reduction in cashflows due to reduced business volumes. Also, cash, cash equivalents and current investments decreased by ₹142.53 crores. Resultantly, Net Debt increased by ₹791.00 crores to ₹2,178.98 crores. The Company met all its interest and principal repayment obligations in a timely manner during the year. The Company's credit rating has been revised from AA+ (Negative) to AA (Stable) by CARE in January 2021. Another Credit Rating Agency, ICRA has maintained its rating at AA, but changed the outlook to 'negative' from the earlier 'stable'.

#### h) Liquidity

At the end of the year, the Company had a liquidity of ₹412.81 crores in cash, cash equivalents and current investments. It also had available undrawn bank credit lines of ₹710.00 crores aggregating to a total liquidity position of approximately ₹1,100.00 crores. This liquidity will be used by the Company to fund its operational cash requirements and financial obligations. Capital expenditure was limited to essential items only and renovations which were committed and near completion. The Company has also taken all steps to review its credit policy, extend credit judiciously and focus on cash and prepaid business terms.

#### **Cash Flow**

		(₹ crores)
	March 31, 2021	March 31, 2020
	(₹ crores)	(₹ crores)
Net Cash from/(used for) operating activities	(53.21)	610.85
Net Cash from/(used for) investing activities	(383.60)	(332.96)
Net Cash from/(used for) financing activities	338.66	(235.35)
Net Increase/(Decrease) in cash and cash equivalents	(98.15)	42.54

#### **Operating Activities**

Net cash used for operating activities during the year was ₹53.21 crores as compared to net cash of ₹610.85 crores generated from operating activities in the previous year. This was attributable to the net loss incurred during the year due to COVID-19.

#### **Investing Activities**

During the year, the net cash used for investing activities amounted to ₹383.60 crores, compared to ₹332.96 crores in the previous year. The Company's outlay on capital expenditure was ₹140.63 crores, a majority of which was for The Connaught, New Delhi, Taj Mahal Delhi and Taj Exotica, Andamans. The Company also invested ₹273.84 crores in a subsidiary during the year to fund its hotel operations in US and repay debt borrowed by its South African subsidiary. Further, the Company continued to monetise certain non-core assets, which resulted in an inflow of ₹25.82 crores while interest and dividend received amounted to ₹19.30 crores.



#### ○○○○● STATUTORY ○ REPORTS

#### Management Discussion and Analysis

#### **Financing Activities**

During the year, the net cash from financing activities was ₹338.66 crores as against ₹235.35 crores used in the previous year. The financing activities comprised additional long-term borrowings by issue of debentures and term loans from banks and a financial institution amounting to ₹885.00 crores to refinance maturing debentures and build adequate liquidity to meet operating cash requirements and financial obligations. The Company redeemed 7.85% non-convertible debentures on the due date amounting to ₹200.00 crores. The Company also paid dividend of ₹59.20 crores declared on the previous year's financial results, interest and borrowing costs of ₹190.51 crores and lease liabilities of ₹67.69 crores during the year.

#### **Key Financial Ratios for Standalone Financials**

	Year Ended	
	March 31, 2021	March 31, 2020
Net Debt to Total Capital (Gross Debt less cash, cash equivalents and current investments / Net debt and Net worth)	0.34	0.23
Net Debt to Equity (Gross Debt less cash, cash equivalents and current investments / Equity Capital and Other Equity)	0.52	0.30
Interest Service Coverage Ratio (Profit/(Loss) before Tax + Net Finance Costs + Depreciation + Provision for diminution in the value of long-term Investments / Net Finance Costs)	-	4.17
Net profit margin (Profit/(Loss) after tax / Turnover)	-42.2%	13.9%
Return on Net Worth (Profit/(Loss) after Tax / Average Equity Capital and Other Equity)	-11.9%	8.9%
Return on Capital Employed (Profit/(Loss) Before Exceptional Items and Tax + Finance Costs / Average Capital Employed [Equity Capital + Other Equity + Non-Current Borrowings + Current Maturities of Non-Current Borrowings + Current Borrowings + Lease Liabilities])	-2.5%	9.4%
Current Ratio (Current Assets – Current Investments / Current Liabilities – Current maturities of long-term borrowings – Liability on derivative contracts)	0.54	0.79
Debtors Turnover Ratio [in Days] (Average Trade Receivables/ Average daily revenue from operations)	72	33
Inventory Turnover Ratio [in Days] (Average Inventories / Average daily cost of inventories recognised as expense)	129	64

The Company continued to maintain a healthy capital structure as is evident from its ratios of Net Debt to Total Capital at 0.34 times and Net Debt to Equity at 0.52 times. These ratios increased marginally as the Company increased its borrowings to build its liquidity position. The impact of COVID-19 on the operating losses and Net margins of the Company resulted in a steep decline in the Interest Service Coverage Ratio as well as negative Net profit margin, Return on Net Worth and Return on Capital Employed percentages. Current Ratio decreased from 0.79 times in the previous year to 0.54 times with a reduction in cash and bank balances and increase in current liabilities. Debtors turnover ratio increased from 33 days in the previous year to 72 days as frequent disruptions in trade during the year due to lockdowns and other restrictions slowed down customers' ability to remit their dues on time. Inventory turnover ratio was higher at 129 days as compared

to 64 days in the previous year as the Company's consumption of inventory declined with declining business volumes.

#### **Consolidated Financials**

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

#### **Consolidated Results**

The following table sets forth the Consolidated Financial results for year ended March 31, 2021.

(₹ crores)
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	Year Ended	
Particulars	March 31, 2021	March 31, 2020
INCOME		
Revenue from Operations	1,575.16	4,463.14
Other Income	164.72	132.42
Total Income	1,739.88	4,595.56
EXPENDITURE		
Food and Beverages Consumed	143.82	370.56
Employee Benefits Expenses	894.01	1,494.60
Depreciation and Amortisation Expense	409.63	404.24
Other Expenditure	899.09	1,630.45
Total Expenditure	2,346.55	3,899.85
PROFIT/(LOSS) BEFORE FINANCE COSTS AND TAX	(606.67)	695.71
Finance Costs	402.82	341.12
PROFIT/(LOSS) BEFORE TAX, EXCEPTIONAL ITEMS AND SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES	(1,009.49)	354.59
Exceptional Items	159.95	40.95
PROFIT/LOSS) BEFORE TAX, BEFORE SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES AND NON-CONTROLLING INTERESTS	(849.54)	395.54
Tax Expense/(Benefit)	(155.33)	44.77
PROFIT/(LOSS) AFTER TAX, BEFORE SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES AND NON-CONTROLLING INTERESTS	(694.21)	350.77
Add: Share of Profit/(Loss) of Associates and Joint Ventures (net of tax)	(101.42)	12.97
PROFIT/(LOSS) FOR THE PERIOD	(795.63)	363.74
Less: Non-Controlling interest in Subsidiaries	(75.52)	9.32
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY	(720.11)	354.42

Revenue from operations decreased by 65% from ₹4,463.14 crores to ₹1,575.16 crores. The operations and profitability of the Group were impacted by governments' responses all over the world to curtail the COVID-19 pandemic which disrupted movement of goods, people and business activity except for essential and medical services during a major part of the year. The impact of the pandemic was severe in the key source markets of the US, the UK, Europe and within India. Other income increased by ₹32.30 crores from ₹132.42 crores in the previous year to ₹164.72 crores mainly due to lease rent concessions granted by lessors amounting to ₹35.05 crores, a gain on fair valuation of a financial liability for acquisition of shares in a company amounting to ₹23.06 crores and an exchange gain recorded on restatement of a borrowing in the Company's South African subsidiary due to appreciation of the South African Rand against the US Dollar. Offsetting these gains was a lower profit on sale of non-core assets during the year.

#### Expenditure

Total expenditure decreased by ₹1,553.30 crores or 40% from ₹3,899.85 crores to ₹2,346.55 crores. The impact of COVID-19 pandemic across the globe caused all Group companies to review each component of fixed costs and contractual obligations. Actions taken across Group companies were similar to those explained in the paragraphs of 'Expenditure' under the section 'Standalone Financial Results'. Certain countries were more favourable towards business in general and the tourism industry. The Group weighed all alternatives and secured advantage of benefits announced by such countries either directly in its favour or through its employees.

Additionally, the policies of the UK government supported the Company's hotel in London in terms of a business rates (council tax) holiday for the entire year; a Corona Job Retention Scheme (CJRS) which subsidised 80% of wages for

hours not worked subject to a maximum limit, a reduced VAT rate on accommodation and a 50% discount up to £10 subsidy to customers under the 'Eat Out to Help Out' Scheme. The Company's subsidiary in the US received the benefit of an employee retention credit under a federal stimulus package in addition to a one-time cash relief provided directly to its qualifying employees by the US government. The US subsidiary also re-negotiated the long-term lease for its New York hotel and the management fee for services offered under the management contract.

#### **Finance Costs**

Finance costs, including interest on lease liabilities for the year ended March 31, 2021, at ₹402.82 crores was higher than the previous year by ₹61.7 crores due to increased funding adopted by the Group companies to improve liquidity and other charges, including interest on income tax demands.

#### **Exceptional Items**

Exceptional items include the following:

(₹ crores)

	Year Ended	
	March 31, 2021	March 31, 2020
Change in fair value of derivative contracts	25.00	(21.76)
Profit on sale of hotel property in a subsidiary	23.80	6.09
Exchange gain on long term borrowings/assets (net)	29.12	-
Gain arising from acquiring controlling stake in a joint venture	82.03	-
Profit on sale of investment in a joint venture company	-	2.12
Profit on sale of land and building	-	54.50
Total	159.95	40.95

#### Profit/(Loss) after Tax attributable to Owners of the Company

Loss after tax, non-controlling interest and share of profit of equity accounted investees for the year was ₹720.11 crores as compared to a profit of ₹354.42 crores in the previous year. The global pandemic had a severe impact on travel and tourism during the year, which resulted in Group companies reporting a significant drop in business during a major part of the year. Several cost interventions contributed to improving operating performance, with some companies even breaking even or showing slender profits at the operating level. However, most companies reported net losses after accounting for depreciation and finance costs.

#### Consolidated Cash Flow

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

₹	crores)	
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	Year I	Year Ended	
	March 31, 2021	March 31, 2020	
Net Cash from/(used in) operating activities	(318.69)	823.47	
Net Cash from/(used) in investing activities	(119.66)	(501.88)	
Net Cash from/(used) in financing activities	280.37	(265.38)	
Net Increase/(Decrease) in cash and cash equivalents	(157.98)	56.21	

#### **Operating Activities**

Net cash used in operating activities for the current year was ₹318.69 crores as against ₹823.47 crores generated in the previous year. The reduction in cash from operating activities was mainly due to operating losses induced by COVID-19, net of savings in variable cost and fixed cost reductions executed by Group companies.

#### **Investing Activities**

Cash used for investing activities was ₹119.66 crores in the current year mainly owing to previously planned project expenditures which were not prudent to defer or cancel.

#### **Financing Activities**

Financing activities across the Group amounted to ₹280.37 crores for the year mainly from long term loans and debentures. The Company continued to repay its borrowings and service existing debt in a timely manner.

#### **Financial Ratios for Consolidated Financial Statements**

	Year Ended	
_	March 31, 2021	March 31, 2020
Net Debt to Total Capital (Gross Debt less cash, cash equivalents and current investments / Net debt and Net worth)	0.42	0.27
Net Debt to Equity (Gross Debt less cash, cash equivalents and current investments / Equity Capital and Other Equity)	0.73	0.36
Interest Service Coverage Ratio (Profit/(Loss) before Tax + Net Finance Costs + Depreciation + Provision for diminution in the value of long-term Investments / Net Finance Costs)	#	3.48
Net profit margin (Profit/(Loss) after tax / Turnover)	-45.7	7.9%
Return on Net Worth (Profit/(Loss) after Tax / Average Equity Capital and Other Equity)	-16.9%	7.1%
Return on Capital Employed (Profit/(Loss) Before Exceptional Items and Tax + Finance Costs / Average Capital Employed [Equity Capital + Other Equity + Non-Current Borrowings + Current Maturities of Non-Current Borrowings + Current Borrowings + Lease Liabilities])	-6.2%	7.3%
Current Ratio (Current Assets – Current Investments / Current Liabilities – Current maturities of long-term borrowings – Liability on derivative contracts)	0.50	0.66
Debtors Turnover Ratio [in Days] (Average Trade Receivables/ Average daily revenue from operations)	59	25
Inventory Turnover Ratio [in Days] (Average Inventories / Average daily cost of inventories recognised as expense)	155	61

# ratio is insignificant since numerator is negative for FY 2020-21



# Financial Highlights

(₹ crores)

	Standalone		Consolidate	ed
	2020-21	2019-20	2020-21	2019-20
Total Income	1,243.67	2,877.88	1,739.88	4,595.56
Profit/(Loss) Before Tax and Exceptional Items	(484.98)	454.14	(1,009.49)	354.59
Profit/(Loss) Before Tax	(640.28)	437.74	(849.54)	395.54
Profit/ (Loss) After Tax, Non - controlling Interest & Share of Associates & Joint Ventures	(524.78)	401.41	(720.11)	354.42
Total Assets	9,146.79	8,906.58	11,512.71	11,518.26
Equity Share Capital	118.93	118.93	118.93	118.93
Other Equity	4,089.45	4,464.63	3,529.51	4,237.88
Non-controlling interest	-	-	634.57	764.90
Total Equity	4,208.38	4,583.56	4,283.01	5,121.71
Borrowings	2,591.79	1,943.32	3,632.84	2,602.07
Net Debt	2,178.98	1,387.98	3,109.57	1,856.62
Net Debt : Equity Ratio	0.52:1	0.30:1	0.73:1	0.36:1
Book Value per Share of ₹ 1/- each - In ₹	35.39	38.54	36.01	43.06
Earnings Per Share - Basic and Diluted - In ₹	(4.41)	3.38	(6.05)	2.98
Dividend proposed Per Share - In ₹	0.40	0.50	0.40	0.50

# **Board's Report**

#### To the Members,

The Directors take pleasure in presenting the Third Integrated Annual Report of The Indian Hotels Company Limited ('the Company' or 'IHCL') along with the Audited Financial Statements for the Financial Year ended March 31, 2021. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

#### **Financial Results**

(₹ crores)

				(₹ crores)
	Standalone		Consolidate	d
	2020-21	2019-20	2020-21	2019-20
Revenue	1,133.15	2,743.47	1,575.16	4,463.14
Other income	110.52	134.41	164.72	132.42
Total income	1,243.67	2,877.88	1,739.88	4,595.56
Expenses				
Operating expenditure	1,230.05	1,982.41	1,936.92	3,495.61
Depreciation and amortisation expenses	203.81	203.78	409.63	404.24
Total Expenses	1,433.86	2,186.19	2,346.55	3,899.85
Profit/(Loss) before finance cost and tax	(190.19)	691.69	(606.67)	695.71
Finance cost	294.79	237.55	402.82	341.12
Profit/(Loss) before Exceptional Items, Tax and share of equity accounted investees	(484.98)	454.14	(1009.49)	354.59
Add/(Less): Exceptional Items	(155.30)	(16.40)	159.95	40.95
Profit/(Loss) before Tax (PBT)	(640.28)	437.74	(849.54)	395.54
Tax expense	(115.50)	36.33	(155.33)	44.77
Profit/(Loss) after Tax before share of equity accounted investees	(524.78)	401.41	(694.21)	350.77
Add: Share of Profit/(Loss) of Associates and				
Joint Ventures net of tax	NA	NA	(101.42)	12.97
Profit/(Loss) for the year	(524.78)	401.41	(795.63)	363.74
Attributable to:				
Shareholders of the Company	(524.78)	401.41	(720.11)	354.42
Non-Controlling Interest	NA	NA	(75.52)	9.32
Opening Balance of Retained Earnings	808.52	603.77	152.26	154.00
Adjustment on account of transition to the new lease standard, net of taxes	-	(106.43)	-	(264.32)
Profit / (Loss) for the Year	(524.78)	401.41	(720.11)	354.42
Other comprehensive income / (losses)	26.36	(16.04)	29.97	(17.67)
Total comprehensive income	(498.42)	385.37	(690.14)	336.75
Dividend Paid	(59.46)*	(59.46)	(59.46)*	(59.46)
Tax on Dividend	-	(11.72)	-	(11.70)
Realised gain / (loss) on sale of investment transferred from OCI	-	(3.01)	5.80	(3.01)
Adjustments on account of change in non-controlling interest	-	-	(169.16)	-
Closing Balance of Retained Earnings	250.64	808.52	(760.70)	152.26

<sup>\*</sup>Dividend declared in FY 2019-20 and paid during the year under review



#### Dividend

The Board recommended a dividend of ₹ 0.40 per fully paid Equity Share on 118,92,58,445 Equity Shares of face value ₹ 1 each, for the year ended March 31, 2021 (Previous Year ₹ 0.50 per share).

The dividend on Equity Shares is subject to the approval of the Shareholders at the Annual General Meeting ('AGM') scheduled to be held on Tuesday, June 22, 2021. The dividend once approved by the Shareholders will be paid on and after Tuesday, June 29, 2021.

The dividend on Equity Shares if approved by the Members, would involve a cash outflow of ₹ 47.57 crores and shall be paid out of profits of the Company for previous financial years forming a part of retained earnings pursuant to Section 123(1) of the Companies Act, 2013 ('the Act').

#### 3. Transfer to Reserves

Due to losses in FY 2020-21, no amount has been transferred to Reserves. An amount of ₹ 32.39 crores was transferred from Debenture Redemption Reserve to General Reserve consequent to the redemption of Unsecured Non-convertible Redeemable Debentures of ₹ 200 crores in April 2020.

#### 4. Company's performance

On a standalone basis, the Total Income for FY 2020-21 was ₹ 1,243.67 crores, which was lower than the previous year's Total Income of ₹ 2,877.88 crores by 57% caused by the COVID-19 pandemic and efforts to curtail it. This had a severe impact on the economy in general and travel and tourism in particular. Consequently, the Company reported a Loss after tax for FY 2020-21 of ₹ 524.78 crores in comparison with a Profit after tax of ₹ 401.41 crores for FY 2019-20.

On a consolidated basis, the Total Income for FY 2020-21 was ₹ 1,739.88 crores, lower than the previous year's Total Income of ₹ 4,595.56 crores by 62%. The Loss after tax attributable to shareholders and non-controlling interests for FY 2020-21 was ₹ 795.63 crores as against a Profit after Tax of ₹ 363.74 crores for FY 2019-20. The Loss attributable to shareholders of the Company for FY 2020-21 was ₹ 720.11 crores as against a profit for the previous year of ₹ 354.42 crores.

#### **Depreciation and Finance Costs**

Depreciation at ₹ 203.81 crores was in line with that of FY 2019-20. Finance costs for FY 2020-21 at ₹ 294.79 crores was higher than FY 2019-20 cost by ₹ 57.24 crores. This was mainly due to interest on increased borrowings to fund the Company's operational cash requirements and to a lesser extent, interest on lease liabilities.

#### **Exceptional Items**

Exceptional Items include an exchange gain on change in fair value of cross currency swap derivative contracts ₹ 25.00 crores (Previous Year loss of ₹ 21.76 crores) and a provision for impairment due to losses in overseas subsidiaries of ₹ 179.52 crores (Previous Year ₹ 68.98 crores).

#### **Borrowings**

The total long-term borrowings stood at ₹2,576.79 crores as on March 31, 2021 as against ₹ 1,943.32 crores as on March 31, 2020.

#### **Debentures**

During FY 2020-21, the Company raised 1,500, 7.50% Unsecured Non-convertible Redeemable Debentures of face value ₹10 lakhs each aggregating to ₹150 crores and 3,000, 7.95% Unsecured Non-convertible Redeemable Debentures of face value ₹10 lakhs each aggregating to ₹ 300 crores for three years each.

The Company also redeemed 2,000, 7.85% Unsecured Non-Convertible Redeemable Debentures of face value ₹ 10 lakhs each aggregating to ₹ 200 crores on April 20, 2020.

#### Capital Expenditure

During FY 2020-21, the Company's outlay towards capital expenditure was ₹ 140.63 crores.

#### **Business Overview**

An analysis of the Business and Financial Results are given in the Management Discussion and Analysis, which forms a part of the Annual Report.

#### **Board's Report**

#### 5. Subsidiary Companies

The Company has 25 subsidiaries, 6 associates and 7 joint venture companies as on March 31, 2021. There has been no material change in the nature of the business of the subsidiaries.

During the year under review, Ideal Ice & Cold Storage Company Limited has become a wholly-owned subsidiary of IHCL, earlier being a subsidiary of Taida Trading & Industries Limited, an associate of the Company.

The Company has also increased its shareholding in IHMS Hotels (SA) (Proprietary) Limited and is now considered as a subsidiary of the Company, from earlier being a Joint Venture. Consequently, Goodhope Palace Hotels (Proprietary) Limited which was a subsidiary of IHMS Hotels (SA) (Proprietary) Limited has become an indirect subsidiary of the Company.

Pursuant to the provisions of Section 129(3) of the the Act a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at <a href="https://www.ihcltata.com/AGM/2021/AGM-FY2021/">https://www.ihcltata.com/AGM/2021/AGM-FY2021/</a>.

#### 6. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-21.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii. They have 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;
- iv. They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 7. Directors and Key Managerial Personnel

In accordance with the requirements of the Act and the Company's Articles of Association, Mr. Puneet Chhatwal retires by rotation and being eligible, offers himself for re-appointment. Relevant resolutions (Ordinary and Special, as applicable) seeking shareholders' approval forms part of the Notice.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,



2015 ('SEBI Listing Regulations'). In terms of Regulation 25 (8) of SEBI Listing Regulations they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board of directors of the Company has taken on record the declaration and confirmation submitted by the independent directors after undertaking due assessment of the veracity of the same. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Independent Directors of the Company have confirmed that they have registered their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. The Independent Directors of the Company possess the requisite experience and hence shall not be required to pass the online proficiency self-assessment test as per the proviso to Rule 6(4) of the aforesaid rules.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Recently, on March 18, 2021, the Ministry of Corporate Affairs had notified the amendments to Sections 149(9) and 197(3) of the Act by the Companies (Amendment) Act, 2020 to enable companies faced with no profits/ inadequate profits to pay certain fixed remuneration to their Non-Executive Directors (including Independent Directors) in accordance with the provisions of Schedule V to the Act.

In view of the valuable services being rendered by the Non-Executive Directors (including Independent Directors) to the Company, the Board of Directors, on the recommendations of the Nomination and Remuneration Committee ('NRC') approved a fixed remuneration to be payable to them for FY 2020-21, 2021-22 and 2022-23 in case of no profits/ inadequate profits in each of these years, subject to the approval of the Members at this AGM. The details of the remuneration to be paid for the FY 2020-21 are captured in the Corporate Governance Report.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are:

- Mr. Puneet Chhatwal Managing Director & Chief Executive Officer
- Mr. Giridhar Sanjeevi Executive Vice President & Chief Financial Officer
- Mr. Beejal Desai, Senior Vice President Corporate Affairs & Company Secretary (Group)

#### **Number of Meetings of the Board**

Six meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms a part of the Annual Report.

#### 9. **Board Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual Directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board Composition and Structure; Degree of fulfilment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the longterm strategic planning, etc.); Effectiveness of board processes, information and functioning, etc.; Extent of co-ordination and cohesiveness between the Board and its Committees; and Quality of relationship between Board Members and the Management

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the board

#### **Board's Report**

as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

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

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

At the Board Meeting that followed the meeting of the Independent Directors and meeting of NRC, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the independent director being evaluated.

# 10. Policy on Directors' Appointment and Remuneration and other Details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on <a href="https://www.ihcltata.com/board\_diversity\_director\_attributes.pdf">https://www.ihcltata.com/board\_diversity\_director\_attributes.pdf</a> and <a href="https://www.ihcltata.com/Remuneration\_Policy\_KMP\_Directors\_Employees.pdf">https://www.ihcltata.com/Remuneration\_Policy\_KMP\_Directors\_Employees.pdf</a>.

#### 11. Vigil Mechanism

The Company has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behaviour. The details of the policy have been disclosed in the Corporate Governance Report, which forms a part of the Annual Report and is also available on <a href="https://www.ihcltata.com/Whistle\_Blower\_Policy.pdf">https://www.ihcltata.com/Whistle\_Blower\_Policy.pdf</a>.

# 12. Internal Financial Control Systems and their Adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms a part of the Annual Report.

#### 13. Audit Committee

The details including the composition of the Audit Committee including attendance at the Meetings and terms of Reference are included in the Corporate Governance Report, which forms a part of the Annual Report.

#### 14. Auditors

At the 116th AGM held on August 21, 2017 the Members approved appointment of B S R & Co. LLP ('BSR'), Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the 116<sup>th</sup> AGM till the conclusion of the 121<sup>st</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

#### 15. Corporate Social Responsibility

The Company has revised the policy on Corporate Social Responsibility ('CSR') to include changes based on Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and the revised policy was recommended by the CSR and Sustainability Committee and approved by the Board and the same can be accessed on the Company's website at <a href="https://www.ihcltata.com/CSR\_Policy.pdf">https://www.ihcltata.com/CSR\_Policy.pdf</a>.

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure I of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy)



Amendment Rules, 2021. For other details regarding the CSR and the Sustainability Committee, please refer to the Corporate Governance Report, which is a part of this report.

#### 16. Auditor's Report and Secretarial Audit Report

The Statutory Auditor's Report and the Secretarial Auditor's Report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

Secretarial Auditor's Report is attached to this report as Annexure II.

#### 17. Risk Management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Risk Management section, which forms a part of the Annual Report.

#### 18. Particulars of Loans, Guarantees or Investments

Your Company falls within the scope of the definition "infrastructure company" as provided by the Act. Accordingly, the Company is exempt from the provisions of Section 186 of the Act with regards to Loans, Guarantees, Securities provided and Investments. Therefore, no details are provided.

#### 19. Related Party Transactions

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website at https://www.ihcltata.com/RPT.pdf.

During the year under review, all Related Party Transactions that were entered into were in the Ordinary Course of Business and at Arms' Length Basis. All transactions entered into with related parties were approved by the Audit Committee.

Further in the FY 2020-21, there were no material transactions of the Company with any of its related parties. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for the FY 2020-21 and hence the same is not provided.

#### 20. Annual Return

As provided under Section 92(3) and 134(3)(a) of the Act, read with Rule 12 of Chapter VII Rules of the Companies (Management and Administration) Amendment Rules, 2020, Annual Return in Form MGT-7 for FY 2020-21 is uploaded on the website of the Company and can be accessed at https://www.ihcltata.com/AGM/2021/ AGM-FY2021/.

#### 21. Particulars of Employees

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure III to this report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

#### 22. Disclosure Requirements

As per SEBI Listing Regulations, the Corporate Governance Report with the Practicing Company

#### **Board's Report**

Secretary's Certificate thereon, and the Management Discussion and Analysis are attached as a separate section which forms a part of the Annual Report.

As per Regulation 34 of the SEBI Listing Regulations, the Business Responsibility Report forms a part of the Annual Report.

As per Regulation 43A of the SEBI Listing Regulations, the Dividend Distribution Policy is disclosed in the Corporate Governance Report and is uploaded on the Company's website at <a href="https://www.ihcltata.com/">https://www.ihcltata.com/</a> Dividend Distribution Policy.pdf.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

#### 23. Deposits from Public

The Company does not accept and/or renew Fixed Deposits from the general public and shareholders. There were no over dues on account of principal or interest on public deposits other than the unclaimed deposits at the end of FY 2020-21 which is ₹ 45,000/-(Previous year ₹ 260,000/-).

# 24. Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo [Pursuant to Companies (Accounts) Rules, 2014]

A. Conservation of Energy: The Company has a longstanding history of stewardship through efficient management of all its assets and resources. The Company's conscious efforts are aligned with the Tata ethos of keeping communities and environment at the heart of doing business. In line with IHCL's commitment to safeguard the environment, we have been the flagbearers of responsible tourism through elimination of two million plastic straws across all our properties. Our renewable energy proportion has improved to

22% from 7% in the past five years. In this rapidly transforming world, our sustainability goals will certainly evolve as our industry grow and as per the needs arising in the society.

- B. Technology Absorption: There is no material information on technology absorption to be furnished. The Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations.
- C. Foreign Exchange Earnings and Outgo:

Earnings: ₹ 56.74 crores
Outgo: ₹ 47.32 crores

# 25. Material changes and commitment affecting the financial position of the Company

The impact of COVID-19 on the Company's financial statements has been given in Note 2(d) of the notes to financial statements for the year ended March 31, 2021 and the Company's response to the situation arising from the pandemic has been explained in the Management Discussion and Analysis, which forms a part of the Annual Report.

# 26. Significant and material orders passed by the regulators

During the year under review, no significant material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations. However, Members' attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes forming part of the Financial Statement.

#### 27. Cost Auditors

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

#### 28. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act)

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the POSH Act, and the rules framed thereunder, including constitution of the Internal Complaints Committee. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the POSH Act and the same is available on the Company's website at <a href="https://www.ihcltata">https://www.ihcltata</a>. com/POSH Policy.pdf.

Status of complaints as on March 31, 2021

SI. No.	Particulars	Number of Complaints
1.	Number of complaints filed during the financial year	9
2.	Number of complaints disposed off during the financial year	8
3.	Number of complaints pending at the end of the financial year	1

#### 29. Integrated Report

With the corporate landscape rapidly evolving, Integrated Reporting has been an ideal tool to explore value creation. The Company being one of the top companies in the country in terms of market capitalisation, has voluntarily provided Integrated Report, which encompasses both financial and non-financial information to enable the Members to take well informed decisions and have a better understanding of the Company's long-term perspective.

The Company has progressed in the journey of Integrated Reporting and is focused on driving more authentic, comprehensive and meaningful information about all aspects of the Company's performance and value creation story delivering benefits for both internal and external stakeholders.

The Report also touches upon aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

#### 30. Acknowledgement

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

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

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by all our employees and their families and the contribution made by every other member of the IHCL family, for making the Company what it is.

On behalf of the Board of Directors

N. Chandrasekaran Chairman (DIN: 00121863)

Mumbai, April 30, 2021

## Annexure I

#### ANNUAL REPORT ON CSR ACTIVITIES

# 1. A brief outline on the Company's Corporate Social Responsibility (CSR) policy of the Company

As one of the pioneers in the hospitality industry, your company plays a vital role in contributing towards the betterment of the society as well as the destinations in which it operates. Your company is committed to further the legacy of 'Giving Back to the Society' and focus on building livelihoods for the target communities and geographies, supporting heritage and tourist destinations and nurture the environment.

It is now precisely a year since the pandemic brought the world and lives to a standstill. Upholding your company's values of Trust, Awareness, and Joy and in line with the Tata spirit of benevolence, your company sensed its responsibility to reach out to the community and people from the industry who were adversely impacted by the pandemic resulting in loss of livelihood. The pandemic is continuing to reshape the global economy, present and the immediate future.

Your company moved swiftly and led through these challenging times with courage and conviction. Many of you have also come together in solidarity to volunteer a helping hand for our colleagues and their families who need aid and support in these trying times — truly demonstrating the Compassion, Unity and Care

During this turbulent year, your company through 'Taj Public Service Welfare Trust' created positive impacts by means of various initiatives including COVID-19 Disaster Response, Taj for Family, Meals to Smiles, Healthcare professional support, and quarantine centers. Three million meals were provided to migrant workers, medical staff, front line police workmen, over 70,000 room nights for health care staff was made available, and 30 state-of-the-art Ventilators and PPE kits were donated to Covid hospitals.

Even in these challenging times, your Company has focused on building livelihoods in the country by skilling less-privileged, school dropout youth and by handholding & offering business opportunities to micro enterprises, artisans and social organizations.

Aimed at standardization and quality in skilling youth in hospitality, the skilling partnership brings the best

of domain expertise from IHCL coupled with superior approach to holistic youth development driven by Tata STRIVE. The 13 IHCL Tata STRIVE Hospitality Skill Centres are located in Bengaluru, Jaipur, Varanasi, Trivandrum, Chhindwara, Mumbai, Hyderabad, Pithoragarh, Chamoli, Pune, Mohali, Agartala, and Goa. Despite these centers not being operated physically, the determination of your company to run these through on-line mode was worth the effort and over 700 students were able to benefit from this program, significantly improving their employment prospects in the industry.

Your company recognizes that heritage and authentic cultural experiences create value for the industry and hence aims to preserve and promote these for the benefit of future generations through neighborhood development programmes.

Your company has been promoting heritage conservation and cultural promotion projects;

Heritage Conservation & Promotion:

- Gateway of India precinct upkeep, Varanasi Ghat upkeep and National Railway Museum beautification
- Natural & cultural heritage walk with Pardhi youth near Panna Forest Reserve
- Training women in Banarasi Silk Weaving
- Promoting native culinary heritage in Jamshedpur, Coorg, Guwahati

Further, your company is evaluating opportunities to promote and safeguard Indian Intangible Cultural Heritage which includes measures to ensure the viability of intangible cultural heritage, such as identification, documentation, research, promotion, transmission, revitalization of such heritage sites.

The needs of local community are addressed by your company through various welfare activities such as donation of food, supporting charity homes and orphanages which are components of Welfare programs. These programs and initiatives are undertaken in association with local partners, including communities, NGOs and government bodies, as appropriate.

The procurement team encourages local sourcing with special focus on vendors from marginalized communities, small scale farmers, women self-help groups and people with disabilities. At the same time the company aims to develop its business operations to be more socio-environmentally conscious and inclusive. This generates dual impact of supporting livelihood of these artisans and encourages preservation of traditional art forms. To this end your company works with small scale entrepreneurs, women SHGs and NGOs income generation projects, to source select goods and services. Some of the products sourced by your hotels include fresh fish, fruits, vegetables, paper chef cap, laundry bags, honey, candles, table napkins, duster and gift items for guests etc. In FY 2020-21 your company sourced ₹ 1.57 crore of products and services supporting over 23 vendors from such underserved community members thus supporting their livelihood. Additionally, local art and culture troupes, artists and craftsmen are provided a platform in the hotels to perform and sell their products.

Despite the challenges brought in by the ongoing pandemic, your company created multiple volunteering opportunities to engage with the community through online modes by involving in various skilling and livelihood initiatives through the Tata engage volunteering platform.

#### The composition of the CSR and Sustainability committee:

SI. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Puneet Chhatwal - Chairman	Managing Director & CEO	2	2
2.	Mr. Nasser Munjee	Independent Director	2	2
3.	Ms. Hema Ravichandar	Independent Director	2	2

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:
  - Composition of the CSR committee shared above and is available on the Company's website on: https://www.ihcltata.com/investors/
  - b. CSR policy: https://www.ihcltata.com/CSR Policy.pdf
  - c. CSR projects: https://www.ihcltata.com/responsibility/
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

SI. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ Cr)	Amount required to be set-off for the financial year, if any (in ₹)
		Not Applicable	

- 6. Average net profit of the company as per section **135(5):** ₹ 379.88 crores
- 7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 7.60 crores
  - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable
  - (c) Amount required to be set off for the financial year, if any: Not Applicable
  - (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 7.60 crores

## a) CSR amount spent or unspent for the financial year:

	Amount Unspent (in ₹ Crores)							
Total Amount Spent for the Financial Year. (in ₹ Crores)	Total Amount transferre Account as per section 1	•	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)					
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer			
17.26			Not Applicable					

## (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)							
SI.	Name of the	Item from the list of activities in Schedule VII	Local area (Yes/	Location of the project	Project	Project		•	ration for the	spent in Unspent	spent in Unspent	spent in Unspe	ocated spent in	pent in Unspent CSR Account for	Unspent CSR Account for	Mode of Implementation-	Mode of Implementation – Through Implementing Agency	
	Project	to the Act	No)	State District	duration	tion project Financi	Financial Year (in ₹)	the project as per Section 135(6) (in ₹)	Direct (Yes/No)	Name	CSR Registration number							

**Not Applicable** 

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)		(5)	(6)	(7)		(8)
	Name of the Project		Local area (Yes/ No)	Location o	Location of the project.		Mode of implementation-Direct (Yes/No)	Mode of implementation– Through implementing agency	
	-			State	District	(in ₹ crores)	Direct (Yes/No)	Name	CSR Registration number
1.	Building Livelihoods	Vocational skilling & promotion of livelihoods Sch VII (ii)	Yes	* J&K  * Uttara khand * UP  * West Bengal * Tripura  * Manipur * Punjab  * MP  * Rajasthan * Maharashtra * Goa * Karnataka * Telangana * Kerala	* Uri * Pithoragarh, Gopeshwar * Varanasi * Midnapore East * Agartala * Chandel, Mohali * Chhindwara * Jaipur, Zawar, Chanderia * Thane, Pune * Goa * Bengaluru * Hyderabad * Trivandrum	0.60	Direct+ with partners	-	-
2.	Supporting Education	Promoting Education Sch VII (ii)	Yes	* West Bengal * Maharashtra * Goa * Karnataka * Delhi	* Kolkata * Mumbai * Goa * Bengaluru * Delhi	0.81	Direct+ with partners	-	-
3.	Responsible Neighbour	Environmental sustainability Sch VII (iv) Restoration of buildings and sites of historical importance Sch VII (v)	Yes	Pan India	Pan India	1.22	Direct+ with partners	-	-
4.	Covid19 Relief and support	Sch VII (xii) Disaster Response & Relief	Yes	Pan India	Pan India	14.27	Direct+ with Partners	-	-
	TOTAL	<u>.</u>				16.90		-	-

- (d) Amount spent in Administrative Overheads: ₹ 0.36 crores
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 17.26 crores
- (g) Excess amount for set off, if any: ₹ 9.66 crores\*

SI. No.	Particular	Amount (in ₹ Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	7.60
(ii)	Total amount spent for the financial year	17.26
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9.66
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9.66*

<sup>\*</sup>Note: The excess spends in FY 20-21 over the mandated spend is ₹ 9.66 Crores. Considering the loss incurred in FY 20-21, and estimated for the next two years, the maximum carry forward which can be set-off against the CSR commitment for the next three years (i.e FY 21-22, 22-23 and 23-24) is estimated to be ₹ 3 Crores.

#### (a) Details of Unspent CSR amount for the preceding three financial years:

SI. No.	Preceding financial year		Reporting financial	Amount transferred VII as per section 13!	, ,	Amount remaining to be spent in succeeding financial
				Name of the Fund	Amount (in ₹)	Date of transfer

#### (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
SI. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project - Completed/ Ongoing		
	Not Applicable									

## 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): None
- (b) Amount of CSR spent for creation or acquisition of capital asset: NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

#### 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-

Sd/-

Mr. Nasser Munjee **Independent Director** Member, Corporate Social Responsibility and Sustainability Committee

(DIN: 00010180)

Mr. Puneet Chhatwal Managing Director & Chief Executive Officer Chairman, Corporate Social Responsibility and Sustainability Committee (DIN: 07624616)

Mumbai, April 30, 2021

## Annexure II

# Form No. MR-3 Secretarial Audit Report

For the financial year ended 31st March 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and the adherence to good corporate practices by The Indian Hotels Company Limited (hereinafter called 'the Company') for the year ended on March 31, 2021 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon given the present scenario of COVID-19 Pandemic and the relaxations given by the Ministry Of Corporate Affairs/SEBI and other regulatory Authorities in the Conduct of the Business of the Company during the year under review.

Based on our **Remote** verification of the Company's books, papers, minute books, forms and returns filed with Statutory Authorities and other records maintained by the Company as also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter for the audit period according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and by-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- (vi) Other laws specifically applicable to the Company are:
  - (a) Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011; and
  - (b) Food Safety and Standards (Packing & Labeling) Regulations, 2011.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to Board meetings and General meetings together with the relaxations as given in the wake of the COVID-19 Pandemic.



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

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

- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- · The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment.

#### We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board during the year under review

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

The Meetings of the Board of Directors and other Board committee meetings were held by Video Conferencing as allowed by adhering to the guidelines issued for such meetings during the Pandemic. The decisions taken at the meetings were carried through on the basis of majority and were properly entered in the respective Minutes books and that the Minutes would be signed when the situation becomes normal. Dissenting views/suggestions, if any, by any member of the Board of Directors/ Committee were properly recorded.

We further report that-

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

#### We further report that-

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

For example:

- Redemption / buy-back of securities;
- Foreign Technical Collaborations.

For NEVILLE DAROGA & ASSOCIATES **NEVILLE K. DAROGA** ACS No. 8663

C.P. No. 3823

Date: April 28, 2021 UDIN:-A008663C000196279

Place: Mumbai

#### **ANNEXURE A**

To, The Members The Indian Hotels Company Limited

Secretarial Audit Report of even date is to be read along with this letter.

- The management is responsible for compliance of applicable laws, rules, regulations, standards as applicable to
  The Indian Hotels Company Limited. Our examination of the records and procedures was based on test check basis for
  issuing the Secretarial Audit Report.
- 2. The management of the Company is responsible for the maintenance of secretarial and other records as applicable to the Company under various laws. Our responsibility is to issue Secretarial Audit Report which is based on the relevant records maintained and information / explanations as furnished to us by the Company and its officials. Wherever required the management representation about compliance of laws as applicable to the Company including major events during the audit period have been obtained from the management.
- 3. We have followed the laid down audit practices for verifying the correctness and the contents of the secretarial and other records. The practices followed by us gave us reasonable basis to form our opinion for issuing the Secretarial Audit Report.
- 4. We have not verified the authenticity and significance of the books and the financial accounts as maintained by the company.
- 5. The Secretarial Audit Report does not give an assurance as to the future viability of the Company nor of the potency and competency with which the management has conducted the affairs of the Company.

For: NEVILLE DAROGA & ASSOCIATES

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

Place: Mumbai Date: April 28, 2021



#### **Particulars of Employees**

Information under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. The ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the financial year and percentage increase in Remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

Name	% increase of Remuneration in 2021 as compared to 2020##	Ratio to median Remuneration
Non-Executive Directors		
Mr. N. Chandrasekaran <sup>@</sup>	-	-
Mr. Nasser Munjee <sup>#</sup>	(3%)	9.25
Mr. Venkataramanan Anantharaman#	(3%)	8.17
Ms. Hema Ravichandar#	(3%)	9.32
Mr. Vibha Paul Rishi	(18%)	8.10
Mr. Mehernosh Kapadia	(22%)	7.42
Mr. Venu Srinivasan	(4%)	7.21
Executive Director		
Mr. Puneet Chhatwal - MD & CEO	(50%)	165.46
Chief Financial Officer		
Mr. Giridhar Sanjeevi – EVP & CFO	(38%)	54.16
Company Secretary		
Mr. Beejal Desai, Senior VP - Corporate Affairs & Company Secretary (Group)	(27%)	28.54

<sup>&</sup>lt;sup>®</sup> As a policy, Mr. N Chandrasekaran, Chairman, has abstained from receiving remuneration from the Company.

- b. The percentage increase in the median remuneration of employees in the financial year was (6%) due to no increments, salary contributions made by employees and rationalisation of manpower on account of Pandemic.
- c. The number of permanent employees on the rolls of Company as on March 31, 2021 was 5239.
- d. Average Percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: (8%) due to no increments, salary contributions made by employees and rationalisation of manpower on account of Pandemic.
- e. It is affirmed that the remuneration is as per the Remuneration Policy for Directors, Key Managerial Personnel, and other employees adopted by the Company.

<sup>#</sup> Appointed as Independent and Non-Executive Directors with effect from August 5, 2019

<sup>##</sup> For the purpose of these computations, remuneration has been considered based on accruals and payments relating to earlier years have been excluded.

# Corporate Governance Report

"You must be the change you wish to see in the world"

- Mahatma Gandhi

# I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors, our environment and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Tata culture and ethos.

The Indian Hotels Company Limited ('IHCL'/ 'the Company') perceives corporate governance as a way of life that necessitates taking interests in every business decision and as something that is far beyond regulations and laws.

To us, good governance is something we have upheld through our values, which predate the way that the conventional view of governance as a corporate responsibility has gained ground. It is about ethics and about truly honouring the fact of human existence and enterprise which has been our legacy. Our origins are rooted in our Founder's vision to join in the building of a nation. Tajness is our mantra for excellent service, as based on the three pillars of Trust, Awareness, and Joy which is honoured in letter and spirit while engaging with our guests, employees and partners.

Our desire to nurture trust is at the centre of our relationships with suppliers, local communities, lenders, and the government and regulators. Our attitude is always about positive and proactive engagement.

The Company will continue to focus its resources, strengths and strategies to strengthen its resilience and relevance in a rapidly changing world order, without deviating from its vision of becoming a truly global leader in offering Indian hospitality. Operating a best-in-class portfolio of hospitality brands replete with in Indian sensibilities, the Company will continue to deliver sustainable value for all its stakeholders.

The Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors which includes Code of Conduct for Independent Directors suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013 ('the Act') and the same is available on the Company's website at <a href="https://www.ihcltata.com/Code Of Conduct for NED.pdf">https://www.ihcltata.com/Code Of Conduct for NED.pdf</a>. The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, the Company's Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Insider Trading Code').

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable, with regard to corporate governance.

The Company's governance guidelines cover aspects mainly relating to composition and role of the Board, Chairman and Directors, Board diversity, and Committees of the Board. As per the Company's policy on retirement of Directors, the retirement age for Managing/ Executive Directors is 65 years, Non-Executive (Non-Independent) Directors is 70 years, and Non-Executive Independent Directors is 75 years.

The Company has also adopted Integrated Financial Reporting on a voluntary basis in keeping with global best practices.

#### II. BOARD OF DIRECTORS

The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At IHCL, the Board is the apex decision-making body and hence, fully responsible for the strategic growth and development of our business as well as defining our strategic priorities. Driven on the principles of ethics and accountability, the Board strives to work in best interest of the Company and its stakeholders. It provides strategic direction,



leadership and guidance to the Company's management as also monitors the performance of the Company with the objectives of creating long term value for the Company's stakeholders.

#### Size and Composition of the Board

Diversity is a key driver of quality, bringing a richness of experience, talent, competencies, as well as managerial expertise. For the Board, diversity encompasses difference in perspective, experience, education, background, ethnicity, gender and other personal attributes.

IHCL's Board represents a mix of Executive and Non-Executive (including Independent Directors), which is compliant with the Act and the SEBI Listing Regulations.

- As on March 31, 2021, the Company has eight Directors out of whom one is an Executive Director and seven are Non-Executive Directors. Of the seven Non-Executive Directors, four (i.e. > 50%) are Independent Directors of which two are Women Directors. The profiles of Directors can be found on https://www.ihcltata.com/investors/. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act and Rules framed thereunder.
- ii. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors of the Company serve as Independent Directors in more than seven listed companies. None of the Directors serving as a Whole-time Director/ Managing Director in any listed entity serves as an Independent Director of more than three listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors. None of the Directors are related to each other.

- Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.
- Six Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: April 22, 2020, June 10, 2020, August 6, 2020, September 10, 2020, November 4, 2020 and February 3, 2021. The necessary quorum was present for all the meetings.
- ٧. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ('AGM'), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies (excluding directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act) as on March 31, 2021 are given herein below. Further, none of them is a Member of more than ten committees or Chairperson of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee only have been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations.

# Corporate Governance Report

Name of the	Category	Number of Board Meetings	Whether attended last AGM	Numb Directorshi Public Co	ps in other	Number of Commi- positions held in of Public Companie	ther es Directorship in other listed entity
Director	catego. y	attended during FY 2020-21	held on July 27, 2020	Chairpersor	Member	Chairperson Mem	(Category of Directorship) ber
Mr. N. Chandrasekaran (Chairman) DIN: 00121863	Non-Independent, Non-Executive	6	Yes	6	-		1. Tata Steel Limited (Non-Independent, Non-Executive) 2. Tata Motors Limited (Non-Independent, Non-Executive) 3. Tata Consumer Products Limited (erstwhile Tata Global Beverages Limited) (Non-Independent, Non-Executive) 4. The Tata Power Company Limited (Non-Independent, Non-Executive) 5. Tata Consultancy Services Limited (Non-Independent, Non-Executive) 6. Tata Chemicals Limited (Non-Independent, Non-Executive)
Mr. Puneet Chhatwal (Managing Director and Chief Executive Officer) DIN: 07624616	Non-Independent, Executive	6	Yes	5	2	- 1	<ol> <li>Taj GVK Hotels and Resorts Limited (Non Independent, Non-Executive)</li> <li>Oriental Hotels Limited (Non Independent, Non-Executive)</li> <li>Benares Hotels Limited (Non-Independent, Non-Executive)</li> </ol>
Mr. Nasser Munjee DIN: 00010180	Independent, Non-Executive	6	Yes	2	5	1 3	1. Ambuja Cements Limited (Independent, Non-Executive) 2. Cummins India Limited (Independent, Non-Executive) 3. Housing Development Finance Corporation Limited (Independent, Non-Executive) 4. DCB Bank Limited (Non-Independent, Non-Executive)
Ms. Vibha Paul Rishi DIN: 05180796	Independent, Non-Executive	6	Yes	-	7	1 6	1. Escorts Limited (Independent, Non-Executive) 2. Tata Chemicals Limited (Independent, Non-Executive) 3. ICICI Prudential Life Insurance Company Limited (Independent, Non-Executive) 4. Asian Paints Limited (Independent, Non-Executive)
Ms. Hema Ravichandar DIN: 00032929	Independent, Non-Executive	6	Yes	-	2	1 3	Marico Limited     (Independent, Non-Executive)     Bosch Limited     (Independent, Non-Executive)
Mr. Venkataramanan Anantharaman DIN: 01223191	Independent, Non-Executive	6	Yes	-	1	1 1	-
Mr. Venu Srinivasan DIN: 00051523	Non-Independent, Non-Executive	5	Yes	4	1	- 1	TVS Motor Company Limited     (Managing Director)     Sundaram-Clayton Limited     (Managing Director)
Mr. Mehernosh Kapadia DIN: 00050530	Non-Independent, Non-Executive	6	Yes	1	3	- 1	-



- During FY 2020-21, information as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the Board for its consideration.
- vii. During FY 2020-21, one meeting of the Independent Directors was held on March 16, 2021. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors. They also assessed the quality, quantity, timeliness and adequacy of information between the Company's management and the Board.
- viii. The Board periodically reviews the compliance reports of all laws applicable to the Company.
- Details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:

Name	Category	Number of Equity shares
Mr. N. Chandrasekaran	Non-Executive Non-Independent Director	1,00,000
Mr. Mehernosh Kapadia	Non-Executive Non-Independent Director	63,480

The Company has not issued any convertible instruments.

#### Key Skills, Expertise and Competencies of the Board

The Board comprises qualified Members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. These Directors are nominated based on well-defined selection criteria. The Nomination and Remuneration Committee ('NRC') considers, inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors have, based on the recommendations of the NRC, identified the following core key skills/expertise/ competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:

Name and Category of the Director	Finance	Strategy/ Business Leadership	Digital and Information Technology	Governance/ Regulatory and Risk	Sales & Marketing	Human Resources	Hospitality
Mr. N. Chandrasekaran (Chairman of the Board)	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	-
Mr. Puneet Chhatwal	✓	$\checkmark$	-	-	$\checkmark$	-	✓
Mr. Nasser Munjee	✓	$\checkmark$	-	✓	-	✓	-
Ms. Vibha Paul Rishi	✓	$\checkmark$	-	✓	$\checkmark$	$\checkmark$	-
Ms. Hema Ravichandar	-	$\checkmark$	-	✓	-	$\checkmark$	-
Mr. Venkataramanan Anantharaman	✓	✓	-	$\checkmark$	-	✓	-
Mr. Mehernosh Kapadia	-	✓	-	✓	$\checkmark$	-	$\checkmark$
Mr. Venu Srinivasan	✓	$\checkmark$	$\checkmark$	-	$\checkmark$	✓	-

### III. COMMITTEES OF THE BOARD

(i) The Board Committees are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective committee's report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the committees are submitted to the Board for approval. During the year under review, all recommendations of the committees were approved by the Board. The minutes of the meetings of all committees of the Board are placed before the Board for noting.

There are five Board Committees as on March 31, 2021, details of which are as follows:

Name of the	Extract of Terms of Reference	Category and Composition		Other Details	
Committee	Extract of ferms of Reference	Category and Comp	usition	Other Details	
Audit	Committee is constituted in line with the	Name	Category	<ul> <li>Seven meetings of the Audit</li> </ul>	
Committee  provisions of Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act.  Oversight of the financial reporting process.  Reviewing with the management, the annual financial statements and auditor report thereon before submission to the Board for approval.  Evaluation of the internal financial controls and risk management systems  Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.  Approve policies in relation to the implementation of the Insider Trading Code and to supervise the implementation of the same.  To consider matters with respect to the Tata Code of Conduct, Anti-bribery and Anti-Corruption Policy and Gifts Policy.	Listing Regulations and Section 177 of the Act.  Oversight of the financial reporting process.	Mr. Nasser Independent Munjee Non-Executive (Chairperson)		Committee were held during the year under review and the gap between two meetings did not	
		Ms. Hema Ravichandar	Independent Non-Executive	exceed one hundred and twenty days.  • Committee invites such of	
	Mr. Venkataramanan Anantharaman	Independent Non-Executive	the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.		
	<ul> <li>Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.</li> <li>Approve policies in relation to the implementation of the Insider Trading Code and to supervise the implementation of the same.</li> <li>To consider matters with respect to the Tata Code of Conduct, Anti-bribery and</li> </ul>	Ms. Vibha Paul Rishi	Independent Non-Executive	<ul> <li>The Company Secretary acts as the Secretary to the Audit Committee.</li> <li>Mr. Giridhar Sanjeevi, Executive Vice President and Chief Financial Officer, is the Compliance Officer, to ensure compliance and effective implementation of the Insider Trading Code.</li> <li>Quarterly Reports are placed before the Committee Meetings relating to the Insider Trading Code.</li> </ul>	
				<ul> <li>Mr. Nasser Munjee, Chairperson of the Audit Committee, had attended the previous AGM of the Company which was held on July 27, 2020.</li> </ul>	



Name of the Committee	Extract of Terms of Reference	Category and Comp	osition	Other Details
Nomination & Remuneration Committee		Name Hema Ravichandar (Chairperson)	Category Independent, Non-Executive	<ul> <li>Three Nomination and Remuneration Committee ('NRC') Meetings were held during the year under review.</li> <li>The Company does not have any Employee Stock Option Scheme.</li> </ul>
		Mr. N. Chandrasekaran  Mr. Venkataramanan Anantharaman	Non- Independent, Non-Executive Independent, Non-Executive	<ul> <li>Details of Performance Evaluation Criteria and Remuneration Policy are provided below.</li> <li>Ms. Hema Ravichandar, Chairperson of the NRC, had attended the previous AGM of the Company which was held on July 27, 2020.</li> </ul>
Stakeholders' Relationship Committee	Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.  The broad terms of reference are as under:  Consider and resolve the grievance of security holders.  Consider and approve issue of share certificates, transfer and transmission of securities, etc.	Mame Ms. Vibha Paul Rishi (Chairperson) Mr. Puneet Chhatwal Mr. Mehernosh Kapadia	Category Independent, Non-Executive Managing Director & CEO Non- Independent, Non-Executive	<ul> <li>Two meetings of the Stakeholders' Relationship Committee ('SRC') were held during the year under review.</li> <li>Details of Investor complaints and Compliance Officer are provided below in the Report.</li> <li>Ms. Vibha Paul Rishi, Chairperson of the SRC, had attended the previous AGM of the Company which was held on July 27, 2020</li> </ul>
Corporate Social Responsibility (CSR) and Sustainability Committee	<ul> <li>Committee is constituted in line with the provisions of Section 135 of the Act.</li> <li>Formulate and recommend to the Board, a CSR Policy which shall contain guiding principles for selection, implementation and monitoring of CSR activities.</li> <li>Formulating and recommending to the Board, an Annual Action Plan for the Company and having an oversight on its implementation</li> <li>Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.</li> <li>Monitor the CSR and Sustainability Policy.</li> <li>Review activities with regard to the Health, Safety and Sustainability initiatives of the Company.</li> </ul>	Mr. Puneet Chhatwal (Chairperson) Mr. Nasser Munjee Ms. Hema Ravichandar	Category Managing Director & CEO Independent, Non-Executive Independent, Non-Executive	<ul> <li>Two meetings of the CSR and Sustainability Committee were held during the year under review.</li> <li>The CSR Policy and the Sustainability Policy are available on the Company's website at <a href="https://www.ihcltata.com/CSR">https://www.ihcltata.com/CSR</a> Policy.</li> <li>pdf and <a href="https://www.ihcltata.com/Sustainability">https://www.ihcltata.com/Sustainability</a> Policy.pdf respectively.</li> </ul>

Name of the Committee	Extract of Terms of Reference	Category and Comp	osition	Other Details
Risk Management Committee	Committee is constituted in line with the provisions of Regulation 21 of the SEBI Listing Regulations.  Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management  Review and approve the Enterprise Risk Management (ERM) framework  Review the Company's risk appetite and strategy relating to key risks, including market risk, cyber security risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks	Mame  Mr. Nasser Munjee (Chairperson)  Mr. Venkataramanan Anantharaman  Ms. Vibha Paul Rishi	Category Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive	Two meetings of the Risk     Management Committee were held     during the year under review.

The terms of reference of these committees are available on the website <a href="https://www.ihcltata.com/investors">https://www.ihcltata.com/investors</a>.

# (ii) Stakeholders' Relationship Committee – other details

# a. Name, designation and address of Compliance Officer:

Mr. Beejal Desai
Senior Vice President – Corporate Affairs &
Company Secretary (Group)
The Indian Hotels Company Limited
6<sup>th</sup> Floor, Express Towers,
Barrister Rajni Patel Marg,
Nariman Point, Mumbai 400 021
Telephone: +91 22 6137 1602

# b. Details of Investor Complaints received and redressed during FY 2020-21 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	26	26	0

# (iii) Nomination and Remuneration Committee - other details

# Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and

maintenance of confidentiality and independence of behavior and judgement.

### **Remuneration Policy:**

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the Hospitality industry.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members and are effective April 1, each year.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission payable to the Managing Director and the Executive Directors out of the profits for the Financial Year and within the ceilings prescribed under the Act and after seeking relevant approvals, based on the Board evaluation process considering the criteria such



as the performance of the Company as well as that of the Managing Director and each Executive Director. In case of loss or where the net profits of the Company are inadequate for payment of profit-linked commission in any financial year, an incentive remuneration, not exceeding 200% of the basic salary, may be paid at the discretion of the Board.

The Company pays sitting fees of ₹ 30,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. The Company also pays commission to the Non-Executive Directors within the ceiling of one percent of the net profits of the Company as computed under the applicable provisions of the Act, with the approval of the Members. The said commission is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and distributed amongst the Non-Executive Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-ofpocket expense incurred by the Directors for attending the meetings. The Remuneration policy is available on https://www.ihcltata.com/Remuneration Policy KMP Directors Employees.pdf.

Recently, the Ministry of Corporate Affairs has notified the amendments to Sections 149(9) and 197(3) of the Act by the Companies (Amendment) Act, 2020 to enable companies faced with no profits / inadequate profits to pay certain fixed remuneration to their Non-Executive Directors and Independent Directors, in accordance with the provisions of Schedule V of the Act.

In view of the valuable services being rendered by the said Directors to the Company, as recommended by the NRC, the Board of Directors at their meeting held on April 30, 2021 approved payment of remuneration to the Non-Executive Directors and Independent Directors of the Company in accordance with the limits provided under Schedule V of the Act in case of no profits / inadequate profits for a period of three Financial Years commencing April 1, 2020 to be distributable in accordance with the directions given by the Board of Directors and shall be in addition to the fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

The resolution approving the above proposal is being placed for approval of the Members in the Notice for this AGM.

### Details of the Remuneration for the year ended March 31, 2021:

### **Non-Executive Directors:**

(₹ Lakhs)

		, ,
Name	Remuneration for FY 2020-21*	Sitting Fees
Mr. N Chandrasekaran** (Chairman)	-	2.70
Mr. Nasser Munjee	35.00	5.40
Ms. Hema Ravichandar	35.00	5.70
Mr. Venkataramanan Anantharaman	30.00	5.70
Ms. Vibha Paul Rishi	30.00	5.40
Mr. Mehernosh Kapadia	30.00	2.40
Mr. Venu Srinivasan	30.00	1.50
Total	190.00	28.80

<sup>\*</sup>Payment for FY 2020-21 in FY 2021-22, post shareholder's approval

### **Managing Director and Executive Director**

Name of Director	Salary	Benefits, Perquisites and Allowances	Performance Linked Incentive	Commission	Incentive Remuneration*	ESPS	Total
Mr. Puneet Chhatwal Managing Director and Chief Executive Officer (w.e.f. November 6, 2017 for a period of five years)	162.00	236.70	-	-	324.00	-	722.7

<sup>\*</sup>Incentive Remuneration for FY 2020-21 as part of minimum remuneration recommended by NRC (subject to members' approval) but not paid

<sup>\*\*</sup>As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving remuneration from the Company

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

Services of the Managing Director may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance pay.

### IV. Number of Committee Meetings Held and Attendance Records

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility and Sustainability Committee	Risk Management Committee
No. of meetings held	7	3	2	2	2
Date of meetings	April 22, 2020, June 10, 2020, August 6, 2020, October 20, 2020, November 4, 2020, February 3, 2021, March 16, 2021.	June 10, 2020, November 4, 2020, March 16, 2021.	November 4, 2020, February 3, 2021.	June 10, 2020, August 6, 2020.	May 26, 2020, March 16, 2021
	No. of Meeti	ngs Attended			
Mr. N. Chandrasekaran	NA	3	NA	NA	NA
Mr. Puneet Chhatwal	NA	NA	2	2	NA
Mr. Nasser Munjee	7	NA	NA	2	2
Ms. Vibha Paul Rishi	7	NA	2	NA	2
Ms. Hema Ravichandar	7	3	NA	2	NA
Mr. Venkataramanan Anantharaman	7	3	NA	NA	2
Mr. Mehernosh Kapadia	NA	NA	2	NA	NA
Whether quorum was present for all the meetings	The necessary quorum was presen	t for all the above	e Committee Mee	tings	

### V. Policies, Affirmations and Disclosures

Particulars	Regulations	Details	Website link for details/policy
Related party transactions	Regulation 23 of the SEBI Listing Regulations and as defined under the Act	There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the Financial Year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.  The Board has received disclosures from senior management relating to material, financial and commercial transactions 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.	https://www.ihcltata. com/RPT.pdf
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or SEBI or any statutory authority on any matter related to capital markets during the last three financial years	Schedule V (C) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three Financial Years.	



Particulars	Regulations	Details	Website link for details/policy
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of the SEBI Listing Regulations	The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	https://www.ihcltata.com/ Whistle_Blower_Policy.pdf
Subsidiary Companies	Regulation 24 of the SEBI Listing Regulations	The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.  The Company has six material unlisted subsidiary companies:	https://www.ihcltata.com/ Policy_for_Determining_ Material_Subsidairies.pdf
		Domestic: Piem Hotels Limited Skydeck Properties and Developers Private Limited ELEL Hotels and Investments Limited	
		Foreign: United Overseas Holdings Inc. St. James Court Hotel Limited IHOCO BV	
		As required under Regulation 24(1) of the SEBI Listing Regulations, Mr. Venkataramanan Anantharaman, Independent Director of IHCL has been appointed on the Board of IHOCO BV.	
		The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.	
Policy on Determination of Materiality for Disclosures	Regulation 30 of the SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures.	https://www.ihcltata.com/ Materiality-Policy.pdf
Policy on Archival and Preservation of Documents	Regulation 9 of the SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents.	https://www.ihcltata. com/Archival-Policy.pdf and https://www.ihcltata. com/preservation_of_ documents.pdf
Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC / FITTC/ Cir- 16/2002 dated December 31, 2002.	A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.	https://www.ihcltata. com/Reconciliation_ Sharecapital_AuditReport. pdf

Particulars	Regulations	Details	Website link for details/policy
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2021. The Annual Report of the Company contains a certificate by the Managing Director and Chief Executive Officer, on the compliance declarations received from the Members of the Board and Senior Management.	https://www.ihcltata. com/Code_of_Corporate_ Disclosure_Practices.pdf
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	The Company has adopted the Dividend Distribution Policy	https://www.ihcltata.com/ Dividend Distribution_ Policy.pdf
Terms of Appointment of Independent Directors	Regulation 46 of the SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/ re-appointment of Independent Directors are available on the Company's website.	https://www.ihcltata.com/ T&C of Appointment of ID.pdf
Familiarisation Programme	Regulations 25(7) and 46 of the SEBI Listing Regulations	Details of familiarisation programme imparted to the Directors are available on the Company's website.	https://www.ihcltata. com/Familiarization_ Programme for ID.pdf
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013		The details have been disclosed in the Business Responsibility Report as well as Board's Report forming part of the Annual Report	https://www.ihcltata. com/POSH_Policy.pdf

### **VI. OTHER DISCLOSURES**

### i. Remuneration to Statutory Auditors

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/ W-100022) have been appointed as the Statutory Auditors of the Company. As required under Regulation 34 read with Part C of the Schedule V of the SEBI Listing Regulations, the Total Fees paid by the Company and its Subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/ entity of which the statutory auditor is a part are as under:

			(₹ lakhs)
Particulars	By the Company	By the Subsidiaries	Total Amount
Services as statutory auditors (including quarterly audits)	282.00	67.96	349.96
Tax audit	48.00	6.00	54.00
Services for tax matters	-	-	-
SSAE16 and Other matters	11.10	208.13	219.23
Re-imbursement of out-of-pocket expenses	18.00	4.49	22.49
Total	359.10	286.58	645.68

# ii. Discretionary requirements under Schedule II Part E of the SEBI Listing Regulations:

### 1. Audit Report:

For FY 2020-21, the Auditors have expressed an unmodified opinion on the Financial Statements of the Company. The Company continues to adopt best practices to ensure a regime of unmodified Financial Statements.

### 2. Reporting of Internal Auditor:

The Internal Auditors of the Company report to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

# iii. Disclosure of accounting treatment in preparation of financial statements

The Company follows Indian Accounting Standards (Ind As) issued by the Ministry of Corporate Affairs in the preparation of its financial statements.



iv. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the **SEBI Listing Regulations** 

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

Directors and Officers Liability Insurance (D&O) as specified under Regulation 25(10) of the SEBI Listing **Regulations:** 

The Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors, Officers, Managers and Employees of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

vi. Disclosures of commodity price risks or foreign exchange risks and commodity hedging activities specified under Schedule V (C) 10(g) to the SEBI Listing **Regulations:** 

The Company does not deal in commodities and hence the disclosure pursuant to the same is not required to be given. The Company has a portfolio of foreign currency debt and derivatives in respect of which it faces exposure to fluctuations in currency. Net derivatives exposures are kept within overall limits approved by the Board.

The details of foreign exchange exposures as on March 31, 2021 are disclosed in Notes to the Financial Statements.

### vii. Plant / Hotel Locations:

The Company operates various hotels in India and Abroad, details of which are annexed at the end of this report

### VII. CERTIFICATIONS

In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director & CEO and the CFO have issued a certificate to the Board with regard to the propriety of the Financial Statements and other matters stated in the said regulation, for the FY 2020-21.

A certificate has been received from Practicing Company Secretary Neville Daroga & Associates, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities

and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this Report as Annexure I.

A compliance certificate on the requirements of Corporate Governance has been received from the Practising Company Secretary, which is annexed to this Report as Annexure II.

### **VIII. GENERAL BODY MEETINGS**

#### i. **General Meeting**

a. Annual General Meeting (AGM)

Financial Year	Date	Time	Venue
2018	July 19, 2018	3.00 p.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey
2019	June 20, 2019	•	Marg, New Marine lines, Mumbai – 400 020
2020	July 27, 2020		Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')

b. Extraordinary General Meeting:

No extraordinary general meeting of the Members was held during FY 2020-21.

- c. Special Resolution:
  - Special Resolution for Private Placement of Non-Convertible Debentures was passed at the AGM held on July 19, 2018.
  - No Special Resolution was passed at the AGM held on June 20, 2019.
  - Special Resolution for Re-appointment of Ms. Vibha Paul Rishi as an Independent Director of the Company was passed at the AGM held on July 27, 2020.

All the above Special Resolutions were passed with the requisite majority.

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

No postal ballot was conducted during FY 2020-21.

### Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

### IX. INVESTOR RELATIONS

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

#### Means of Communication:

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

**Financial Results:** Quarterly, Half-yearly and Annual results of the Company are published in leading English and vernacular newspapers viz. Financial Express and Loksatta. Additionally, the results and other important information are also periodically updated on the Company's website <a href="https://www.ihcltata.com/investors">https://www.ihcltata.com/investors</a>.

**Investors / Analyst Meets:** The Company hosts calls or meetings with institutional investors on request. Post the quarterly results, an analyst meet / call is organised which provides a platform for the Management to answer questions and provide clarifications to investors and analysts. The Company continues to interact with all types of funds and investors in order to have a diversified shareholder base both in terms of geographical location and investment horizon. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/ analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website on a regular basis. The Company also issues press releases from time to time.

**Website:** The Company's website is a comprehensive reference on its leadership, management, vision,

policies, corporate governance, sustainability and investor relations. There is a separate section on 'Investor Relations' where Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, statutory filings, Shareholding information, details of unclaimed dividend and shares transferred / liable to be transferred to IEPF, frequently asked questions, etc. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

Annual Report: The Annual Reports for FY 2020-21 are being sent to all members who had registered their email ids for the purpose of receiving documents / communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the Investor Relations section on the Company's website <a href="https://www.ihcltata.com/AGM/2021/AGM-FY2021/">https://www.ihcltata.com/AGM/2021/AGM-FY2021/</a>.

Electronic Communication: The Company had during FY 2020-21 sent various communications including Annual Reports, ECS intimation of dividend by email to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay.

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

**Web-based Query Redressal System:** Members may utilise the facility extended by Link Intime India Private Limited, the Registrar and Transfer Agent of the Company for redressal of queries, by visiting their website **www.linkintime.co.in**.



### General shareholder information

### **Annual General Meeting for Financial Year 2021**

Date: June 22, 2021 Time: 3.00 p.m.

Venue: The Company is conducting meeting through

Video Conferencing and Other Audio Visual Means pursuant to the MCA Circulars dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to

the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, details of Director seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

### **Tentative Financial Calendar for FY 2021-22**

Quarter ending 30<sup>th</sup> June, 2021 August 2021 Quarter ending 30<sup>th</sup> September, 2021 November 2021 Quarter ending 31st December, 2021 February 2022 Quarter ending 31st March, 2022 April 2022

### iii. Financial Calendar

Year ending: March 31, 2021 AGM: June 22, 2021

Dividend Payment: The dividend, if approved, shall

be paid/credited on or after

June 29, 2021

### Date of Book Closure: June 16, 2021 to June 22, 2021 (both days inclusive)

Record Date: June 15, 2021

### vi. Listing on Stock Exchanges:

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex Bandra (East),

Mumbai 400 051

BSE Limited

P. J. Towers, Dalal Street, Mumbai 400 001 ISIN: INE053A01029

### vii. Stock Codes/Symbol

**NSE: INDHOTEL EQ** BSE: 500850

Listing Fees as applicable have been paid.

### viii. Corporate Identity Number (CIN) of the Company:

L74999MH1902PLC000183

#### ix. **Market Price Data:**

High Low (based on daily closing price) and number of equity shares traded during each month in the year 2021 on NSE and BSE:

		BSE			NSE	
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
Apr/2020	85.00	69.05	2527428	85.00	69.00	60307103
May/2020	79.15	62.10	4792368	77.00	62.10	37947865
Jun/2020	96.80	79.00	7009474	96.50	79.00	77522493
Jul/2020	87.80	76.15	4010446	87.80	76.10	54056237
Aug/2020	112.35	76.25	7313387	112.50	76.35	136338767
Sep/2020	108.20	88.60	3524560	108.30	88.65	61100412
Oct/2020	102.75	93.00	10490818	102.90	93.00	72017429
Nov/2020	122.65	92.00	5960763	122.75	91.50	69579986
Dec/2020	139.00	112.50	4398180	139.25	113.20	65096950
Jan/2021	129.80	118.40	3649325	129.90	120.10	39922150
Feb/2021	133.00	117.50	4768362	133.00	118.00	57600972
Mar/2021	130.40	102.75	5663149	130.60	102.70	47608383

### Performance of the share price of the Company in comparison to the BSE Sensex:

Month	IHCL NSE Share price - NSE	NSE Nifty	IHCL BSE Share price - BSE	BSE Sensex
Apr'20	77.00	8972.43	77.03	30694.02
May'20	69.55	9202.80	70.63	31406.97
Jun'20	87.75	10048.75	87.90	34027.33
Jul'20	81.95	10820.50	81.98	36772.12
Aug'20	94.43	11338.25	94.30	38460.70
Sep'20	98.48	11204.15	98.40	37576.67
Oct'20	97.95	11686.25	97.88	39729.13
Nov'20	107.13	12351.63	107.33	42080.15
Dec'20	126.23	13493.83	125.75	46007.54
Jan'21	125.00	14175.15	124.10	48172.24
Feb'21	125.50	14546.75	125.25	49475.21
Mar'21	116.65	14800.35	116.58	50029.10

### i. Registrars and Transfer Agents

Name and Address: Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg, Vikhroli West Maharashtra

Mumbai 400083

Telephone: 022 4918 6270 Fax: 022 4918 6060

E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

Website: <u>www.linkintime.co.in</u>

### ii. Place for acceptance of Documents: Documents will be accepted at the above address between 10.00 a.m. and 3.30 p.m. (Monday to Friday except bank holidays).

### iii. Share Transfer System:

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

### iv. Shareholding as on March 31, 2021:

a. Distribution of equity shareholding as on March 31, 2021:

Number of shares	Holding	Percentage to capital	Number of accounts	Percentage to total accounts
1 - 100	4736201	0.40	119464	54.25
101 - 500	14981226	1.26	57880	26.29
501 - 1000	13316636	1.12	17138	7.78
1001 - 5000	43823558	3.68	19607	8.90
5001 - 10000	24418003	2.05	3410	1.55
10001 - 20000	22219451	1.87	1600	0.73
20001 - 30000	10581413	0.89	430	0.20
30001 - 40000	5599088	0.47	161	0.07
40001- 50000	4057947	0.34	89	0.04
50001 -100000	10329752	0.87	150	0.07
100001 - above	1035195170	87.05	264	0.12
GRAND TOTAL	1189258445	100	220193	100



### Categories of equity shareholding as on March 31, 2021

Category	Number of equity shares held	Percentage of holding
Promoters	453005131	38.09
Other Entities of the Promoter Group	31637119	2.66
Mutual Funds & UTI	234288148	19.7
Banks, Financial Institutions, States and Central Government	21325536	1.8
Insurance Companies	90713253	7.63
Foreign Institutional Investors and Foreign Portfolio Investors – Corporate	146252665	12.3
NRI's / OCB's / Foreign Nationals	8048392	0.68
Corporate Bodies / Trust	12999403	1.09
Indian Public & Others	188299233	15.83
Alternate Investment Fund	494039	0.04
IEPF account	2195526	0.18
GRAND TOTAL	1189258445	100

#### Top ten equity shareholder of the Company as on March 31, 2021: c.

Sr. No.	Name of the Shareholder	Total Number of Equity Shares	Total Shareholding as % of total number of equity shares
1	Tata Sons Private Limited	453005131	38.09
2	Nippon Life India Trustee Ltd-A/C Nippon India Multi Cap Fund	51634325	4.3417
3	HDFC Trustee Company Ltd - A/C HDFC Mid - Cap Opportunities Fund	48309366	4.0621
4	ICICI Prudential Life Insurance Company Limited	40949079	3.4432
5	SBI Magnum Multicap Fund	37890173	3.1860
6	Amansa Holdings Private Limited	30745648	2.5853
7	ICICI Prudential Midcap Fund	27645885	2.3246
8	Franklin India Prima Fund	26823087	2.2554
9	HDFC Life Insurance Company Limited	21869091	1.8389
10	Life Insurance Corporation Of India	21190914	1.7819

### **Dematerialisation of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 99.15% of the Company's equity share capital are dematerialised as on March 31, 2021. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE053A01029.

### vi. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity: The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on

March 31, 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

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

		Date of	Outstanding	ISIN No.		Credit Rating#	
Description of Instruments	Date of Allotment	Redemption	Dehentures &		Listed on	CARE	ICRA
9.95% (250 Crores) Secured Non-convertible Redeemable Debentures	27 <sup>th</sup> July, 2011	27 <sup>th</sup> July, 2021	2,500 ₹ 250,00,00,000	INE053A07166	NSE	AA	AA
10.10% (300 Crores) Secured Non-convertible Redeemable Debentures	18 <sup>th</sup> Nov, 2011	18 <sup>th</sup> Nov, 2021	3,000 ₹ 300,00,00,000	INE053A07174	NSE	AA	AA
7.85% (495 Crores) Secured Non-convertible Redeemable Debentures	20 <sup>th</sup> Jan, 2017	15 <sup>th</sup> Apr, 2022	4,950 ₹ 495,00,00,000	INE053A07182	NSE	AA	-
7.50% (150 Crores) Unsecured Non-convertible Redeemable Debentures	23 <sup>rd</sup> Apr, 2020	23 <sup>rd</sup> Apr, 2023	1,500 ₹ 150,00,00,000	INE053A08107	NSE	AA	-
7.95% (300 Crores) Unsecured Non-convertible Redeemable Debentures	5 <sup>th</sup> June, 2020	5 <sup>th</sup> June, 2023	3,000 ₹ 300,00,00,000	INE053A08115	NSE	AA	-

<sup>\*</sup>Detailed information on the above debentures is included in the 'Notes to Accounts'

Details of Debenture Trustees are given below:

### **Centbank Financial Services Limited**

Debenture Trustee Section Merchant Banking Department Central Bank Building, 3rd floor, M.G. Road, Fort, Mumbai – 400023 Email ID: <a href="mailto:yashda.waghmare@cfsl.in">yashda.waghmare@cfsl.in</a>; hv.kamdar@cfsl.in; pradeep.daiya@cfsl.in"

### **Axis Trustee Services Limited**

Debenture Trustee Section The Ruby, 2<sup>nd</sup> Floor (SW), 29, Senapati Bapat Marg, Dadar West, Mumbai - 400 028. Email ID: debenturetrustee@axistrustee.in; response@axistrustee.com

### vii. Equity Shares in the Suspense Account:

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

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2020	-	-
Shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Shareholders to whom shares were transferred from the suspense account during the year	-	-
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	NIL	NIL

The voting rights on the shares outstanding in the suspense account as on March 31, 2021 shall remain frozen till the rightful owner of such shares claims the shares.

<sup>#</sup>The credit ratings obtained by the Company as per Regulation 34 read with Part C of the Schedule V of the SEBI Listing Regulations have been revised by CARE during the year under review



### viii. Transfer of Unclaimed/Unpaid Amounts to the **Investor Education and Protection Fund:**

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

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website https://www.ihcltata.com/investors

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

The details of unclaimed dividends and shares transferred to IEPF during the FY 2020-21 are as follows:

Financial Year	Amount of unclaimed dividend transferred (₹ Lakhs)	Number of shares transferred
2012-13	3175741	351235

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

The following table gives information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

### For shareholders of The Indian Hotels Company Limited:

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2015-16	August 26, 2016	September 22, 2023
2016-17	August 21, 2017	September 18, 2024
2017-18	July 19, 2018	August 18, 2025
2018-19	June 20, 2019	July 27, 2026
2019-20	July 27, 2020	September 2, 2027

### Address for Correspondence

### The Indian Hotels Company Limited

Mandlik House, Mandlik Road Mumbai 400 001

Tel: 022-66395515

Designated e-mail address for Investor Services:

investorrelations@tajhotels.com For gueries on IEPF related matters:

iepf.assist@ihcltata.com

# DECLARATION BY THE MANAGING DIRECTOR & CEO ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Puneet Chhatwal, Managing Director & CEO of the Company hereby declare that all the Members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the Financial Year ended March 31, 2021.

For The Indian Hotels Company Limited

**Puneet Chhatwal** 

Managing Director and CEO DIN: 07624616

Mumbai, April 28, 2021



### Annexure I

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To. The Members The Indian Hotels Company Limited Mandlik House. Mandlik Road, Mumbai - 400 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Indian Hotels Company Limited having CIN L74999MH1902PLC000183 and having registered office at Mandlik House, Mandlik Road, Mumbai – 400 001 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. N Chandrasekaran	00121863	27/01/2017
2.	Mr. Nasser Munjee	00010180	05/08/2019
3.	Ms. Vibha Paul Rishi	05180796	10/09/2019
4.	Ms. Hema Ravichandar	00032929	05/08/2019
5.	Mr. Venkataramanan Anantharaman	01223191	05/08/2019
6.	Mr. Venu Srinivasan	00051523	10/08/2018
7.	Mr. Mehernosh Kapadia	00050530	10/08/2018
8.	Mr. Puneet Chhatwal	07624616	06/11/2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

M/s Neville Daroga & Associates

ACS No. 8663

C.P. No. 3823

Mumbai, April 28, 2021

### .

## Annexure II

### PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
The Indian Hotels Company Limited

We have examined the compliance of the conditions of Corporate Governance by The Indian Hotels Company Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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 Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

M/s Neville Daroga & Associates

ACS No. 8663

Mumbai, April 28, 2021 C.P. No. 3823



# Company-wise list of Hotels/Units

as at 10<sup>th</sup> May, 2021

Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms
The Indian Hotels Company Limited		Subsidiary Companies		Joint Venture Companies	
The Taj Mahal Palace & Tower, Mumbai	543	Roots Corporation Limited		Taj GVK Hotels & Resorts Limited	
Taj Lands End, Mumbai	493	Ginger Hotel - Agartala	94	Taj Krishna, Hyderabad	260
Taj Wellington Mews, Mumbai	78	Ginger Hotel - Ahmedabad (Drive-in	93	Vivanta Hyderabad, Begumpet	181
Taj Mahal Hotel, New Delhi	292	Road)		Taj Banjara, Hyderabad	122
Taj Palace, New Delhi	403	Ginger Hotel - Bangalore (Inner Ring	87	Taj Deccan, Hyderabad	151
Taj Bengal, Kolkata	229	Road)		Taj Club House, Chennai	220
Taj West End, Bengaluru	117	Ginger Hotel – Bhubaneshwar	160	Taj Chandigarh, Chandigarh	149
Taj Lake Palace, Udaipur	83	Ginger Hotel - Chennai (Vadapalani)	79		
Taj Falaknuma Palace, Hyderabad	60	Ginger Hotel - Chennai (IITM)	81	Taj Kerala Hotels & Resorts Limited	
Taj Exotica Resort & Spa, Goa	140	Ginger Hotel – Faridabad	91	Taj Kumarakom Resort & Spa, Kerala	28
Vivanta Aurangabad, Maharashtra	63	Ginger Hotel – Goa, Panaji	111	The Gateway Hotel Marine Drive	108
Taj Connemara, Chennai	147	Ginger Hotel – Guwahati	70	Ernakulam	200
Vivanta New Delhi, Dwarka	250	Ginger Hotel – Indore	95	Gateway Varkala - IHCL SeleQtions	30
Taj Fort Aguada Resort & Spa, Goa	143	Ginger Hotel – Jaipur	103	·	
Taj Holiday Village Resort & Spa, Goa	142	Ginger Hotel – Jamshedpur	94	Kaveri Retreats and Resorts Limited	
Taj Hari Mahal, Jodhpur	93	Ginger Hotel – Mangalore	79	Taj Madikeri Resort & Spa, Coorg	63
Vivanta Bengaluru, Whitefield	199	Ginger Hotel - Mumbai, Andheri MIDC	116	,	
Taj Yeshwantpur, Bengaluru	327	Ginger Hotel – Mysore	98	Taj Karnataka Hotels & Resorts	
Jai Mahal Palace, Jaipur	100	Ginger Hotel – Nashik	92	Limited	
Taj Usha Kiran Palace, Gwalior	40	Ginger Hotel - Delhi (Rail Yatri Niwas)	115	Gateway Chikmagalur - IHCL SeleQtions	29
Vivanta Guwahati	150	Ginger Hotel - East Delhi (Vivek Vihar)	81		
Vivanta Bengaluru, Residency Road	98	Ginger Hotel – Noida Sector 63	83		
The Gateway Hotel Beach Road Calicut	74	Ginger Hotel – Pantnagar	98	Taj Safaris Limited	
Savoy, Ooty - IHCL SeleQtions	40	Ginger Hotel - Pune (Wakad)	128	Mahua Kothi, A Taj Safari, Bandhavgarh	12
Taj Exotica Resort & Spa, Andamans	72	Ginger Hotel - Pune (Pimpri)	97	National Park	12
Taj Fateh Prakash Palace	65	Ginger Hotel – Surat	98	Banjaar Tola, A Taj Safari, Kanha National	18
The Connaught, New Delhi – IHCL	104	Ginger Hotel – Thane	46	Park	
SeleQtions		Ginger Hotel – Thiruvananthapuram	101	Pashan Garh, A Taj Safari, Panna National	12
		Ginger Hotel – Vadodara	99	Park	
Managed Properties		Ginger TCS Cochin	38	Baghvan, A Taj Safari, Pench National	12
Taj Santacruz, Mumbai	279	Ginger TCS Nivant (Pune)	92	Park	
Umaid Bhawan Palace, Jodhpur	70	Ginger TCS Siruseri	94		
Rambagh Palace, Jaipur	78	Ginger Hotel – Noida Sector 63 (New)	96	Managed Properties - Safaris	
Taj Bangalore, Bengaluru	154	Ginger Hotel – Vapi	90	Meghauli Serai, A Taj Safari, Chitwan	29
Taj Bekal Resort & Spa, Kerala	75	Ginger Hotel – Mumbai, Andheri East	142	National Park	
Vivanta Dal View, Srinagar	84	Ginger Hotel - Lucknow	72		
Taj City Centre, Gurugram	208	Ginger Hotel - Aurangabad	63	Taj SATS Air Catering Limited	
Taj Green Cove Resort & Spa, Kovalam	59	Ginger Hotel - Sanand	104	Amritsar	-
Vivanta Goa, Panaji	172	Ginger Hotel - Madgaon, Goa	39	Bangalore	-
Vivanta Sawai Madhopur Lodge	36	Ginger Hotel - Patna	70	Delhi	-
Vivanta Surajkund, NCR	286	Ginger Hotel - Kalinganagar	93	Goa	-
Vivanta Vadodara	88	Ginger TCS - BKC	30	Kolkata	-
The Gateway Resort Damdama Lake Gurgaon	78	Ginger Tata Steel - Jamshedpur	32	Mumbai	-
Vivanta Kolkata EM Bypass	197	Managed Properties - Ginger		Taj Madras Flight Kitchen	
The Gateway Hotel Gir Forest Junagadh	28	Ginger Hotel - Manesar	92	Chennai	_
Vivanta Pune, Hinjawadi	150	Ginger Hotel - Katra, Jammu	80	Chemiu	-
Vivanta Chennai, IT Expressway	200	Ginger Hotel – Tirupur	91	TAL Maldives Resorts Private Limited	
The Gateway Hotel M G Road	108	Ginger Hotel – Vizag	57		C A
Vijayawada		Ginger Hotel - Ahmedabad, Satellite	36	Taj Exotica Resort & Spa, Maldives Taj Coral Resort & Spa, Maldives	64 62

Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms
Managed Properties		Subsidiary Companies		Associate Companies	
The Gateway Hotel Ramgarh Lodge Jaipur	14	Managed Properties - Ginger		Oriental Hotels Limited	
Pratap Mahal, Ajmer - IHCL SeleQtions	88	Ginger Hotel - Ahmedabad, S.G. Road	44	Taj Coromandel, Chennai	212
Taj Corbett Resort & Spa, Uttarakhand	61	Ginger Hotel - Gurugram	77	Taj Fisherman's Cove Resort & Spa,	149
The Gateway Hotel Beach Road	95	Ginger Hotel - Goa, Dona Paula	24	Chennai	
Visakhapatnam		Ginger Hotel - Vadodara (RCR)	41	Taj Malabar Resort & Spa, Kochi	95
Vivanta Katra	77	Ginger Hotel - Dwarka	98	Vivanta Coimbatore	178
Taj Aravali Resort & Spa, Udaipur	176	Ginger Hotel - Surat City Centre	98	Gateway, Coonoor - IHCL SeleQtions	32
Taj Theog Resort & Spa, Shimla	83	Ginger Hotel - Bangalore (Whitefield)	101	The Gateway Hotel Old Port Road	96
Taj Rishikesh Resort & Spa, Uttarakhand	79	Ginger Hotel – Puducherry	94	Mangalore	
Cidade De Goa - IHCL SeleQtions	207	Ginger Hotel - Visakhapatnam, Gajuwaka	57	The Gateway Hotel Pasumalai Madurai	63
Devi Ratn, Jaipur – IHCL SeleQtions	62				
Sawai Man Mahal, Jaipur	0	Benaras Hotels Limited		TAL Lanka Hotels PLC	
Taj Hotel & Convention Centre, Agra	239	Taj Nadesar Palace, Varanasi	14	Taj Samudra, Colombo	300
Taj Tirupati	62	Taj Ganges, Varanasi	130		
Taj Hotel & Convention Centre, Goa	299	The Gateway Hotel Balaghat Road	34	Lanka Island Resorts Limited	
Taj Skyline Ahmedabad	170	Gondia		Taj Bentota Resort & Spa, Sri Lanka	160
Taj Chia Kutir Resort & Spa Darjeeling	72				
Vivanta Thiruvananthapuram	108	United Overseas Holding, Inc.			
Taj Dubai	296	The Pierre, A Taj Hotel, New York	189		
Taj Pamodzi, Lusaka	192	Taj Campton Place, San Francisco	110		
Taj Tashi, Bhutan	66				
Vivanta Langkawi, Rebak Island	94	St James Court Hotels Limited			
Vivanta Colombo, Airport Garden	208	Taj 51 Buckingham Gate Suites and	86		
Vivanta Kathmandu	110	Residences, London			
Taj Jumeirah Lakes Towers	200	St. James' Court, A Taj Hotel, London	329		
Subsidiary Companies		Good Hope Palace Hotels			
Piem Hotels Limited		Proprietary Limited			
President, Mumbai - IHCL SeleQtions	287	Taj Cape Town, South Africa	159		
Blue Diamond, Pune - IHCL SeleQtions	110				
Taj Mahal, Lucknow	110	Taj International Hotels Limited			
Taj M G Road, Bengaluru	165	Bombay Brasserie	-		
The Gateway Hotel Ambad Nashik	148	Quilon	-		
Tajview, Agra - IHCL SeleQtions	95				
Taj Swarna, Amritsar	157				
United Hotels Limited					
Ambassador, New Delhi - IHCL	88				

## **Business Responsibility Report 2020-21**

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

### Section A: General Information about the Company

- 1. Corporate Identity Number (CIN) of the company: L74999MH1902PLC000183
- Name of the Company: The Indian Hotels Company Limited (IHCL)
- Registered address: Mandlik House, Mandlik Road, Mumbai- 400001
- 4. Website: https://www.ihcltata.com/
- 5. E-mail id: investorrelations@tajhotels.com
- 6. Financial Year reported: April 1, 2020 March 31, 2021
- Sector(s) that the Company is engaged in (industrial activity code-wise):

Group	Description			
551	Short Term Accommodation activities			
561	Restaurants and mobile food service activities			

- 8. List three key products / services that the company manufactures / provides (as in balance sheet):
  - 1. Rooms
  - 2. Food and beverage services
- 9. Total number of locations where business activity is undertaken by the Company:

### Including Ginger and amã

Number of International Locations: 13

Number of National Locations: 78

### **Excluding Ginger and amã**

Number of International Locations: 13

Number of National Locations: 55

Markets served by the Company - Local / State / National / International:

### International:

US: New York, San Francisco

UK: London

United Arab Emirates (UAE): Dubai

South Africa: Cape Town

Zambia: Lusaka

Sri Lanka: Colombo, Bentota

Bhutan: Thimphu

Nepal: Chitwan, Kathmandu

Maldives

Malaysia: Langkawi

### **National:**

Agartala, Agra, Ahmedabad, Ajmer, Alleppey, Amritsar, Aurangabad, Bandhavgarh, Bangalore, Bekal, Betul, Bhubaneshwar, Calicut, Chandigarh, Chennai, Chikmagalur, Cochin, Coimbatore, Coonoor, Coorg, Corbett, Darjeeling, Dwarka, Ernakulam, Faridabad, Goa, Gondia, Gurgaon, Guwahati, Gwalior, Havelock, Hyderabad, Indore, Jaipur, Jamshedpur, Jodhpur, Junagadh, Kalinganagar, Kanha, Katra, Kolkata, Kovalam, Kumarakom, Lonavala, Lucknow, Madikeri, Madurai, Mangalore, Mumbai, Mysore, Nashik, New Delhi, Noida, Ooty, Panna, Pantnagar, Patna, Pench, Pondicherry, Pune, Ranthambore, Rishikesh, Sanand, Shimla, Srinagar, Surajkund, Surat, Thane, Tirupati, Tirupur, Trivandrum, Udaipur, Vadodara, Vapi, Varanasi, Varkala, Vijayawada, Vizag

# Section B: Financial Details of the Company as on March 31, 2021

		(₹ Crores)
Sr. No	Particulars	FY 20-21
1.	Paid up capital	118.93
2.	Total turnover	1243.67
3.	Total profit after taxes	(524.78)
4.	Total spending on Corporate Social Responsibility (CSR)	17.26

- List of activities in which expenditure in 4 above has been incurred:
  - (1) Employment enhancing vocational skills training
  - (2) Livelihood enhancement projects
  - (3) Preservation and promotion of heritage sites
  - (4) Covid-19 response

### Section C: Other Details

Does the Company have any Subsidiary company / companies?

Yes. The Company has 25 Subsidiaries, 7 Joint Ventures and 6 Associates as at March 31, 2021.

 Do the Subsidiary company / companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Yes. Major subsidiaries such as PIEM Hotels Limited, Benares Hotels Limited and joint ventures like Oriental Hotels Limited, United Hotels Limited and Taj SATS participate in company's Corporate Responsibility and Sustainability initiatives.

 Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

No

### Section D: BR Information

- 1. Details of Director / Directors responsible for BR:
- a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

The Corporate Social Responsibility and Sustainability Committee of the Board of Directors is responsible for implementation of BR policies. The Members of the CSR Committee are as follows:

DIN Number	Name	Designation
07624616	Mr. Puneet Chhatwal	Managing Director & Chief Executive Officer
00010180	Mr. Nasser Munjee	Independent Director
00032929	Ms. Hema Ravichandar	Independent Director

### b) Details of the BR head:

Sr. No	Particulars	Details
1.	DIN Number	Not Applicable
	(if applicable)	
2.	Name:	Gaurav Pokhriyal
3.	Designation:	Senior Vice President –
		Global Head Human Resources
4.	Telephone Number	022-61371931
5.	Email	gaurav.pokhriyal@ihcltata.com

Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs are based on nine principles in the realm of Business Responsibility. These are as under:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- **P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- **P3** Businesses should promote the well-being of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- **P5** Businesses should respect and promote human rights.
- **P6** Businesses should respect, protect, and make efforts to restore the environment.
- **P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- **P8** Businesses should support inclusive growth and equitable development.
- **P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner.



### **Business Responsibility Report**

### Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

Sr. No	Particulars	P1	P2	Р3	P4	P5	P6	P7	P8	Р9
1.	Do you have a policy / policies for	Υ	Υ	Υ	Υ	Υ	Υ	N	Υ	Υ
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Υ	Υ	Υ	Υ	Υ	Υ	N	Υ	Υ
3.	Does the policy conform to any national / international standards? If Yes, Specify (50 words)*	Y Industry benchmarks	Υ	Υ	Y UNGC & Industry Benchmarks	Υ	Y UNGC	N	Y UNGC & ITP	Υ
	Has the policy been approved by the Board?	Υ	Υ	Υ	Υ	Υ	Υ	N	Υ	Υ
4.	If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Υ	Υ	Υ	Υ	Υ	Υ	N	Υ	Υ
5.	Does the company have a specified committee of the Board/Director / Official to oversee the implementation of the policy?	Y	Y	Υ	Y	Y	Υ	N	Υ	Υ
6.	Indicate the link for the policy to be viewed online?	link -	attne : //s		above policies cltata.com/inv				heltata com	
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Υ Υ	Υ	Y	Y	Y	Y	N	Y	Υ
8.	Does the company have inhouse structure to implement the policy/policies?	Υ	Υ	Υ	Υ	Υ	Υ	N	Υ	Υ
9.	Does the company have a grievance Redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Υ	Υ	Υ	Y	Υ	N	Υ	Y
10.	Has the company carried out independent audit /evaluation of the working of this policy by an internal or external agency?	Y	Υ	Υ	Y	Υ	Y	N	Υ	Υ

### 2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Particulars	P1	P2	Р3	P4	P5	P6	P7	Р8	Р9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next six months									
5.	It is planned to be done within next one year									
6.	Any other reason (please specify)						t	he Company will plan o incorporate formal		
							р	olicy in coming years		

### 3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Company has a Board level CSR and Sustainability Committee chaired by the MD / CEO and two independent directors. This Committee meets bi-annually to review the CSR and Sustainability initiatives and on a need basis.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The Company reports annual to the United National Global Compact (UNGC), the Carbon Disclosure Project (CDP) and will publish a sustainability report according to the GRI Standards for 2020-21.

The UNGC report can be accessed at <a href="https://www.unglobalcompact.org/what-is-gc/participants/9250-The-Indian-Hotels-Company-Ltd-">https://www.unglobalcompact.org/what-is-gc/participants/9250-The-Indian-Hotels-Company-Ltd-</a>

IHCL sustainability report is available on <a href="https://www.ihcltata.com/content/dam/tajhotels/ihcl/sustainabilities/IHCL-Sustainability-Report-19.pdf">https://www.ihcltata.com/content/dam/tajhotels/ihcl/sustainabilities/IHCL-Sustainability-Report-19.pdf</a>

### **Section E: Principle-wise Performance**

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

### **QUESTIONS 1/2/3 DERIVED FROM PRINCIPLE 1**

- Does the policy relating to ethics, bribery and corruption cover only the Company?
   No, the policy relating to ethics, bribery and corruption is extended to all stakeholders.
- Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? Yes.

 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so: 22 cases were received and none of them remain pending for resolution.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

As a hospitality company, the rooms and F&B experience provided to guests is our product and service. We endeavour to integrate measures entailing energy and water conservation, waste management, culturally and regionally sensitive designs and interiors of our hotels, responsible purchases from local and marginalised entrepreneurs, artisans and craftsmen, and local hiring. These are implemented right from the development stage to operations of key hotels, particularly in ecological and socially sensitive regions.

For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

The consumption of energy, water and other resources in our hotels is measured per guest night, in terms of usage per consumer. The Company focuses on optimising resource consumption to avoid wastages and minimise our environmental impact.

In 2020-21, IHCL hotels together used a total of **156,022,944 MJ** from renewable energy sources both through Green Power Agreements with their electricity providers as well as onsite and offsite renewable energy including wind farms and solar panels. Thereby, the Company avoided **34832 T** of CO<sub>2</sub>, comparable to taking **11688 cars** off the road.

IHCL Hotels recycled and reused a total of **907,021 KL** of water through rain water harvesting and recycling of grey water through onsite waste water treatment plants. The amount of recycled and reused water is equivalent to **363 Olympic sized Swimming Pools**.

### **Business Responsibility Report**

i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The steps implemented to improve resource efficiency and strengthen sustainability in the development and operation of our hotels includes usage of advance laundry chemical, chiller plant optimisation which increases energy efficiency, installing flameless burners and opting glass water bottles. Further, we encourage the use of building materials that are recycled and locally extracted or manufactured wherever possible. During the construction process, we ensure that waste and debris is diverted from the landfills and send to certified recycling agencies.

The company has also addressed to single use plastic waste. As a part of IHCL's endeavor to phase out single use plastic items and replacing them with biodegradable options. All plastic wrappers for in-room dry amenities in Taj hotels across the country have been replaced with oxo-biodegradable wrapping. In addition, we have replaced approx. 6,00,000 plastic straws with paper straw, and approx. 2,60,000 of plastic disposable cutlery with wooden cutlery. IHCL has embarked on a digital transformation journey, wherein eliminating paper trails has been one of the key focus areas. As a part of this initiative, the company has adopted e-signature to digitally sign and share documents, agreements, which has resulted in saving costs towards, paper, print & Printer consumables. As of date 8 hotels have been added to digital signature platform in FY 20-21.

Our new programme QMIN which is a special Hospitality at Home Program, has adopted to Biodegradable packaging for food delivery.

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

In 2020-21, IHCL hotels together used a total of **156,022,944 MJ** from renewable energy sources both through Green Power Agreements with their electricity providers as well as onsite and offsite renewable energy including wind farms and solar panels. Thereby, the Company avoided **34832 T of CO<sub>2</sub>**, comparable to taking **11688 cars** off the road.

IHCL Hotels recycled and reused a total of **907,021 KL** of water through rain water harvesting and recycling of grey water through onsite waste water treatment plants. The amount of recycled and reused water is equivalent to **363 Olympic sized Swimming Pools**.

 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company constantly endeavors to integrate sustainable practices into its supply chain. Given the widespread network of hotels, the Company understands the importance of efficiently managing its supply chain. In this regard, the Company has revamped its sourcing and distribution model. The traditional model of procurement by individual hotels has been replaced by a unified warehousing and distribution management system. In the new system, orders from hotels are consolidated, leading to full truck load shipments from vendors to warehouse and from warehouse to hotels. This has reduced transportation due to consolidation of shipments.

This initiative has helped the Company improve its supply chain efficiency and lower its carbon footprint, reduce stock inventories and optimise logistics by serving the hotel needs through regional hubs. The Central Warehousing programme covers 39 vendors and 350 stock keeping units with the business turnover of ₹5 crores.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

IHCL encourages its hotels to source local produce from small scale farmers, marginalised vendors, women self-help groups, micro enterprises supporting differently abled and owned by socially backward communities. Some of the products sourced by our hotels include fresh fish, fruits, vegetables, Paper chef cap, laundry bags, honey, candles, and gift items for guests, table napkins, dusters, dry snacks and pickles. Additionally, local art

and culture troupes, artists and craftsmen are provided a platform in hotels to perform to guests and sell their products. This generates the dual impact of supporting the livelihood of these artisans and encouraging the preservation of traditional art forms.

Out of 23 such vendors partner some of the Company's key not for profit partners include Cancer Patients Aid Association, SRISHTI, etc. In FY 2020-21, hotels sourced ₹ 157 lakhs amount of products.

This initiative is facilitated by the Corporate Materials Group and hotel materials team along with the CSR team. In the initial stages, the company volunteers help build the capacities of small scale vendors by handholding them. IHCL's teams help the vendors refine their product and quality control measures to meet Taj standards. They also provide the vendors with market linkages both within the Taj network and externally. Additionally, training is given in the areas of hygiene, sanitation and food safety management practices for budding entrepreneurs dealing in food products. Ethics, anti-corruption and human rights are also areas that are emphasised on during the training. IHCL's Corporate Materials Team also assist in facilitating financial support to less privileged vendor's and support in building capacity.

 Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Waste management is an integral part of our environment management endeavors. We have installed in house composters at 41 hotels. This has prevented 1397 tonnes of organic waste from going into landfills, the equivalent of 42 shipping containers of 20 feet size.

Some of the other notable waste management projects implemented by the Company include the conversion of waste kitchen oil to Biodiesel & Glycerin, and the conversion of organic waste to compost and biogas. Hotels safely dispose hazardous waste like burnt oil and waste lubricant oil by giving it to authorised vendors. All

e-waste generated in our properties is given to recyclers certified by the Pollution Control Board. Hotels ensure sewage treatment before disposing water into municipal sewers and also reuse treated water, as appropriate.

In response to the global concerns about plastic pollution and marine micro-plastics, the Company has committed to phasing out single-use plastics & has already eliminated plastic straws from all its properties. It has also phased out PET bottles from the following properties. Qmin, one of our signature delivery initiative launched in FY 2020-21 is using only Biodegradable packaging for food delivery.

# Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees:

Permanent	FTC	Contractual	Total	
5239	1290	1549	8078	

Note:

The above numbers are IHCL standalone. IHCL Group / Network numbers including Ginger & Taj SATS Limited is 25906

Please indicate the Total number of employees hired on temporary/contractual/casual basis:

Total hiring done in FY 2020-21: 175

Details	Executive	Staff	FTC	Expat	Trainee	Apprentice	Total
IHCL	12	-	42	1	27	93	175
Standalone							

The above numbers are IHCL standalone.

- 3. Please indicate the Number of permanent women employees: 796
- 4. Please indicate the Number of permanent employees with disabilities: The declaration of disability is voluntary on the part of the employee. There are currently 12 employees who have declared having disabilities.
- 5. Do you have an employee association that is recognised by management? In 17 hotels we have registered trade union which the management recognises as the staff representative council.

### **Business Responsibility Report**

- 6. What percentage of your permanent employees is members of this recognised employee association? Out of the total number of permanent employees, 42.03% are part of these recognised employee association
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	NIL	NIL
Sexual harassment	9	1 case pending closure as investigation underway
Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Safety training is conducted at all hotels and includes training of both permanent as well as contractual workforce. Special focus on awareness sessions related to Covid-19 Guidelines / Protocols and adherence at work place.

Sr. No	Category	Safety Training Received
1.	Permanent Employees	100%
2.	Permanent Women Employees	100%
3.	Casual/Temporary/ Contractual Employees	100%
4.	Employees with Disabilities	100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes, the Company has mapped its internal and external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

As one of the pioneers in the hospitality industry, the company plays a vital role in contributing towards the betterment of the society as well as the destinations in which it operates. The Company has identified disadvantaged, vulnerable and marginalised stakeholders, these include rural, less-privileged, school dropout, differently abled, marginalised youth and women; indigenous artisans, cancer-affected families, disaster victims and other such groups – from target geographies identified from time to time. Based on this identification, the Company has mapped its target beneficiary groups for its CSR programs. Additionally, as part of the Tata Group Affirmative Action Program, the Company also supports communities from less-privileged sections of Scheduled Castes and Scheduled Tribes.

 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

It is now precisely a year since the pandemic brought the world and lives to a halt. Upholding IHCL's values of Trust, Awareness, and Joy and in line with the Tata spirit of benevolence, IHCL sensed its responsibility to reach out to the community and people from the industry who were adversely impacted by the pandemic resulting in loss of livelihood. The pandemic is continuing to reshape the global economy, present and the immediate future.

During this turbulent year 2020, the company through its disaster response vehicle the 'Taj Public Service Welfare Trust' created positive impacts through various initiatives including COVID-19 Disaster Response, Taj for Family, Meals to Smiles, Healthcare professional support, and quarantine centres. 3 million meals provided to migrant workers, medical staff, front line police workmen, provided 70,000 plus room nights for health care staff, donated PPE's and 30 state - of art Ventilators.

Apart from this the company has focused on Building Livelihoods in the country by skilling less- privileged, school dropout youth and by extending handholding & business opportunities to micro enterprises, artisans & social impact organisations. Further playing the role of knowledge and quality assurance partner in training centres run directly by Tata Strive, the Company has also invested in creating high quality infrastructure to support hospitality training across trades of F&B service, food production & bakery, and housekeeping. Our module and trainers have focused on screening students for interest levels in people- centric jobs & on building attitudinal readiness, confidence and life skills apart from domain skills training. The 13 IHCL Tata STRIVE Hospitality Skill Centres located in Bengaluru, Jaipur, Varanasi, Trivandrum, Chhindwara, Mumbai, Hyderabad, Pithoragarh, Chamoli, Pune, Mohali, Agartala, and Goa. Despite the ongoing pandemic, in the current year 700 plus youth have been trained at these centres. The Company in partnership with Tata STRIVE conducts Recognition of Prior Learning ('RPL') training program, which helps fill the gap and obtain a certification from NSDC- National Skill Development Corporation. Over 80 individuals were trained through RPL program in the current year.

Further in this skilling space, focus has been on vocational training & certification of aspiring youth to enable them to be work-ready & engage in productive livelihoods in hospitality industry. This is taken forward by collaborating with TISS- Tata Institute of Social Science, and the youth from underprivileged socioeconomic backgrounds & remote hinterlands.

We recognise that heritage and authentic cultural experiences create value for our industry. We aim to preserve and promote these sites for future generations through neighbourhood development programmes.

Here is a broad summary of all our key initiatives enabling such vulnerable community groups:

Sr. No.	CSR Programme	No. of Beneficiaries
1	DIRECT	750 plus
2	INDIRECT	8000 plus

# Principle 5: Businesses should respect and promote human rights

- Does the policy of the Company on human rights cover only the company or extend to the Group / Joint Ventures /Suppliers / Contractors / NGOs / others? The Policy is applicable to the Company, its Subsidiaries and other stakeholders.
- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Sum of No of complaints pending as on end of the Financial Year 2020-21	Sum of No of complaints pending as on end of the Financial Year 2020-21
0	-

# Principle 6: Businesses should respect, protect, and make efforts to restore the environment

 Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company's environmental vision is extended to its partners and subsidiary companies. All hotels within the Company's portfolio prescribe and are encouraged to adhere to the Company's environmental vision.

Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The company has identified opportunities to reduce its environment footprint and therefore reduce the impact of operations on the environment. A key initiative in this regard is switching to renewable energy sources. At present, 22% of the Company's energy consumption is from renewable sources.

### **Business Responsibility Report**

The UNGC report can be accessed at <a href="https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/420965">https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/420965</a>

The 2019-20 sustainability report is uploaded on the website & available on the following link.

https://www.ihcltata.com/content/dam/tajhotels/ihcl/sustainabilities/IHCL-Sustainability-Report-2019-20.pdf

2020-21 report shall be published soon & available on the website.

Does the company identify and assess potential environmental risks? Y/N

Yes

4. Does the company have any project related to Clean Development Mechanism?

If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No

 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The company is sourcing 22% of total energy from renewable sources of energy

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None are pending.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

I. Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

Yes, IHCL is part of a number of associations. Key associations are noted below:

- Hotel Association of India
- CII Confederation of Indian Industry
- FICCI The Federation of Indian Chambers of Commerce and Industry
- WTTC World Travel and Tourism Council
- Indo-German Chamber of Commerce
- The Council of EU Chambers of Commerce In India
- Bersin Membership
- World Tourism Forum Lucerne
- The Chamber of Tax Consultants
- The Institute of Company Secretaries of India
- Pacific Asia Travel Association India Chapter
- British Business Promotion Association
- Federation of Indian Export Organisation
- Hospitality Technology Next Generation
- Services Export Promotion Council
- Institute of Directors
- Indian Institute of Corporate Affairs
- The Indian Society of Advertisers
- Association of Domestic Tour Operators of India
- · Travel Agents Association of India

Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No. If yes specify the broad areas

Our Managing Director and Chief Executive Officer is the President of HAI and the Chairman of National Committee for Tourism and Hospitality, CII.

Under his leadership, CII and HAI have taken several measures to tackle the COVID-19 crisis:

- Provide suggestions to the Government on the health and safety norms to be part of the new normal at all hotels in India.
- Suggestions and support to the Government for safe gradual opening up of the industry.
- Recommendations on policy changes to help the lives and livelihoods of all impacted associates working in the travel and tourism industry.
- Representations to Central and State Governments
  as well as the Reserve Bank of India to help hotels
  survive the COVID-19 related financial challenges.
- Representations to the Governments for accordance of industry and infrastructure status to the hospitality sector.

IHCL has always been on the forefront of leading change and has been proactively working with all associations to support industry and the community.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details there of?

As articulated earlier

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?

The Company's CSR programs are implemented by in-house CSR and HR teams, volunteers, and in partnership with NGOs, other Tata Companies and Government bodies in various locations.

3. Have you done any impact assessment of your initiative?

Following the launch of certain new CSR programmes last year and modified processes for others, a next round of impact assessment shall be planned in due course.

### **Business Responsibility Report**

# 4. What is your company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.

The manner in which the amount was spent during the Financial Year 2020-21 is detailed in table below-

(In ₹ Crores)

Sr. No.	CSR Project or Activity identified	Sector in which project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken		Amount Outlay (budget) project or	Amount spent on the projects or program Subhead: (1) Direct	Cumulative Expenditure up to the reporting	Amount Spent: Direct or through implementing
			State	District	program wise	Expenditure (2) Overheads	period	agency
1	Building Livelihoods	Vocational skilling & promotion of livelihood Sch VII (ii)	* J&K  * Uttara khand * UP  * West Bengal * Tripura * Manipur * Punjab * MP * Rajasthan * Maharashtra * Goa * Karnataka * Telangana * Kerala	* Uri  * Pithoragarh, Gopeshwar  * Varanasi  * Midnapore East  * Agartala  * Chandel, Mohali  * Chhindwara  * Jaipur, Zawar, Chanderia  * Thane, Pune  * Goa  * Bengaluru  * Hyderabad  * Trivandrum	3.25	0.60	0.60	Direct + with partners
2	Supporting Education	Promoting Education Sch VII (ii)	* West Bengal * Maharashtra * Goa * Karnataka * Delhi	* Kolkata * Mumbai * Goa * Bengaluru * Delhi	1.92	0.81	0.81	Direct + with partners
3	Being a Responsible Neighbour	Environmental Sustainability Sch VII (iv) Restoration of buildings and sites of historical importance Sch VII (v) Support towards eradicating poverty & malnutrition Sch VII (i) Disaster Response & Relief	Pan India	Pan India	2.43	1.22	1.22	Direct + with partners
4	Covid19 Relief and support	Sch VII (xii) Disaster Response & Relief	Pan India	Pan India		14.27	14.27	Direct + with partners
	Sub- total				7.60	16.90	16.90	
	Overhead for various CSR initiatives					0.36	0.36	
	Total CSR Spend				7.60	17.26	17.26	

### **Implementing Agencies**

IHCL's CSR programs are implemented by in-house CSR and HR teams, volunteers, and in partnership with NGOs, other Tata Companies and Government bodies in various locations. The Company engages with many likeminded not for profit partners & institutions like the Tata Institute of Social Sciences, Tata Community Initiatives Trust HWA- Human Welfare Association, Ganga Seva Nidhi, Tata Memorial Hospital, The Last Wilderness Foundation, Head Held High Foundation, etc.

 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The company representatives and volunteers undertake direct community engagements and support with counselling, exposure visits & regular hand-holding, as and where required for sustainable & effective programme management.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company receives guest complaints that are dealt with from time to time and handled to closure but none of them have converted to a consumer complaint in the financial year 2020-21. As such there are no consumer cases filed for the financial year ended March 31, 2021.

 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Not Applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

Nο

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Digital played a lead role to keep our ears to the ground.

Given our digital focus and forward Integration to know customers better, we were able to map consumer sentiments through the following ways in a more real time basis -

- Third party platforms that provides guest satisfaction scores and how our hotels rank in markets within our comp set. This live information is integrated to our channels and serves as a constant quality check for our hotels.
- Taj Live constant monitoring, addressal within 15 minutes and sentiment analysis adds to the data point.

Taj Brand had been ranked No. 1 in the list of the strongest Indian brands by Brand Finance in its 'India 100 2020' report.

## Independent Auditors' Report

To the Members of The Indian Hotels Company Limited

### Report on the Audit of the Standalone Financial **Statements**

### Opinion

We have audited the standalone financial statements of The Indian Hotels Company Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### **Emphasis of matter**

We draw attention to Note 2(d) to the standalone financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the Management.

Our opinion is not modified in respect of the above matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Impact of COVID-19 pandemic on Going Concern

Refer Note 44 - "Going Concern" and Note 2(d) "Estimation related to COVID-19" of the standalone financial statements

During the year, the business of the Company was significantly impacted due to COVID-19. Significant number of hotels were not operating for the first six months on account of restrictions imposed due to lockdowns; with lifting of lockdown restrictions all the hotels started operating from second half of the year.

Presently, various state Governments have imposed restrictions due to the resurgence of COVID-19 cases, which has significantly impacted business of the Company.

The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements.

In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.

### How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained an understanding of the key controls relating to the Company's forecasting process
- Compared the forecasted statement of profit and loss and cash flows with the Company's business plan approved by the board of directors
- Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Company's business
- · Assessed the forecasted standalone statement of profit and loss and cash flow by considering

To the Members of The Indian Hotels Company Limited

plausible changes to the key assumptions adopted by the Company

- Performed the following procedures as mitigating factors:
  - Obtained understanding of new borrowing facilities proposed to be availed including additional credit pronounced under government scheme.
  - Assessed Government's efforts to counter the impact of resurgence in COVID-19 cases and the impact of the same on future projections;
- Assessed disclosures made in the standalone financial statements with regard to the above. Refer to note 44 and 2(d).

### ii. Valuation of Investments

The Company has investments in subsidiaries, joint ventures and associates. These investments are accounted for at cost less any provision for impairment. The Company evaluates the indicators of impairment of the said investments regularly by reference to the requirements under Ind AS 36 Impairment of Assets.

The Company carries out impairment assessment for each investment by:

- Comparing the carrying value of each investment with the net worth of each company based on latest financial statements
- Comparing the performance of the investee companies with projections used for valuations and approved business plans

The recoverable amounts of the above investments are estimated in order to determine the extent of the impairment loss. As impairment assessment involves significant assumptions and judgment, we regard this as a key audit matter.

Refer to note 6(a) – "Investments" of the standalone financial statements.

### How our audit addressed the key audit matter

Our audit procedures included the following:

 Assessed the indications of impairment of investments in subsidiaries, joint ventures and associates. We have also examined the basis of estimates of the recoverable amounts of these investments, the

- assumptions used in making such estimates, and the allowance for impairment.
- Compared the carrying values of the Company's investment in subsidiaries, associates and joint ventures with their respective net asset values and assessed the performance and their outlook.
- Evaluated key assumptions in the Company's valuation models used to determine recoverable amount including assumptions of projected EBITDA, growth rate, room occupancy, room rate, projected capital expenditure, discount rates. We involved our internal valuation experts to help us in evaluation of key assumptions and valuation methods. We also evaluated the forecasts based on historical performance.

We assessed the related disclosures in Note 6(a) of the standalone financial statements.

### Other information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the



To the Members of The Indian Hotels Company Limited

accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone **Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

· Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

To the Members of The Indian Hotels Company Limited

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 (A) As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;

- (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act;
- (e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - the Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements – Refer Note 29 and Note 37 to the standalone financial statements;
  - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts – Refer Note 17 to the standalone financial statements;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
  - iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

To the Members of The Indian Hotels Company Limited

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

We draw attention to Note 40 to the standalone financial statements for the year ended 31 March 2021 according to which the managerial remuneration paid/payable to the Managing Director and CEO of the Company amounting to Rs 7.23 crores and consequently the total managerial remuneration for the financial year amounting to Rs 7.23 crores exceeds the prescribed limits under Section 197 read with Schedule V to the Act by Rs 5.91 crores. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP

**Chartered Accountants** 

Firm's Registration No: 101248W/W-100022

**Tarun Kinger** 

Partner

Mumbai Membership No: 105003 30 April 2021 ICAI UDIN: 21105003AAAABV2898

154

### Annexure A to the Independent Auditors' Report

31 March 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, plant and equipments).
  - (b) The Company has a regular programme of physical verification of its fixed assets (Property, plant and equipments) by which all the fixed assets (Property, plant and equipments) are verified in a phased manner over a period of three years. In accordance with this program, a portion of the fixed assets (Property, plant and equipments) has been physical verified by the Management during the year. No material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date except in respect of one commercial / residential building aggregating to Rs 0.75 crores (Gross block Rs 1.30 crores) constructed on the leased land, which is in the possession of the Company, acquired pursuant to a scheme of amalgamation of TIFCO Holding Limited (a wholly owned subsidiary). The lease of the said land has expired in the year 2000. Erstwhile TIFCO Holdings Limited has filed a writ Petition in High Court of Mumbai on 15 January 2013 for renewal of lease.
- (ii) Inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.
- (iii) According to the information and explanations given to us the Company has not granted any loans, secured

- or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the Act). Accordingly, paragraphs 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of the loans given, investments and guarantees made. The Company has not provided any security to the parties covered under section 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, duty of customs, value added tax, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, value added tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.



### Annexure A to the Independent Auditors' Report

31 March 2021

(b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, duty of customs and value added tax and goods and service tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

(₹ crores)

Name of Act	Nature of Dues	Amount Demanded	Amount not Deposited Under Disputes	Period to which amount relates	Forum where dispute is pending
Sales Tax and	Tax, Penalty	20.30	18.84	2005 - 2009 to	Deputy Commissioner
Value Added	and Interest			2010 - 2011	
Tax		1.54	0.88	2011 - 2012 to 2015 - 2016	Additional Commissioner
		0.04	0.04	1994 - 1995	Commissioner
		1.71	1.61	2011 - 2012	Commissioner
		3.08	2.57	2003-2004, 2007- 2008, 2008-2009, 2011-2012 to 2016-2017	Deputy Commissioner
		9.46	8.80	2012-2013 to 2015-2016	Commissioner
The Income Tax Act, 1961	Tax, Penalty and Interest	25.16	5.01	2007 – 2008, 2012 - 2013, 2013 – 2014, 2016 – 2017, 2017- 2018	Commissioner (Appeals)
		2.21	2.21	2012 - 2013, 2010 - 2011, 2012 - 2013, 2013 - 2014	Assessing Officer
		184.94	180.37	2010 – 2011, 2012 – 2013, 2014 – 2015	Appellate Tribunal
The Finance Act, 1994	Service Tax, Penalty and	1.19	1.01	2008 – 2009 to 2009-2010	Joint Commissioner
	Interest	0.15	0.15	2012-2015	Assistant Commissioner of Service Tax
		13.53	12.51	2014-2015 to 2015-2016	Customs Excise and Service tax Appellate Tribunal

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to banks, financial institutions, and dues to debenture holders. The Company did not have any outstanding dues to government during the year.
- (ix) According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act for the year ended 31 March 2021, except for Rs 5.91 crores of remuneration paid / payable to its Managing Director



### Annexure A to the Independent Auditors' Report

31 March 2021

and CEO which is in excess of the limits prescribed by under Section 197 read with Schedule V of the Act. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual General Meeting.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any

- preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any noncash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP

**Chartered Accountants** 

Firm's Registration No: 101248W/W-100022

Tarun Kinger

Partner

Membership No: 105003 ICAI UDIN: 21105003AAAABV2898

Mumbai 30 April 2021

### Annexure B to the Independent Auditors' Report

31 March 2021

#### (Referred to in our report of even date)

Report on the internal financial controls with reference to the aforesaid standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013

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

#### Opinion

We have audited the internal financial controls with reference to financial statements of The Indian Hotels Company Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

# Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

# Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly



### Annexure B to the Independent Auditors' Report

31 March 2021

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper Management override

of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

**Chartered Accountants** 

Firm's Registration No: 101248W/W-100022

**Tarun Kinger** 

Partner

Membership No: 105003

Mumbai 30 April 2021 ICAI UDIN: 21105003AAAABV2898



### Standalone Balance Sheet

as at March 31, 2021

(₹ crores)

	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,492.03	2,421.66
Capital work-in-progress		51.72	136.87
Right-of-Use assets	4	846.41	860.51
Intangible assets	5 (a)	21.15	29.19
Intangible assets under development	, ,	-	0.93
Financial assets			
Investments	6 (a)	3,964.18	3,742.78
Loans	7 (a)	5.05	5.35
Other financial assets	8 (a)	313.28	94.85
Advance income tax (net)	- (-)	175.48	189.85
Other non-current assets	9 (a)	291.44	313.40
	J (u) _	8,160.74	7,795.39
Current assets		,	,
Inventories	10	52.25	59.10
Financial assets			
Investments	6 (b)	445.49	408.72
Trade receivables	11	196.96	250.94
Cash and cash equivalents	12	33.32	131.47
Other Balances with Banks	13	6.66	16.73
Loans	7 (b)	4.53	4.22
Other financial assets	8 (b)	161.14	145.79
Other current assets	9 (b)	84.63	90.48
	- (-)	984.98	1,107.45
Assets classified as held for sale	3 (iv)	1.07	3.74
	- (,	986.05	1,111.19
Total	-	9,146.79	8,906.58
EQUITY AND LIABILITIES	-		
Equity			
Equity share capital	14	118.93	118.93
Other equity	15	4,089.45	4,464.63
Total Equity		4,208.38	4,583.56
Liabilities		,,	.,555.55
Non-current liabilities			
Financial liabilities			
Borrowings	16 (a)	1,938.79	1,708.61
Lease liabilities	33	978.72	956.22
Other financial liabilities	17 (a)	23.72	197.18
Provisions	18 (a)	62.03	86.70
Deferred tax liabilities (net)	19	72.80	179.69
Deferred tax habilities (fiet)	13 _	3,076.06	3,128.40
Current liabilities		2,070.00	3,120.40
Financial liabilities			
Borrowings	16 (b)	15.00	_
Lease liabilities	33	24.21	38.65
Trade payables	20		00.00
Dues of small enterprises and micro enterprises	20	8.17	3.10
Dues of creditors other than small enterprises and micro enterprises		195.21	252.07
Other financial liabilities	17 (b)	1,284.00	581.06
Provisions	17 (b) 18 (b)	1,284.00	122.20
Other current liabilities	21	199.61	197.54
Other current naminues	Z1 _	1,862.35	197.54 <b>1,194.62</b>
Total	-		
Total  The accompanying notes form an integral part of the standalone financial statements	1 - 45	9,146.79	8,906.58
The accompanying notes form an integral part of the standalone financial statements	1 - 45		

As per our report of even date as attached

For B S R & Co. LLP

**Chartered Accountants** 

Firm Registration No: 101248W/W-100022

Tarun Kinger

Partner

Membership No. 105003

Mumbai, April 30, 2021

For and on behalf of the Board

N. Chandrasekaran

Chairman DIN: 00121863

**Nasser Munjee** 

Director DIN: 00010180

**Giridhar Sanjeevi** 

Executive Vice President & Chief Financial Officer

**Puneet Chhatwal** 

Managing Director & CEO

DIN: 07624616

**Beejal Desai** 

### Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(₹ crores)

			(1 610163)
	Note	March 31, 2021	March 31, 2020
INCOME			
Revenue from operations	22	1,133.15	2,743.47
Other income	23	110.52	134.41
Total income	-	1,243.67	2,877.88
EXPENSES			
Food and beverages consumed	24	107.93	235.74
Employee benefit expenses and payment to contractors	25	538.64	725.07
Finance costs	26	294.79	237.55
Depreciation and amortisation expenses	5 (b)	203.81	203.78
Other operating and general expenses	27	583.48	1,021.60
Total expenses	-	1,728.65	2,423.74
Profit/ (Loss) before exceptional items and tax		(484.98)	454.14
Exceptional items	28	(155.30)	(16.40)
Profit/ (Loss) before tax		(640.28)	437.74
Tax expense	39		
Current tax		-	162.38
Deferred tax credit		(115.50)	(126.05)
Total	_	(115.50)	36.33
Profit/ (Loss) after tax		(524.78)	401.41
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		34.97	(21.25)
Change in fair value of equity instruments designated irrevocably as Fair Value Through Other Comprehensive Income		182.70	(107.94)
Add/ (Less):- income tax credit/ (expense)		(8.61)	5.21
Other comprehensive income for the year, net of tax	-	209.06	(123.98)
Total comprehensive income for the year	-	(315.72)	277.43
Earnings per share:	42		
Basic and Diluted - (₹)		(4.41)	3.38
Face value per equity share - (₹)		1.00	1.00
The accompanying notes form an integral part of the standalone financial statements	1 - 45	2.30	2.00
The accompanying notes form an integral part of the standarone midfled statements			

As per our report of even date as attached

For and on behalf of the Board

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

Tarun Kinger

Partner

Membership No. 105003

Mumbai, April 30, 2021

N. Chandrasekaran

Chairman DIN: 00121863

Nasser Munjee Director DIN: 00010180

Giridhar Sanjeevi

Executive Vice President & Chief Financial Officer

**Puneet Chhatwal** 

Managing Director & CEO

DIN: 07624616

**Beejal Desai** 



# Standalone Statement of Changes in Equity

for the year ended March 31, 2021

(₹ crores)

	a) Equity Share Capital			b) Otl	her Equity				
Particulars	Equity Share	Reserves and Surplus					Items of Other Comprehensive Income		Total
	Capital Subscribed	Capital Reserve	Securities Premium	General Reserve	Other reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income	Equity	Equity
Balance as at March 31, 2019	118.93	43.91	2,702.06	459.99	398.40	603.77	156.68	4,364.81	4,483.74
Adjustment on account of transition to the new lease standard, net of taxes		-	-	-	-	(106.43)	-	(106.43)	(106.43)
Restated balance at the beginning of the reporting period (April 1, 2019)	118.93	43.91	2,702.06	459.99	398.40	497.34	156.68	4,258.38	4,377.31
Profit for the year ended March 31, 2020	-	-	-	-	-	401.41	-	401.41	401.41
Other Comprehensive Income for the year ended March 31, 2020, net of taxes	-	-	-	-	-	(16.04)	(107.94)	(123.98)	(123.98)
Total Comprehensive Income for the period ended March 31, 2020	-	-	-	-	-	385.37	(107.94)	277.43	277.43
Realised loss on sale of investment transferred from Other Comprehensive Income to Retained Earnings	-	-	-	-	-	(3.01)	3.01	-	-
Transfer from Debenture Redemption Reserve to General Reserve	-	-	-	130.50	(130.50)	-	-	-	-
Dividends (Refer Note 45)	-	-	-	-	-	(59.46)	-	(59.46)	(59.46)
Tax on Dividend	-	-	-	-	-	(11.72)	-	(11.72)	(11.72)
Balance as at March 31, 2020	118.93	43.91	2,702.06	590.49	267.90	808.52	51.75	4,464.63	4,583.56
Profit/ (Loss) for the year ended March 31, 2021	-	-	-	-	-	(524.78)	-	(524.78)	(524.78)
Other Comprehensive Income for the year ended March 31, 2021, net of taxes	-	-	-	-	-	26.36	182.70	209.06	209.06
Total Comprehensive Income for the period ended March 31, 2021	-	-	-	-	-	(498.42)	182.70	(315.72)	(315.72)
Transfer from Debenture Redemption Reserve to General Reserve	-	-	-	32.39	(32.39)	-	-	-	-
Dividends (Refer Note 45)	-	-	-	-	-	(59.46)	-	(59.46)	(59.46)
Balance as at March 31, 2021	118.93	43.91	2,702.06	622.88	235.51	250.64	234.45	4,089.45	4,208.38
The accompanying notes form an integr	al part of the st	tandalone	financial sta	tements (	Refer Notes	s 1 - 45).			

As per our report of even date as attached

For B S R & Co. LLP **Chartered Accountants** 

Firm Registration No: 101248W/W-100022

Tarun Kinger Partner

Membership No. 105003

Mumbai, April 30, 2021

For and on behalf of the Board

N. Chandrasekaran

Chairman DIN: 00121863

Nasser Munjee Director DIN: 00010180

**Giridhar Sanjeevi** 

Executive Vice President & Chief Financial Officer

**Puneet Chhatwal** 

Managing Director & CEO DIN: 07624616

**Beejal Desai** 

# **Standalone Statement of Cash Flows**

for the year ended March 31, 2021

(₹ crores)

		(₹ crores)
	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax	(640.28)	437.74
Adjustments to reconcile net profit to net cash provided by operating activities:		
Gain on investments carried at fair value through statement of profit and loss	(2.51)	(0.28)
Profit on sale of Current Investments	(5.32)	(9.00)
Provision for impairment of investment in a subsidiary/ joint venture	180.30	70.37
Exchange (Gain)/ Loss on Long term borrowing/Assets (net)	(0.13)	0.38
Fair valuation (Gain)/ Loss on derivative contracts	(25.00)	21.76
Depreciation and amortisation expenses on Property, plant and equipment	171.68	173.29
Depreciation and amortisation expenses on Right-of-Use assets	32.13	30.49
Net (Gain)/ Loss on disposal of Property, plant and equipment	(21.32)	(141.18)
Net (Gain)/ Loss on Sale of Long Term Investments	-	(21.23)
Assets written off	3.27	6.91
Allowance for doubtful debts and advances	9.81	3.64
Dividend income	(7.43)	(13.90)
Interest income	(37.86)	(12.92)
Finance costs	294.79	237.55
Provision for disputed claims	9.99	1.83
Provision for Employee Benefits	8.80	(2.97)
, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	611.20	344.74
Cash Operating Profit before working capital changes	(29.08)	782.48
Adjustments for (increase)/ decrease in operating assets:		
Inventories	6.85	(7.89)
Trade receivables	44.91	(3.92)
Other financial assets	19.95	21.35
Other assets	4.40	(49.39)
Other dased	76.11	(39.85)
Adjustments for increase/ (decrease) in operating liabilities:	70.11	(33.03)
Trade payables	(52.90)	64.40
Other financial liabilities	(70.59)	(10.48)
Other liabilities	8.90	5.34
Other habilities	(114.59)	59.26
Cash Generated From/(Used In) Operating Activities	(67.56)	801.89
Income taxes (paid)/ refund	14.35	(191.04)
Net Cash Generated From/(Used In) Operating Activities (A)	(53.21)	610.85
Net Cash Generated From/(osed in) Operating Activities (A)	(55.21)	010.03
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment	(140.63)	(327.83)
Proceeds from disposal of property, plant and equipment	28.08	164.92
Capital subsidy received from Government	-	40.69
Purchase of current investments	(1,473.25)	(1,861.60)
Sale of current investments	1,515.41	1,655.60
Purchase of non-current investments	(289.52)	(9.71)
Sale of Investment in Joint Venture	-	29.79
Advance for purchase of investments	(50.00)	-
Carried Over	(409.91)	(308.14)



# Standalone Statement of Cash Flows (Contd.)

for the year ended March 31, 2021

(₹ crores)

	March 31, 2021	March 31, 2020
Brought over	(409.91)	(308.14)
Interest received	11.86	8.71
Dividend received	7.43	13.90
Long-term deposits placed for Hotel properties	(3.04)	(47.38)
Long-term deposits repaid by related parties	0.30	-
Short-term deposits placed with related parties	(1.11)	(3.55)
Short-term deposits repaid by related parties	-	13.00
Short-term deposits placed with others	-	(0.20)
Short-term deposits repaid by others	0.80	0.36
Bank Balances not considered as Cash and cash equivalents	10.07	(9.66)
Net Cash Generated From/(Used In) Investing Activities (B)	(383.60)	(332.96)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend including unclaimed dividend (including tax on dividend in previous period)	(59.20)	(70.99)
Payment of lease liability (including Interest)	(67.69)	(45.23)
Interest and other borrowing costs paid	(190.51)	(124.03)
Settlement of cross currency Interest rate swap (net)	0.40	(121.99)
Proceeds from long-term borrowings	885.00	695.00
Repayment of long-term borrowings	(244.00)	(560.87)
Proceeds from short-term borrowings	15.00	98.64
Repayment of short-term borrowings	-	(105.02)
Unclaimed dividend/ deposits/ interest transferred to Investors Education and Protection Fund	(0.34)	(0.86)
Net Cash Generated From/(Used In) Financing Activities (C)	338.66	(235.35)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	(98.15)	42.54
Cash and Cash Equivalents - Opening	131.47	88.93
Cash and Cash Equivalents - Closing	33.32	131.47
The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 4	5).	

As per our report of even date as attached

For and on behalf of the Board

For B S R & Co. LLP

**Chartered Accountants** 

Firm Registration No: 101248W/W-100022

**Tarun Kinger** 

Partner

Membership No. 105003

Mumbai, April 30, 2021

N. Chandrasekaran

Chairman

DIN: 00121863

**Nasser Munjee** 

Director DIN: 00010180

Giridhar Sanjeevi

Executive Vice President & Chief Financial Officer

**Puneet Chhatwal** 

Managing Director & CEO

DIN: 07624616

### Notes to Standalone Financial Statements

for the year ended March 31, 2021

#### **Note 1. Corporate Information**

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

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

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on April 30, 2021.

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

The financial statements have been prepared on the following basis:

#### (a) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

#### (b) Basis of Preparation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities are classified as current and non-current as per Company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

#### (c) Critical Accounting Estimates and Judgements

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

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

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

- Useful Lives of Property, Plant and Equipment and Intangible Assets: The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- Impairment Testing: Property, plant and equipment, Right-of-Use assets and intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- Impairment of Investments: The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when



for the year ended March 31, 2021

there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

• Income Taxes: Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss.

• Loyalty Programme: The Company estimates the fair value of points awarded under the Loyalty programme by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.

The Company assesses whether the loyalty points provide a material right to the customer that needs to be accounted for as a separate performance obligation. The Company determines that the loyalty points provide a material right that the customer would not exercise without entering into the contract.

 Fair Value Measurement of Derivative and other Financial Instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

- Litigation: From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- Defined Benefit Plans: The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

#### · Leases:

Critical Judgements in determining the Lease Term: Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Ciritical Judgements in determining the Discount Rate: The discount rate is generally based on the incremental borrowing rate specific to the lease

for the year ended March 31, 2021

being evaluated or for a portfolio of leases with similar characteristics.

#### (d) Estimation Uncertainty relating to the Global Health Pandemic on COVID-19:

On March 11, 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020.

The business has been severely impacted during the year on account of COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year and a significant number of the Company's hotels had to be shut down. With the unlocking of restrictions, all the Company's hotels have been opened and business is expected to gradually improve across all hotels. During the second half of the year, the Company witnessed some signs of recovery of demand, especially in leisure destinations. Whilst there has been a second wave of the COVID-19 pandemic in the last few months in some States, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation.

The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID-19 may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has adequate funds at its disposal and the Management is confident of securing additional financing, as required, for the next 12 months to enable the Company to meet its debts and obligations as they fall due. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

#### **Significant Accounting Policies**

#### (e) Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

#### **Income from Operations**

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

**Space and Shop rentals:** Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognised in the period in which services are being rendered.

Other Allied services: In relation to laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognised by reference to the time of service rendered.

Management and Operating fees: Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.



for the year ended March 31, 2021

Membership Fees: Membership fee income majorly consists of membership fees received from the loyalty program and Chamber membership fees. Income is earned when the customer enrols for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Loyalty Program: The Company operates loyalty programme, which provides a material right to customers that they would not exercise without entering into a contract and the eligible customers earns points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and a contract liability is created and on redemption/ expiry of such award points, revenue is recognised at pre-determined rates.

#### **Contract Balances**

#### a) Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### b) Contract Liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

#### Interest

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

#### **Dividend**

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

#### **Employee Benefits**

#### **Short term-Employment Benefits:**

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

#### **Post-Employment Benefits:**

#### **Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

#### **Provident and Family pension fund**

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12% of employee's eligible salary). The contributions are made to the provident fund managed by the trust set up by the Company, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred.

In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss.

#### Superannuation

The Company has a defined contribution plan for eligible employees, wherein it annually

for the year ended March 31, 2021

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

#### **Defined Benefit Plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

#### a) Gratuity Fund

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

#### b) Post-Retirement Pension Scheme and Medical Benefits

The net present value of the Company's obligation towards post retirement pension scheme for retired whole time directors and post-employment medical benefits to qualifying employees is actuarially determined,

based on the projected unit credit method. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

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

#### c) Provident Fund Trust

In respect of contribution to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

Other Long-term Employee Benefits – The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

#### (g) Property, Plant and Equipment

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

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to



for the year ended March 31, 2021

the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p)). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalised and depreciated over their estimated useful life.

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

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

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

Class of Assets	Estimated Useful Life
Buildings	30 to 80 years
Plant and Equipment	5 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Other Miscellaneous Hotel Assets	4 years

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

Freehold land is not depreciated.

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

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

Proportionate depreciation is charged for the addition and disposal made during the year.

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

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

#### (h) Intangible Assets

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

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

Intangible assets with finite lives are amortised over their estimated useful life and assessed for impairment

for the year ended March 31, 2021

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

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

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

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

#### (i) Leases

On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company's statement of financial position as a right-of-use asset and a lease liability.

#### **Right to Use Assets**

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed annually.

#### **Lease Liabilities**

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is reasonably certain that it will not exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

#### **Variable Lease**

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs.

#### **Short-term Leases and Leases of Low-Value Assets**

The Company has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a lease term of 12 months or less and don't contain purchase option. Costs associated with such leases are recognised as an expense on a straight-line basis over the lease term.



for the year ended March 31, 2021

# Presentation of Lease Payments in Cash Flow Statements:

Lease payments are presented as follows in the Company's statement of cash flows:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- Payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from financing activities; and
- Payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

#### **COVID-19-related rent concessions**

In the current year, the Company has applied the amendments to Ind AS 116 that are effective for an annual period that begins on or after April 1, 2020. Refer Note 2(w).

#### (j) Impairment of Assets

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable

amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

#### (k) Foreign Currency Translation

The functional currency and presentation currency of the Company is Indian Rupee (₹).

#### **Initial Recognition**

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

#### **Subsequent Recognition**

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

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

#### (I) Inventories

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

#### (m) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance

for the year ended March 31, 2021

that the grant will be received and that the Company will comply with the attached conditions.

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

Government grants related to assets are presented in the balance sheet by deducting the grant in calculating the carrying amount of the asset.

#### (n) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

#### (i) Current Tax:

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

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

#### (ii) Deferred Tax:

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

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

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

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

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

# (o) Provisions, Contingent Liabilities and Contingent Assets

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



for the year ended March 31, 2021

Non-current provisions are discounted if the impact is material.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent assets and contingent liabilities are reviewed at each balance sheet date.

#### (p) Borrowing Costs

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

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

#### (q) Statement of Cash Flows

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

#### (r) Earnings per Share

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

#### (s) Exceptional Items

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

#### t) Financial Instruments

#### (I) Financial Assets

**Initial Recognition and Measurement** 

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

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

for the year ended March 31, 2021

#### Classification

- Cash and Cash Equivalents Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- Debt Instruments The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### (i) Financial Assets at Amortised Cost

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

#### (ii) Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

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

# (iii) Financial Assets at Fair Value through Profit or Loss (FVTPL)

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

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

The Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

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

#### De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks



for the year ended March 31, 2021

and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### (II) Financial Liabilities

#### **Initial Recognition and Measurement**

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

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

#### **Subsequent Measurement**

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

#### De-recognition

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

#### **Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value

depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The fair value changes of derivatives which are not designated as a hedging instrument are accounted through Statement of Profit and Loss. During the years reported, no hedge relationship was designated.

#### **Equity Instruments**

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

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

#### (III) Impairment of Financial Assets

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

#### (u) Financial Guarantee Contracts

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

for the year ended March 31, 2021

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

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

#### (v) Business Combinations

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

# (w) Recent Accounting Pronouncements New and Amended Standards adopted by the Company:

In the current year, the Company has applied the below amendments to Ind AS 116 that are effective for an annual period that begins on or after April 1, 2020:

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the

change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021); and
- There is no substantive change to other terms and conditions of the lease.

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures. The Company has benefited from waiver of lease payments of ₹ 26.79 crores (including those leases where the Company availed the above practical expedients) on certain hotel properties/ office premises. The waiver of lease payments has been accounted for as "Other Income" in the statement of profit or loss. The Company has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments.

# New Standards or Other Amendments Issued but not yet Effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

for the year ended March 31, 2021

Note 3: Property, plant and equipment (owned, unless otherwise stated)

(₹ crores)

	Freehold Land	Buildings (Refer Footnote (i), (iii) & (iv))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost							
At April 1, 2019	134.25	1,571.63	912.66	316.57	51.88	6.82	2,993.81
Additions	-	88.13	70.46	23.23	9.51	3.68	195.01
Adjustments	-	(24.29)	(15.58)	-	-	-	(39.87)
Disposals	5.62	20.76	5.87	1.43	0.61	0.32	34.61
At March 31, 2020	128.63	1,614.71	961.67	338.37	60.78	10.18	3,114.34
Additions	22.11	115.44	68.55	29.80	3.55	0.40	239.85
Disposals	-	6.96	4.36	0.53	0.57	0.43	12.85
At March 31, 2021	150.74	1,723.19	1,025.86	367.64	63.76	10.15	3,341.34
Depreciation							
At April 1, 2019	-	172.85	245.35	89.87	28.80	2.30	539.17
Charge for the year	-	54.81	71.12	27.27	8.27	0.72	162.19
Disposals	-	4.31	2.83	0.70	0.56	0.28	8.68
At March 31, 2020	-	223.35	313.64	116.44	36.51	2.74	692.68
Charge for the year	-	57.35	67.12	28.20	8.56	0.89	162.12
Disposals	-	1.06	3.14	0.37	0.53	0.39	5.49
At March 31, 2021	-	279.64	377.62	144.27	44.54	3.24	849.31
Net Block							
At March 31, 2020	128.63	1,391.36	648.03	221.93	24.27	7.44	2,421.66
At March 31, 2021	150.74	1,443.55	648.24	223.37	19.22	6.91	2,492.03

#### Footnotes:

<sup>(</sup>i) Cost includes improvements to buildings constructed on leasehold land ₹ 1,276.24 crores (Previous year ₹ 1,165.97 crores).

<sup>(</sup>ii) For details of pledged assets refer Note 16, footnote (ii).

<sup>(</sup>iii) Includes Building amounting to ₹ 0.75 crore (Previous year ₹ 0.77 crore) acquired on amalgamation of TIFCO Holdings Ltd. is pending to be transferred in the name of the Company.

<sup>(</sup>iv) Disposals include adjustment of ₹ 1.07 crores (Previous year ₹ 3.74 crores) comprising of residential flats, re-classified as held for sale.

for the year ended March 31, 2021

#### Note 4: Right-of-use assets

(₹ crores)

	Buildings	Leasehold Land	Office Premises	Total
Cost		_		
At April 1, 2019	716.96	82.71	35.60	835.27
Additions	28.44	-	-	28.44
Reassessment of leases	29.23	-	-	29.23
At March 31, 2020	774.63	82.71	35.60	892.94
Additions		8.96	-	8.96
Reassessment of leases	-	-	10.27	10.27
At March 31, 2021	774.63	91.67	45.87	912.17
Amortisation				
At April 1, 2019	-	-	-	-
Charge for the year	24.33	1.10	7.00	32.43
(Refer Footnote (i))				
At March 31, 2020	24.33	1.10	7.00	32.43
Charge for the year	24.80	1.16	7.37	33.33
(Refer Footnote (i))				
At March 31, 2021	49.13	2.26	14.37	65.76
Net Block				
At March 31, 2020	750.30	81.61	28.60	860.51
At March 31, 2021	725.50	89.41	31.50	846.41

#### Footnote:

- (i) Amortisation includes ₹ 1.20 crores (Previous year ₹ 1.94 crores) which is capitalised during the year.
- (ii) The Company's leased assets mainly comprise land and hotel properties and offices. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1 to 198 years. Many of the Company's property leases contain extension or early termination options, which are used for operational flexibility.

One of the land lease agreement with the Government has expired and is in an advanced stage of renewal. In the absence of a definitive agreement and uncertainty about the timing of the cash flows, this lease is not included in the calculation of Right-of-Use assets and corresponding Lease liabilities. The rental for this land continues to be provided as lease expense on a best estimate.

(iii) Amounts recognised in profit or loss:

The following amounts were recognised as expense:

(₹ crores)

	March 31, 2021	March 31, 2020
Depreciation of Right-of-use Assets	32.13	30.49
Expense relating to variable lease payments	37.42	120.76
Interest on lease liabilities	82.40	77.36
Total recognised in the Company's statement of profit and loss	151.95	228.61

Variable lease payments are payable under certain of the Company's hotel leases and arise where the Company is committed to making additional lease payments that are contingent on the performance of the hotels. (Refer Note 33 (c))

for the year ended March 31, 2021

#### Note 5 (a): Intangible assets (acquired)

(₹ crores)

	Website Development Cost	Software (Refer Footnote (i))	Service and Operating Rights	Total
Cost				
At April 1, 2019	21.20	39.31	12.07	72.58
Additions	1.17	0.96	6.47	8.60
Disposals	-	-	0.04	0.04
At March 31, 2020	22.37	40.27	18.50	81.14
Additions	0.46	1.05	0.01	1.52
Disposals	-	-	-	-
At March 31, 2021	22.83	41.32	18.51	82.66
Amortisation				
At April 1, 2019	13.01	24.72	3.15	40.88
Charge for the year	4.30	5.59	1.21	11.10
Disposals	-	0.01	0.02	0.03
At March 31, 2020	17.31	30.30	4.34	51.95
Charge for the year	4.03	4.33	1.20	9.56
At March 31, 2021	21.34	34.63	5.54	61.51
Net Block				
At March 31, 2020	5.06	9.97	14.16	29.19
At March 31, 2021	1.49	6.69	12.97	21.15

#### Footnote:

#### Note 5 (b): Depreciation and amortisation expenses

(₹ crores)

	March 31, 2021	March 31, 2020
Depreciation on Property, Plant and Equipment	162.12	162.19
Depreciation of Right-of-use Assets	32.13	30.49
Amortisation on Intangible Assets	9.56	11.10
Total	203.81	203.78

<sup>(</sup>i) Software includes Customer Reservation System and other licensed software.

for the year ended March 31, 2021

Note 6: Investments

		Face Value	March 31,	2021	March 31,	2020
			Holdings As at	(₹ crores)	Holdings As at	(₹ crores)
(a)	Non Current Investments					
	Fully Paid Unquoted Equity Investments					
	Investments in Subsidiary Companies (at cost)					
	KTC Hotels Ltd.	₹ 10	6,04,000	0.70	6,04,000	0.70
	Roots Corporation Ltd.	₹ 10	5,65,67,994	101.11	5,65,67,994	101.11
	Taj International Hotels (H.K.) Ltd. IHOCO BV	US \$ 1 US \$ 1	23,00,00,000	1,111.98	23,00,00,000	1,111.98
	(31,89,654 shares allotted during the year)	00 4 2	2,63,82,855	2,390.41	2,31,93,201	2,116.00
	United Hotels Ltd.	₹ 10	46,20,000	1.50	46,20,000	1.50
	Piem Hotels Ltd.	₹ 10	19,64,770	89.87	19,64,770	89.87
	Inditravel Ltd.	₹ 10	3,39,009	0.34	3,39,009	0.34
	Taj Enterprises Ltd.	₹ 100	46,698	7.05	46,596	7.02
	(102 shares purchased during the year)	( 200	10,030	7.03	10,330	7.02
	Taj Trade & Transport Co. Ltd.	₹ 10	16,16,999	3.20	16,16,999	3.20
	Skydeck Properties and Developers Private Ltd	₹ 10	89,30,32,160	1,168.88	89,30,32,160	1,168.88
	Ideal Ice and Cold Storage Company Limited	₹ 10	89,30,32,100	1,108.88	89,30,32,100	1,100.00
	(Refer footnote (vii)) (9,74,654 shares purchased during the year at ₹ 610/-)	( 10	9,79,654	-	-	-
	, , ,		_	4,875.04	_	4,600.60
	Investments in Joint Ventures (at cost)		_		_	
	Taj Karnataka Hotels & Resorts Ltd.	₹ 10	10,98,740	1.10	10,98,740	1.10
	Taj Kerala Hotels & Resorts Ltd. (49,89,430 shares allotted during the year on rights basis)	₹ 10	1,91,41,093	20.66	1,41,51,663	15.67
	Taj SATS Air Catering Ltd.	₹ 10	88,74,000	61.82	88,74,000	61.82
	Taj Safaris Ltd.	₹ 10	1,85,50,122	17.76	1,85,50,122	17.76
	Kaveri Retreats and Resorts Ltd.	₹ 10	1,31,76,467	44.80	1,31,76,467	44.80
	Zarrenstar Hospitality Private Ltd.	₹ 1	1	_	1	_
				146.14		141.15
	Investments in Associate Companies (at cost)		-		_	
	BJETS Pte Ltd.	US\$ 1	2,00,00,000	102.59	2,00,00,000	102.59
	Taida Trading & Industries Ltd.	₹ 100	26,912	0.27	26,912	0.27
	Taj Madurai Ltd.	₹ 10	9,12,000	0.95	9,12,000	0.95
			· · · –	103.81	_	103.81
	Fully Paid Quoted Equity Investments :		-		_	
	Investments in Subsidiary Company (at cost)					
	Benares Hotels Ltd.	₹ 10	6,43,825	2.66	6,43,825	2.66
			-	2.66	_	2.66
	Investments in Joint Ventures (at cost)		_		_	
	Taj GVK Hotels & Resorts Ltd.	₹ 2	1,60,00,400	40.34	1,60,00,400	40.34
				40.34	_	40.34
	Investments in Associate Companies (at cost)		_		_	
	Oriental Hotels Ltd.	₹ 1	5,09,72,910	50.37	5,09,72,910	50.37
				50.37	_	50.37
	Carried over		-	5,218.36		4,938.93



for the year ended March 31, 2021

Note 6: Investments (contd.)

		March 31, 2021		March 31,	, 2020
	Face Value	Holdings As at	(₹ crores)	Holdings As at	(₹ crores)
Brought over			5,218.36		4,938.93
Gross Investment in Subsidiaries, Joint Ventures and Associat	es	_	5,218.36	_	4,938.93
Less : Provision for Impairment in value of Investments (Refer Footnote (iv))			1,646.09		1,465.79
Net Investment in Subsidiaries, Joint Ventures and Associates		-	3,572.27	-	3,473.14
Fully Paid Unquoted Equity Investments		-		_	·
Investments in Other Companies (Refer Footnote (v)) Carried at fair value through Other Comprehensive Income:					
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000/-)	₹ 50	20	_	20	-
Tata Services Ltd. (Refer Footnote (vi))	₹ 1,000	421	0.03	421	0.03
Tata Sons Private Ltd. (Refer Footnote (vi))	₹ 1,000	4,500	25.00	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote (vi) and Footnote (ii) of Note 6 (b))	₹ 10	-	-	7,11,00,000	71.10
Kumarakruppa Frontier Hotels Private Ltd.	₹ 10	96,432	7.92	96,432	7.48
Taj Air Ltd.	₹ 10	1,59,90,200	4.61	1,59,90,200	4.01
MPower Information Systems Pvt. Ltd.	₹ 10	4,98,000	_	4,98,000	_
Tata Industries Ltd (Refer Footnote (vi))	₹ 100	42,74,590	55.73	42,74,590	55.73
Tata International Ltd.	₹ 1,000	12,000	34.57	8,000	18.11
(4,000 shares allotted during the year on rights basis)	7.40	,		•	
TP Kirnali Solar Limited (Refer footnote (viii)) (40,63,410 shares purchased during the year)	₹ 10	40,63,410	4.06	-	-
			131.92		181.46
Fully Paid Quoted Equity Investments : Investments in Other Companies (Refer Footnote (v))					
Carried at fair value through Other Comprehensive Income:					
HDFC Bank Ltd.	₹ 1	5,000	0.75	5,000	0.43
India Tourism Development Corporation Ltd.	₹ 10	67,50,275	259.24	67,50,275	87.75
Asian Hotels (North) Ltd.	₹ 10	2	-	2	_
Asian Hotels (East) Ltd.	₹ 10	2	_	2	-
Asian Hotels (West) Ltd.	₹ 10	2	_	2	-
EIH Ltd.	₹ 2	37	_	37	-
Hotel Leela Venture Ltd.	₹ 2	25	_	25	_
			259.99		88.18
Total Investment in Equity instruments		-	3,964.18	_	3,742.78
Investment in Preference Shares (carried at amortised costs)		-		_	
Central India Spinning Weaving & Manufacturing Co. Ltd.	₹ 500	50	-	50	-
(10% unquoted Cumulative Preference Shares) (₹ 27,888/-) Investment in Others (carried at amortised costs)					
National Savings Certificate (₹ 45,000/-)			_		_
Hindusthan Engineering & Industries Ltd (₹ 70/-)	₹ 10	7	_	7	-
3 3 (, ,		-	-	_	-
Total Non-current Investments - Net		-	3,964.18	_	3,742.78

for the year ended March 31, 2021

#### Note 6: Investments (contd.)

#### Footnotes:

(i)	Aggregate carrying amount of Quoted Investments	353.36	181.55
	Market value of Quoted Investments	633.05	428.55
(ii)	Aggregate carrying amount of Unquoted Investments	5,256.91	5,027.02
(iii)	Aggregate amount of impairment in value of investments	1,646.09	1,465.79

- (iv) The cash losses in one of its properties in the United States of America and in South Africa, has led the Company to reassess the recoverable amount of its investment in IHOCO BV, a wholly owned subsidiary. During the year, the Company recognised an impairment loss of ₹ 179.52 crores (Previous year ₹ 68.98 crores) in the Statement of Profit and Loss which has been classified under "Exceptional items" (Refer Note 28).
- (v) For these investments, the Company has elected the fair value through Other Comprehensive Income irrevocable option since these investments are not held for trading.
- (vi) For these investments, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- (vii) During the year, the Company acquired 9,74,654 shares of Ideal Ice and Cold Storage Company Limited at fair value from an associate and it became a wholly owned subsidiary.
- (viii) During the year, the Company invested 26% as mandated in TP Kirnali Solar Limited, a subsidiary of Tata Power Limited in order to obtain captive solar power supply for one of its hotel in Mumbai. The Company does not have control nor have any power to participate in financial and operating policy decision in TP Karnali Solar Limited.
- (ix) The fair value hierarchy and classification are disclosed in Note 34.

		March 31, 2021		March 31, 2020	
		Units As at	(₹ crores)	Units As at	(₹ crores)
(b)	Current Investments				
	Carried at fair value through profit and loss:				
	Investments in Mutual Fund Units (Unquoted)				
	TATA Overnight Fund Direct Plan Growth	8,21,000	89.16	9,01,949	95.04
	Axis Overnight Fund	6,09,783	66.34	-	-
	HDFC Overnight Fund Direct Growth	61,458	18.79	1,76,783	52.49
	HDFC Overnight Fund Regular Growth	54,640	16.61	84,699	25.03
	ICICI Prudential Overnight Direct Growth	56,28,415	62.46	75,25,540	81.09
	SBI Overnight Fund Direct Growth	1,55,381	52.08	2,15,211	70.02
	Aditya Birla Sun Life Overnight Fund Direct Plan Growth	2,00,355	22.30	5,72,604	61.85
	Aditya Birla Sun Life Liquid Overnight Regular Plan Growth	-	-	2,15,127	23.20
	Kotak Overnight Fund	4,24,858	46.65	-	-
			374.39		408.72
	Fully Paid Unquoted Equity Investments	_		_	
	Carried at fair value through Other Comprehensive Income:				
	TRIL Infopark Ltd. (Face value ₹ 10) (Refer Footnote (ii))	7,11,00,000	71.10		-
		_	445.49	_	408.72

#### Footnotes:

(i) Aggregate amount of Unquoted Investments:

445.49 408.72

<sup>(</sup>ii) Transfer of shares is restricted due to option granted for 10 years upto July, 2021 to Tata Realty and Infrastructure Ltd. ("TRIL") for repurchase of the shares at par value. TRIL has deposited a sum of ₹ 71.10 crores (Previous year ₹ 71.10 crores) as Option Deposit (Refer Note 17(b)), which shall be adjusted upon exercise of the option or refunded. TRIL has expressed it's desire of exercising the option before the option expiry date, subject to necessary approvals.

for the year ended March 31, 2021

#### Note 7: Loans

(₹ crores)

	March 31, 2021	March 31, 2020
(a) Non Current Loans at amortised costs		
(Unsecured, considered good unless stated otherwise)		
Loans to Related Parties (Refer Note 40)		
Considered good	5.05	5.35
Balances having significant increase in credit risk	-	-
Credit impaired	3.17	3.17
	8.22	8.52
Less: Allowance for credit impaired	3.17	3.17
	5.05	5.35
(b) Current Loans at amortised costs		
(Unsecured, considered good unless stated otherwise)		
Loans to Related Parties (Refer Note 40)	4.53	3.42
Others	-	0.80
	4.53	4.22

#### Note 8: Other financial assets

(₹ crores)

		,
	March 31, 2021	March 31, 2020
a) Non Current Financial Assets		
Long-term security deposits placed for Hotel Properties at amortised costs		
Related Parties (Refer Note 40)	0.12	0.11
External Parties	42.23	68.19
	42.35	68.30
Less: Allowance for doubtful deposits	2.00	2.00
	40.35	66.30
Deposits with Public Bodies and Others at amortised costs		
Related parties (Refer Note 40)	0.56	0.56
Public Bodies and Others	21.15	26.10
	21.71	26.66
Less: Allowance for doubtful deposits	0.02	0.02
	21.69	26.64
Contractual Financial Assets (Refer Footnote)	250.00	-
Deposits with Banks (Refer Note 13)	0.39	0.39
Others	0.85	1.52
	313.28	94.85

#### Footnote:

During the year, the Company has signed a binding contract for acquisition of balance equity stake of 14.28% in ELEL Hotels & Investments Ltd ("ELEL"), a step down subsidiary, from its existing shareholders for a consideration of ₹ 250 crores payable in a phased manner on achievement of certain agreed milestones but not later than the end of December 2021. This will make the Company 100% leasehold owner of the landmark Sea rock hotel site by December 31, 2021. Consequent to this acquisition, ELEL will become a wholly owned step down subsidiary of the Company. Considering the terms of the said agreement, the transaction has been accounted as a forward contract as per Ind AS 109 − Financial Instruments and a financial liability of ₹ 250 crores has been recognised at its present value.

for the year ended March 31, 2021

#### Note 8 : Other financial assets (contd.)

(₹ crores)

March 31, 2021	March 31, 2020
-	-
29.39	27.95
29.39	27.95
14.26	7.72
3.02	2.28
17.28	10.00
3.02	2.28
14.26	7.72
0.02	0.49
0.51	0.50
0.53	0.99
100.33	92.36
16.63	16.77
116.96	109.13
161.14	145.79
	29.39 29.39 14.26 3.02 17.28 3.02 14.26  0.02 0.51 0.53  100.33 16.63 116.96

#### Note 9 : Other assets

(₹ crores)

	March 31, 2021	March 31, 2020
(a) Other Non Current Assets		
Capital Advances	14.62	29.12
Prepaid Expenses	146.81	116.29
Deposits adjustable against future rent payments	3.81	4.25
Incentive receivable	24.02	67.80
Deposits with Government Authoritites	102.18	95.94
	291.44	313.40
(b) Other Current Assets		
Prepaid Expenses	39.60	38.34
Indirect tax recoverable	23.28	29.57
Advance to Suppliers	9.08	21.00
Advance to Employees	1.42	1.32
Deposits adjustable against future rent payments	0.25	0.25
Incentive receivable	11.00	-
	84.63	90.48

for the year ended March 31, 2021

#### Note 10: Inventories (at lower of cost and net realisable value)

(₹ crores)

	March 31, 2021	March 31, 2020
Food and Beverages	26.22	32.15
Stores and Operating Supplies	26.03	26.95
	52.25	59.10

#### Footnote:

- i) The cost of inventories recognised as an expense amounted to ₹ 157.61 crores (Previous year ₹ 313.78 crores).
- ii) The cost of inventories recognised as an expense includes ₹ 1.06 crores (Previous year ₹ 0.43 crores) in respect of write down of inventories to net realisable value

#### Note 11: Trade receivables

(₹ crores)

		(\ crores)
	March 31, 2021	March 31, 2020
Unsecured		
Considered good	196.96	250.94
Credit impaired	26.49	17.79
	223.45	268.73
Less : Allowance for credit impaired	26.49	17.79
·	196.96	250.94
Footnote:		
i) Allowance for credit impaired		
Opening Balance	17.79	15.46
Add: Allowance during the year	9.07	3.56
	26.86	19.02
Less: Bad Debts written off/ Reversal of allowances no longer required	0.37	1.23
Closing Balance	26.49	17.79

- (ii) Trade Receivables include debts due from Directors ₹ Nil (Previous year ₹ Nil) in the ordinary course of business.
- (iii) For related party balances refer Note 40.

#### Note 12: Cash and cash equivalents

(₹ crores)

		,
	March 31, 2021	March 31, 2020
Cash on hand	1.38	2.06
Cheques, Drafts on hands, Funds in transit	1.69	0.51
Balances with bank in current account	20.25	28.88
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	10.00	100.02
	33.32	131.47

for the year ended March 31, 2021

#### Note 13: Other balances with banks

(₹ crores)

		,
	March 31, 2021	March 31, 2020
Call and Short-term deposit accounts	5.10	15.15
Deposits pledged with others	0.79	0.73
Margin money deposits	0.09	0.09
Earmarked balances	1.07	1.15
	7.05	17.12
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current Financial Asset (Refer Note 8 (a))	0.39	0.39
	6.66	16.73

#### Note 14: Equity share capital

(₹ crores)

		(( 010103)
	March 31, 2021	March 31, 2020
Authorised Share Capital		
200,00,00,000 (Previous year - 200,00,00,000) Equity Shares of ₹ 1 each	200.00	200.00
	200.00	200.00
Issued Share Capital		
118,93,07,472 (Previous year - 118,93,07,472) Equity Shares of ₹ 1 each	118.93	118.93
	118.93	118.93
Subscribed and Paid Up		
118,92,58,445 (Previous Year - 118,92,58,445) Equity Shares of ₹ 1 each, Fully Paid	118.93	118.93
(Refer Footnote (iii))	118.93	118.93
·		

#### Footnotes:

- (i) The Company has one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- (ii) Shareholders holding more than 5% shares in the Company :

	March 31,	March 31, 2021		1, 2020
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Tata Sons Private Limited	45,30,05,131	38.09	45,30,05,131	38.09
Reliance Capital Trustee Company Limited	*	*	8,41,68,733	7.08
HDFC Trustee Company Limited	*	*	7,97,96,753	6.71

<sup>\*</sup> less than 5%

- (iii) 49,027 (Previous year 49,027) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.
- (iv) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (Previous year Nil)
- (v) Equity Shares held by associates

	March 31,	March 31, 2021		2020
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Oriental Hotels Limited	7,52,398	0.06	7,52,398	0.06
Taida Trading and Industries Limited	1,87,818	0.02	1,87,818	0.02
Taj Madurai Limited	11,25,393	0.09	11,25,393	0.09



for the year ended March 31, 2021

#### Note 15 : Other equity

(₹ crores)

			(1 0103)
		March 31, 2021	March 31, 2020
(a)	Reserves & Surplus		
	Capital Reserve		
	Opening and Closing Balance	43.91	43.91
	Reserve on Transfer of Equity to Entities under Common Control		
	Opening and Closing Balance	79.38	79.38
	Capital Redemption Reserve		
	Opening and Closing Balance	1.12	1.12
	Securities Premium		
	Opening and Closing Balance	2,702.06	2,702.06
	Debenture Redemption Reserve		
	Opening Balance	187.40	317.90
	Less : Transfer to General Reserve	(32.39)	(130.50)
	Closing Balance	155.01	187.40
	General Reserve		
	Opening Balance	590.49	459.99
	Add: Transfer from Debenture Redemption Reserve	32.39	130.50
	Closing Balance	622.88	590.49
	Retained Earnings		
	Opening Balance	808.52	603.77
	Less: Adjustment on account of transition to the new lease standard, net of taxes	-	(106.43)
	Add: Profit/ (Loss) for the year	(524.78)	401.41
	Less: Realised loss on sale of investment transferred from Other Comprehensive Income	-	(3.01)
	Add/(Less): Remeasurements of post employment benefit obligation, net of tax (item of other	20.20	(10.04)
	comprehensive income recognised directly in retained earnings)	26.36	(16.04)
	Less: Final Dividend	(59.46)	(59.46)
	Less : Tax on Dividend (net)	-	(11.72)
	Closing Balance	250.64	808.52
	Total	3,855.00	4,412.88
(b)	Other Comprehensive Income		
	Equity Instruments fair valued through Other Comprehensive Income		
	Opening Balance	51.75	156.68
	Add: Change in fair value of equity instruments designated irrevocably as fair value through Other	182.70	(107.94)
	Comprehensive Income	102.70	(107.54)
	Less: Realised loss on sale of investment transferred from Other Comprehensive Income		3.01
	Closing Balance	234.45	51.75
		4,089.45	4,464.63

#### Footnote:

#### Description of nature and purpose of each reserve

- Capital Reserve: Capital reserve mainly consists of reserves transferred on amalgamation of subsidiaries in earlier years. a)
- Capital Redemption Reserve: Capital Redemption Reserve was created on redemption of Preference shares in earlier years. b)
- Reserve on Transfer of Equity to Entities under Common Control: It consists of gain on transfer of equity shares between entities under common control. c)
- Securities Premium: Securities premium represents the premium charged to the shareholders at the time of issuance of equity shares. The securities premium d) can be utilised based on the relevant requirements of the Companies Act, 2013.
- e) Debenture Redemption Reserve: The Company created Debenture Redemption Reserve out of the profits which is available for the purpose of redemption of debentures. On redemption of debentures, the same will be transferred to General Reserve.
- f) General Reserve: General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes based on the provisions of the Companies Act prior to its amendment.
- Equity Instruments through Other Comprehensive Income: This represents the cumulative gains and losses arising on the revaluation of investments in equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such investments are disposed off.

for the year ended March 31, 2021

#### **Note 16: Borrowings**

(₹ crores)

		Effective		March 31, 2021		March 31, 2020	
		Rate of Interest (%)	,	Face Value	Amortised cost	Face Value	Amortised cost
(a)	Long term borrowings						
	Non Convertible Debentures (NCDs)						
	Secured						
	a) 7.85% Non-Convertible Debentures	7.85	April 15, 2022	495.00	494.72	495.00	494.35
	b) 10.10% Non-Convertible Debentures	10.10	November 18, 2021	300.00	300.00	300.00	300.00
	c) 9.95% Non-Convertible Debentures	9.95	July 27, 2021	250.00	250.00	250.00	250.00
				1,045.00	1,044.72	1,045.00	1,044.35
	Unsecured						
	a) 7.85% Non-Convertible Debentures	7.85	April 20, 2020	-	-	200.00	199.96
	b) 7.50% Non-Convertible Debentures	7.50	April 23, 2023	150.00	149.26	-	-
	c) 7.95% Non-Convertible Debentures	7.95	June 5, 2023	300.00	296.42	-	-
				450.00	445.68	200.00	199.96
				1,495.00	1,490.40	1,245.00	1,244.31
	Term Loan from Banks						
	Secured (Refer Footnote (iv))				834.65		694.34
					834.65		694.34
	Term Loan from Others						
	Secured (Refer Footnote (v))				247.20		-
					247.20		-
	Loans (Unsecured)						
	From Related Party (Refer Note 40)				4.54		4.67
					4.54		4.67
					2,576.79		1,943.32
	Less: Current maturities of Long term						
	borrowings (shown under Other Current				638.00		234.71
	financial liabilities) (Refer Note 17(b))						
					1,938.79		1,708.61
(b)	Short term borrowings						
	Short Term Borrowings from Related Parties				15.00		_
	(Refer Note 40)						
					15.00		-
	Total Borrowings				2,591.79		1,943.32

#### Footnotes:

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

- a) 4,950, 7.85% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 495 crores, allotted on January 20, 2017 are repayable at par after the end of 5<sup>th</sup> year from the date of allotment i.e on April 15, 2022.
- b) 3,000, 10.10% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on November 18, 2011 are repayable at par on November 18, 2021 i.e at the end of 10<sup>th</sup> year from the date of allotment. This has been classified under current maturities of long term borrowings.
- c) 2,500, 9.95% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on July 27, 2011 are repayable at par on July 27, 2021 i.e at the end of 10<sup>th</sup> year from the date of allotment. This has been classified under current maturities of long term borrowings.
- (ii) All the Secured Non-Convertible Debentures are rated, listed and secured by a pari passu first charge created on all the property, plant and equipment of the Company, both present and future.



for the year ended March 31, 2021

#### Note 16: Borrowings (contd.)

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

- 2,000, 7.85% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 20, 2017 have been fully redeemed on due date i.e. April 20, 2020. In the previous year, this was classified under current maturities of long term borrowings.
- 1,500, 7.50% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 150 crores, allotted on April 23, 2020 are repayable at par on April 23, 2023 i.e at the end of 3<sup>rd</sup> year from the date of allotment.
- 3,000, 7.95% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on June 05, 2020 are repayable at par on June 05, 2023 i.e at the end of 3<sup>rd</sup> year from the date of allotment.

#### Term Loan from Banks (Secured) include:

- Secured term loan from a bank amounting to ₹ 475 crores ( Previous year ₹ 365 crores ) is repayable over a period of 6 years from the date of first drawdown i.e. December 06, 2019 and has the final maturity date of December 6, 2025. This loan is linked to MCLR of the bank and currently carries an average interest rate of 7.80%. The Company has created partial charge, on pari-passu basis, on certain identified immovable properties against this loan. The current maturity of the said loan amounting to ₹ 50 crores has been classified under current maturities of long term borrowings.
- Secured term loan from a bank amounting to ₹ 361 crores ( Previous year ₹ 330 crores ) is repayable over a period of 6 years from the date of first drawdown i.e. December 09, 2019 and has the final maturity date of December 8, 2025. This loan is linked to MCLR of the bank and currently carries an average interest rate of 7.50%. The Company has created charge, on pari-passu basis, on certain identified immovable properties against this loan. The current maturity of the said loan amounting ₹ 38 crores has been classified under current maturities of long term borrowings.

#### Term Loan from Others (Secured) include:

Secured term loan from a Financial Institution amounting to ₹ 250 crores drawn on September 28, 2020 is repayable in 28 equal successive quarterly installment from the end of 27<sup>th</sup> month, from the month in which the first utilisation occurs with the final maturity date of September 30, 2029. This loan is linked to benchmark rate of the institution and currently carries an interest rate of 8.70%. Shares in one of the Subsidiary have been pledged as security for this loan by two other Subsidiaries. Further, the Company is required to create charge on certain identified immovable properties, belonging to another subsidiary, by December 31, 2021 or in the absence of this, any other suitable immovable assets to the satisfaction of the lender. (Refer Note 40).

#### Disclosure of changes in liabilities arising from financing activities (read with cash flow statement)

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented below.

#### Financial liability statement

(₹ crores)

	(< crores)
March 31, 2021	March 31, 2020
33.32	131.47
374.39	408.72
5.10	15.15
412.81	555.34
2,576.79	1,943.32
15.00	-
2,591.79	1,943.32
2,178.98	1,387.98
152.62	177.22
70.18	53.57
222.80	230.79
2,401.78	1,618.77
	33.32 374.39 5.10 412.81 2,576.79 15.00 2,591.79 2,178.98 152.62 70.18 222.80

for the year ended March 31, 2021

Note 16: Borrowings (contd.)

		Liquid Assets		Liabilities	from Financing	activities		
	Cash and cash equivalents	Bank Balances (Excluding Earmarked balances)	Current Investments	Gross Debt	Net Debt	Derivatives	Interest accrued but not due / Unclaimed interest	Total
	(a)	(b)	(c)	(d)	(e) = (d)-(a)- (b)-(c)	(f)	(g)	(h) = (e)+(f)+(g)
Net Debt as at March 31, 2019	88.93	5.10	193.43	1,784.05	1,496.59	277.45	52.44	1,826.48
Cash flows	42.54	10.05	206.00	127.78	(130.81)	(121.99)	(0.03)	(252.83)
Foreign exchange adjustments	-	-	-	0.38	0.38	-	-	0.38
Interest / Other Borrowing Cost	-	-	-	31.83	31.83	-	124.93	156.76
Interest / Other Borrowing Cost paid	-	-	-	(0.72)	(0.72)	-	(123.31)	(124.03)
Transferred to IEPF	-	-	-	-	-	-	(0.46)	(0.46)
Other non- cash movements:								
Fair value adjustments realised/ unrealised	-	-	9.29	-	(9.29)	21.76	-	12.47
Net Debt as at March 31, 2020	131.47	15.15	408.72	1,943.32	1,387.98	177.22	53.57	1,618.77
Cash flows	(98.15)	(10.05)	(42.16)	656.00	806.36	0.40	-	806.76
Foreign exchange adjustments	-	-	-	(0.13)	(0.13)	-	-	(0.13)
Interest / Other Borrowing Cost	-	-	-	2.23	2.23	-	197.52	199.75
Interest / Other Borrowing Cost paid	-	-	-	(9.63)	(9.63)	-	(180.88)	(190.51)
Transferred to IEPF	-	-	-	-	-	-	(0.03)	(0.03)
Other non- cash movements:								
Fair value adjustments realised/ unrealised	-	-	7.83	-	(7.83)	(25.00)	-	(32.83)
Net Debt as at March 31, 2021	33.32	5.10	374.39	2,591.79	2,178.98	152.62	70.18	2,401.78

### Note 17: Other financial liabilities

		(< crores)
	March 31, 2021	March 31, 2020
(a) Other Non Current financial liabilities		
Liability on derivative contracts	-	177.22
Deposits from others		
Unsecured	5.00	14.84
Employee related liabilities	-	5.12
Other Contractual Liabilities (Refer Note 31(ii))	18.72	-
	23.72	197.18
(b) Other Current financial liabilities		
Current maturities of long term borrowings (Refer Note 16 (a))		
Debentures	550.00	199.96
Term Loan From Banks	88.00	34.75
	638.00	234.71
Liability on derivative contracts	152.62	-
Contract Liability towards Loyalty Programmes (Refer Note 32 (iii) (b))	47.57	49.18
Other Contractual Liabilities (Refer Note 31(ii))	165.14	-
Other Payables		
Related Parties (Refer Note 40)	0.62	2.61
Others	3.08	6.12
	3.70	8.73
Carried over	1,007.03	292.62



for the year ended March 31, 2021

### Note 17: Other financial liabilities (contd.)

(₹ crores)

	March 31, 2021	March 31, 2020
Brought over	1,007.03	292.62
Deposits from others		
Option Deposit received against purchase of shares (Secured) (Refer Footnote (ii) of Note 6 (b))	71.10	71.10
Unsecured	19.24	15.10
	90.34	86.20
Interest accrued but not due on borrowings	70.18	53.54
Creditors for capital expenditure	14.29	20.09
Unclaimed dividend (Refer Footnote (ii))	1.06	1.12
Unclaimed matured deposits and interest accrued thereon (Refer Footnote (ii))	-	0.03
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous year - ₹ 25,153) (Refer Footnote (ii))	-	-
Employee related liabilities	54.60	85.53
Others	46.50	41.93
	1,284.00	581.06

#### Footnotes:

- (i) The fair value hierarchy and classification are disclosed in Note 34.
- A sum of ₹ 0.34 crores (Previous year ₹ 0.86 crores) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.
- For related party balances refer Note 40.

### **Note 18: Provisions**

(₹ crores)

		(( 0,0,0)
	March 31, 2021	March 31, 2020
(a) Non Current provisions		
Employee Benefit Obligation		
Compensated absences	28.81	31.04
Gratuity (Refer Note 36)	6.24	27.75
Post-employment medical benefits (Refer Note 36)	6.84	6.92
Post-retirement pension (Refer Note 36)	20.14	20.99
	62.03	86.70
(b) Current provisions		
Employee Benefit Obligation		
Compensated absences	21.23	23.14
Post-employment medical benefits (Refer Note 36)	0.46	0.43
Post-retirement pension (Refer Note 36)	1.59	1.21
	23.28	24.78
Provision for disputed claims (Refer Footnote (i) )	112.87	97.42
	136.15	122.20

#### Footnote:

Provision for disputed claims includes the following:

			( . 0.0.00)
	Opening Balance	Addition/ (Deletion)	Closing Balance
For taxes, levies and duties	97.01	15.45	112.46
	95.18	1.83	97.01
For contractual matters	0.41	-	0.41
	0.41	-	0.41
As at March 31, 2021	97.42	15.45	112.87
As at March 31, 2020	95.59	1.83	97.42

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

Figures in italics are in respect of previous periods.

for the year ended March 31, 2021

# Note 19: Deferred tax liabilities (net)

(₹ crores)

	March 31, 2021	March 31, 2020
Deferred Tax Liabilities:		
Property, plant and equipment & Intangible assets	292.71	299.27
Unamortised borrowing costs	2.20	0.34
Fair valuation changes of derivative contracts	0.27	-
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income (Refer Footnote (i))	6.18	3.85
Gain/Loss on Fair Value of Non-equity Instruments - FVTPL	0.63	0.07
	301.99	303.53
Deferred Tax Assets:		
Provision for Employee Benefits	19.87	33.73
Allowance for doubtful debts/ advances	8.23	4.67
Unused tax losses (Business)	110.31	-
Fair valuation changes of derivative contracts	-	5.93
Right-of-Use assets (net of Lease Liabilities)	52.07	46.67
Unrealised loss on equity shares carried at fair value through Other Comprehensive Income (Refer Footnote (i))	6.18	3.85
Reward Points	11.89	12.31
Provision for disputed claims	4.77	3.34
Others	15.87	13.34
	229.19	123.84
	72.80	179.69

#### Footnotes:

- (i) Deferred tax assets on account of changes in fair value of investments routed through OCI has been restricted to the extent of deferred tax liability on this account.
- (ii) Refer Note 39 for detailed disclosures.

### Note 20: Trade payables

(₹ crores)

		, ,
	March 31, 2021	March 31, 2020
Dues of small enterprises and micro enterprises (Refer Footnote (i) and (ii))	8.17	3.10
Dues of creditors other than small enterprises and micro enterprises:		
Vendor Payables	83.83	103.27
Accrued expenses and others	111.38	148.80
	195.21	252.07
	203.38	255.17

#### Footnotes:

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

			( \ 0.0.00)	
		March 31, 2021	March 31, 2020	
(a)	The principal amount remaining unpaid to supplier as at the end of the accounting year	8.17	3.10	
(b)	The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-	
(c)	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-	
(d)	The amount of interest due and payable for the year	-	-	
(e)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	
(f)	The amount of further interest due and payable even in the succeedingyear, until such date when the interest dues as above are actually paid	-	-	

<sup>(</sup>iii) For related party balances refer Note 40.

for the year ended March 31, 2021

### Note 21: Other current liabilities

(₹ crores)

	March 31, 2021	March 31, 2020
Income received in advance (Refer Footnote (i))	25.00	25.41
Deferred Revenue (Refer Footnote (i))	58.28	66.76
Advances collected from customers (Refer Footnote (i))	94.90	62.57
Statutory dues (Refer Footnote (ii))	21.43	42.80
	199.61	197.54

#### Footnote:

- (i) For detailed disclosure relating to Ind AS 115 Revenue from Contracts with Customers refer Note 32 (iii).
- (ii) Statutory dues includes amount payable towards indirect taxes, tax deducted at source and employee related dues.

### Note 22: Revenue from operations

(₹ crores)

	March 31, 2021	March 31, 2020
Room Income, Food, Restaurants and Banquet Income	873.35	2,227.22
Shop rentals	27.96	35.23
Membership fees	77.38	114.77
Management and operating fees	90.48	218.77
Other Operating Income (Refer Footnote (ii))	63.98	147.48
	1,133.15	2,743.47

#### Footnote:

- (i) For detailed disclosure relating to Ind AS 115 Revenue from Contracts with Customers refer Note 32.
- (ii) Other Operating Income includes ₹ 13.14 crores being grant of indirect taxes refund accrued based on approval received under Mega claim scheme for a hotel unit. (Refer Note 29(d))

### Note 23: Other income

(₹ crores)

	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Deposits with banks	4.45	6.03
Deposits with Related Parties (Refer Note 40)	1.11	1.35
Amortisation of Interest on security deposits	3.40	2.72
Others	23.44	0.58
	32.40	10.68
Interest on Income Tax Refunds	5.46	2.24
	37.86	12.92
Dividend Income from Investments		
- from Investments in Subsidiaries, Joint Ventures and Associates which are measured at cost	6.74	7.04
- from Investments that are fair valued through Other Comprehensive Income	0.69	6.86
	7.43	13.90
Profit on disposal of Property, plant and equipment (Net)	21.32	86.68
Gain on investments carried at fair value through statement of profit and loss	2.51	0.28
Profit on sale of Investments (Net)	5.32	9.00
Exchange Gain (Net)	-	1.11
Others (Refer Footnote)	36.08	10.52
	110.52	134.41

### Footnote:

Includes waiver of lease payments of ₹ 26.79 crores on certain hotel properties/ office premises. Refer Note 2(i)

for the year ended March 31, 2021

# Note 24: Food and beverages consumed

(₹ crores)

	March 31, 2021	March 31, 2020
Opening Stock	32.15	25.86
Add : Purchases	102.00	242.03
	134.15	267.89
Less: Closing Stock	26.22	32.15
	107.93	235.74

# Note 25: Employee benefit expenses and payment to contractors

(₹ crores)

	March 31, 2021	March 31, 2020
Salaries, Wages, Bonus etc.	416.70	529.89
Company's Contribution to Provident and Other Funds (Refer Note 36)	27.16	47.68
Reimbursement of Expenses on Personnel Deputed to the Company	24.94	25.41
Payment to Contractors	29.27	47.84
Staff Welfare Expenses	40.57	74.25
	538.64	725.07

#### Footnote:

Employee benefit expenses of ₹0.28 crores (Previous year ₹2.02 crores) to the extent attributable to construction or renovation of hotel buildings has been capitalised.

### Note 26: Finance costs

(₹ crores)

	March 31, 2021	March 31, 2020
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	199.75	156.67
Add : Other borrowing costs	-	0.09
	199.75	156.76
Interest cost on Lease liability	82.40	77.36
On Tax Demands	6.43	2.77
Other interest costs	6.48	0.66
	295.06	237.55
Less: Interest Capitalised (Refer Footnote)	0.27	-
	294.79	237.55

#### Footnote:

The Company has capitalised the Interest cost on borrowings relating to certain qualifying assets.



for the year ended March 31, 2021

# Note 27: Other operating and general expenses

(₹ crores)

	March 31, 2021	March 31, 2020
(i) Operating expenses consist of the following:		
Linen and Room Supplies	17.41	32.37
Catering Supplies	16.56	19.35
Other Supplies	6.21	5.04
Fuel, Power and Light (net)	109.17	174.63
Repairs to Buildings	23.91	39.31
Repairs to Machinery	33.12	46.50
Repairs to Others	3.89	8.69
Linen and Uniform Washing and Laundry Expenses	7.65	14.64
Security charges and Others	18.32	32.65
Guest Transportation	11.29	35.84
Travel Agents' Commission	22.89	43.66
Discount to Collecting Agents	9.58	19.72
Other Operating Expenses	17.35	60.16
	297.35	532.56
(ii) General expenses consist of the following:		
Rent	23.80	12.45
Lease cost (Refer Footnote (ii) and Note 33)	37.42	120.76
Rates and Taxes	45.23	70.85
Insurance	13.17	7.26
Advertising and Publicity	27.63	73.16
Printing and Stationery	3.55	7.03
Passage and Travelling	1.49	8.99
Provision for Doubtful Debts/ Bad debts written off	9.07	2.97
Expenditure on Corporate Social Responsibility (Refer Footnote (iii))	14.26	7.56
Professional Fees	22.58	37.49
Outsourced Support Services	39.48	62.70
Exchange Loss (Net)	0.40	-
Payment made to Statutory Auditors (Refer Footnote (iv))	3.62	3.71
Directors' Remuneration, Fees and Commission	1.69	3.20
Other Expenses (Refer Footnote (vi))	42.74	70.91
	286.13	489.04
	583.48	1,021.60

### Footnote:

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

	March 31, 2021	March 31, 2020
Fuel, power and light	0.20	0.32
Other expenses (Net)	-	2.90
	0.20	3.22

Lease cost includes ₹ 6.21 crores (Previous year ₹ 4.96 crores) towards amortisation of Lease premium on account of measurement of interest free refundable security deposits at amortised cost.

for the year ended March 31, 2021

### Note 27: Other operating and general expenses (contd.)

(iii) The gross amount required to be spent by the Company during the year is ₹ 7.60 crores (Previous year ₹ 7.43 crores). The Company has spent ₹ 17.26 crores (Previous year ₹ 7.56 crores) on projects other than construction/ acquisition of assets. The entire amount has been disbursed/ committed prior to the end of the financial year. Out of the excess amount spent, the Company has carried forward ₹ 3.00 crores to next years to offset against the mandatory spend in subsequent 3 years.

(₹ crores)

	March 31, 2021	March 31, 2020
Details of Expenditure on Corporate Social Responsibility:		
(a) Gross amount required to be spent by the company during the year	7.60	7.43
(b) Amount approved by the Board to be spent during the year	7.60	7.43
(c) Amount spent during the year on:		
CSR Project or Activities identified		
(i) Building Livelihoods	0.60	2.81
(ii) Supporting Education	0.81	1.45
(iii) Being a Responsible Neighbour	1.22	3.30
(iv) COVID-19 Relief and support	14.27	-
(v) Other administrative overheads	0.36	-
	17.26	7.56
Less: Excess amount spent carried forward to next year	3.00	-
Total	14.26	7.56
(d) Amount unspent	Nil	Nil

(iv) Payment made to Statutory Auditors:

(₹ crores)

	( /	
	March 31, 2021	March 31, 2020
As auditors	2.82	2.82
As tax auditors	0.48	0.48
For other services	0.11	0.12
For out-of pocket expenses	0.18	0.29
GST on above [Net of credit availed - ₹ 0.64 crores (Previous year - ₹ 0.61 crores)]	0.03	-
	3.62	3.71

(v) Other expenses include Assets written off - ₹ 3.27 crores (Previous year - ₹ 6.91 crores).

### Note 28: Exceptional Items

		(
	March 31, 2021	March 31, 2020
Exceptional Items comprises the following:		
Change in fair value of derivative contracts	25.00	(21.76)
Provision for impairment of investment in subsidiaries that incurred losses (Refer Note 6(a), Footnote (iv))	(179.52)	(68.98)
Provision for impairment in the value of investment in a Joint Venture	(0.78)	(1.39)
Profit on sale of investment in a Joint Venture company	-	21.23
Profit on sale of land and building	-	54.50
	(155.30)	(16.40)

for the year ended March 31, 2021

### Note 29: Contingent Liabilities (to the extent not provided for) and Contingent Assets:

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

### (a) On Account of Matters in Dispute:

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

(₹ crores)

	March 31, 2021	March 31, 2020
Income tax	226.92	203.79
Entertainment tax	2.22	2.22
Sales tax / State Value added tax	19.30	15.57
Property tax	206.65	195.33
Service tax	15.61	1.51
Others	30.09	23.67

#### Footnote:

#### (b) On Account of Lease Agreements:

In respect of a plot of land provided to the Company under a lease agreement, on which the Company has constructed a hotel, the lessor has made a claim of ₹ 527.24 crores to date, (13 times the previous annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the lessor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the then existing lessor's policy as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch beyond ₹ 147.03 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been filed by the Company before the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the lessor, pending a resolution of this dispute by the Honourable Bombay High Court, and the Company has obtained a stay order from the court.

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

- plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
- (ii) the proceedings are in early stages;
- (iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations; and
- (iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented

In respect of Income Tax matters, the Company has ongoing disputes with Income Tax Authorities relating to treatment of certain items/ adjustments carried out by the Department. The Company's appeals are pending before various Appellate Authorities. Most of these disallowances/ adjustments, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. Cash outflows for the above are determinable only on receipt of judgements pending with various authorities/ Tribunals. The Company expects to sustain its position on ultimate resolution of the appeals.

In respect of regulatory matters please refer Note 37.

for the year ended March 31, 2021

#### Note 29: Contingent Liabilities (to the extent not provided for) and Contingent Assets (contd.)

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

# (d) Claims filed by the Company:

The Company had invested in a Greenfield Project in Guwahati, Assam which is eligible as "Mega Project" under the Industrial and Investment Policy of Assam, 2014 and is entitled to apply for the revenue grant under the Assam Industrial Policy. The Company had made application for the grant/subsidy which is essentially is the form of reimbursement of SGST and Luxury Tax paid for a period of 10 years upto a maximum of 150% of the original capital outlay.

During the year, the Company's application was processed by the Industries Department of State Government of Assam and "Eligibility and Entitlement Certificate" was issued by Commissioner of Taxes, Guwahati, Assam.

On the basis of entitlement certificate, the Company accrued income of ₹ 12.69 crores towards reimbursement of taxes for the past years & ₹ 0.45 crores for the current financial year which has been recognised in "Other Operating Income". This grant is expected to be received by the Company once the verification of claims/ scrutiny & assessment of the previous year's taxes is completed by the said department.

#### Note 30: Guarantees Given

- i) Guarantees/ Letters of Comfort given by the Company in respect of loans obtained by other companies and outstanding as on March 31, 2021 ₹ 411.58 crores (Previous year ₹ 403.79 crores).
- ii) The Company has given letter of support to certain subsidiaries during the year.

### **Note 31 : Capital Commitments**

- i) Commitments includes the amount of purchase order (net of advance) issued to parties for completion of assets. Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 215.86 crores (Previous year ₹ 236.46 crores).
- ii) During the year, the Company has entered into a definitive agreement to purchase the balance 14.28% stake in ELEL Hotels and Investments Ltd (ELEL), a step down subsidiary, from its existing shareholders for a total consideration of ₹ 250 crores. Consequently, on completion of the transaction, ELEL will become a wholly owned subsidiary of IHCL.

The transaction has been accounted as a forward contract/ derivative instrument as per Ind AS 109 − Financial Instruments and a financial liability of ₹ 250 crores has been recognised at its present value.

The Company paid an advance consideration of ₹ 50 crores for the acquisition and balance has to be paid in stages on achievement of certain milestones but not later than end of December 31, 2021.



for the year ended March 31, 2021

#### Note 32: Revenue from Contracts with Customers

The Company's revenue primarily comprises of Revenue from Hotel operations, Management and Operating Fee and Membership fees income as tabulated below.

# i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss:

(₹ crores)

		(\ crores)
	March 31, 2021	March 31, 2020
Revenue from operations		
Revenue from contract with customers		
Room Revenue, Food & Beverages and Banquets	873.35	2,227.22
Management fee	90.48	218.77
Membership fee	77.38	114.77
Other revenue from contract with customers	72.27	145.97
	1,113.48	2,706.73
Other operating revenue		
Export Incentive	0.44	26.94
Other revenue	19.23	9.80
	19.67	36.74
Total Revenue from operations	1,133.15	2,743.47

### ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

(₹ crores)

		( \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
	March 31, 2021	March 31, 2020
Revenue based on geography		
Revenue from contract with customers		
India	1,102.79	2,660.98
Overseas	10.69	45.75
	1,113.48	2,706.73
Other Operating Revenue		
India	19.67	36.74
Overseas	-	-
	19.67	36.74
	1,133.15	2,743.47
Revenue based on product and services		
Revenue from contract with customers		
Room Revenue	471.55	1,135.50
Food & Beverages and Banquets	401.80	1,091.72
Management fee (including reimbursement)	90.48	218.77
Membership fee	77.38	114.77
Others revenue from contract with customers	72.27	145.97
	1,113.48	2,706.73
Other Operating Revenue		
Export Incentives	0.44	26.94
Other revenue	19.23	9.80
	19.67	36.74
	1,133.15	2,743.47

for the year ended March 31, 2021

### Note 32: Revenue from Contracts with Customers (contd.)

### iii) Contract Balances

The contract liabilities primarily relate to the unredeemed customer loyalty points and the advance consideration received from customers for which revenue is recognised when the performance obligation is over/ services delivered.

- Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services. It also includes membership fee received for Chambers Membership, Epicure membership and Spa and Health Club Memberships and disclosed as Income received in advance.
- Loyalty programme liability represents the liability of the Company towards the points earned by the members.

	March 31, 2021	March 31, 2020
Contract liabilities		
Income received in advance	25.00	25.41
Deferred Revenue	47.28	48.93
Advances collected from customers	94.90	62.57
Loyalty programme liability	47.57	49.18
	214.75	186.09

Footnote: Considering the nature of business of the Company, the above contract liabilities are generally materialised as revenue within the same operating cycle.

### Note 33: Leases - Ind AS 116

The Company has taken land and immovable properties on lease which are generally long term in nature with varying terms, escalation clauses and renewal rights expiring within five to one hundred and ninety eight years. On renewal, the terms of the leases are renegotiated.

### Total Lease Liabilities are Analysed as under:

(₹ crores)

	March 31, 2021	March 31, 2020
Current *	24.21	38.65
Non-current	978.72	956.22
Total	1002.93	994.87

<sup>\*</sup> The Current Portion of the lease liability is excluding the interest component on the lease liability. Actual Lease Payments (including notional interest as per Ind AS 116) would be ₹ 93.47 crores. Refer note (b) below for the Maturity Analysis of the Lease Payments.

### **Exposure to Future Cash Flows:**

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

	March 31, 2021	March 31, 2020
Maturity analysis:		
Less than 1 year	93.47	103.24
Between 1 and 5 years	375.90	372.04
More than 5 years	6,104.86	6,150.36
Total	6,574.23	6,625.64

for the year ended March 31, 2021

#### Note 33: Leases – Ind AS 116 (contd.)

In addition, in certain circumstances the Company is committed to making additional lease payments that are contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased for which no lease liability has been recognised as it is contingent in nature.

### c) Overall Lease Rentals (including provisions and amount adjusted against advances) for the year ended March 31, 2021 are as below:

 March 31, 2021
 March 31, 2020

 Minimum Lease Payments/ Fixed Rentals
 62.13
 91.89

 Contingent rents
 37.42
 120.76

 Total
 99.55
 212.65

The payment of lease liability as disclosed in the cash flow statement also includes payment towards interest.

#### Note 34: Financial Instruments Measurements and Disclosures

### a) Financial Instruments by Category:

As on March 31, 2021

(₹ crores) **FVTPL FVTOCI Amortised cost** Total carrying value Financial assets: Measured at fair value Investments (Refer Footnote): 463.01 463.01 Equity shares Mutual fund units 374.39 374.39 374.39 463.01 Total 837.40 Not measured at fair value 196.96 Trade Receivables 196.96 Cash and cash equivalents 33.32 33.32 Other Balances with Banks 6.66 6.66 9.58 9.58 Loans Security Deposits 91.43 91.43 Other financial assets 382.99 382.99 720.94 720.94 Total 374.39 463.01 720.94 1,558.34 Financial liabilities: Measured at fair value Derivative instruments 152.62 152.62 Not measured at fair value **Borrowings** 2,591.79 2,591.79 Lease Liabilities 1,002.93 1,002.93 Trade Payables including Creditors for capital 217.67 217.67 expenditure 95.34 95.34 Deposits Other financial liabilities 407.47 407.47 Total 152.62 4,315.20 4,467.82

#### Footnote:

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 3572.27 crores. Also, refer Note 30 for guarantees given by the Company.

for the year ended March 31, 2021

Note 34: Financial Instruments Measurements and Disclosures (contd.)

# As on March 31, 2020

(₹ crores)

				(( 00163)	
	FVTPL	FVTOCI	Amortised cost	Total carrying value	
Financial assets:					
Measured at fair value					
Investments (Refer Footnote):					
Equity shares	-	269.64	-	269.64	
Mutual fund units	408.72	-	-	408.72	
Total	408.72	269.64	-	678.36	
Not measured at fair value					
Trade Receivables	-	-	250.94	250.94	
Cash and cash equivalents	-	-	131.47	131.47	
Other Balances with Banks	-	-	16.73	16.73	
Loans	-	-	9.57	9.57	
Security Deposits	-	-	120.89	120.89	
Other financial assets	-	-	119.75	119.75	
-	-	-	649.35	649.35	
Total	408.72	269.64	649.35	1,327.71	
Financial liabilities:					
Measured at fair value					
Derivative instruments	177.22	-	-	177.22	
Not measured at fair value					
Borrowings	-	-	1,943.32	1,943.32	
Lease Liabilities	-	-	994.87	994.87	
Trade Payables including Creditors for capital expenditure	-	-	275.26	275.26	
Deposits	-	-	101.04	101.04	
Other financial liabilities	-	-	245.18	245.18	
Total	177.22	-	3,559.67	3,736.89	

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 3,473.14 crores. Also, refer Note 30 for guarantees given by the Company.

### b) Fair Value Hierarchy

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

### As on March 31, 2021

				(₹ crores)
	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	259.99	-	203.02	463.01
Mutual fund units	374.39	-	-	374.39
Total	634.38	-	203.02	837.40
Not measured at fair value (Refer Footnotes)				
Total	634.38	-	203.02	837.40



for the year ended March 31, 2021

Note 34: Financial Instruments Measurements and Disclosures (contd.)

(₹ crores)

				( ,
	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	152.62	-	152.62
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non Convertible Debentures	-	1,541.10	-	1,541.10
Total	-	1,693.72	-	1,693.72

#### Footnote:

- The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.
- The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

### As on March 31, 2020

(₹ crores)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Investments:				
Equity shares	88.18	-	181.46	269.64
Mutual fund units	408.72	-	-	408.72
Total	496.90	_	181.46	678.36
Not measured at fair value (Refer Footnotes)				
Total	496.90	-	181.46	678.36
Financial liabilities:				
Measured at fair value				
Derivative instruments	-	177.22	-	177.22
Not measured at fair value (Refer Footnotes)				
Borrowings				
Non Convertible Debentures	-	1,271.73	-	1,271.73
Total	-	1,448.95	-	1,448.95

#### Footnotes:

- The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because the fair value of financial instruments such as trade receivables, and the fair value of financial instruments such as the fair value of financial instruments such as the fair value of financial instruments and the fair value of financial instruments such as the fair value of financial instruments and the ftheir carrying amounts are a reasonable approximation of fair value.
- The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

### **Fair Value Hierarchy:**

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

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

for the year ended March 31, 2021

### Note 34: Financial Instruments Measurements and Disclosures (contd.)

- (b) Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- (c) Level 3: If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

#### d) Inter level transfers:

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

### e) Valuation Technique used to Determine Fair Value

Specific valuation techniques used to value financial instruments include:

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

#### f) Reconciliations of Level 3 Fair Values

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

	(₹ crores)
	Assets Equity Instruments
Balance as at April 1, 2019	187.97
Net change in fair value (unrealised)	(6.51)
Balance as at March 31, 2020	181.46
Add: Shares purchased during the year	10.66
Net change in fair value (unrealised)	10.90
Balance as at March 31, 2021	203.02

for the year ended March 31, 2021

### Note 35: Financial Risk Management

### **Risk Management Framework**

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

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal audit team. The internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

- · Credit risk;
- Liquidity risk;
- Market risk

### a) Credit Risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Credit limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

### b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets. Also refer note 44.

for the year ended March 31, 2021

# Note 35: Financial Risk Management (contd.)

### i) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

		(₹ crores)
	March 31, 2021	March 31, 2020
Expiring within one year:		
Bank overdraft and Short-term loans	110.00	80.00
Long-term Bank loans	600.00	355.00
Total	710.00	435.00

The bank overdraft facilities may be drawn at any time by the Company.

The breakup of the borrowings into fixed and floating interest rates is as follows:

(₹ crores)

	March 31, 2021	March 31, 2020
Fixed interest rate	1,494.94	1,248.98
Floating interest rate	1,096.85	694.34
Total	2,591.79	1,943.32

### ii) Maturities of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual redemption premium payments on low coupon debentures.

(₹ crores)

March 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	653.00	600.86	1,217.14	129.54	2,600.54
Trade and other payables	217.67	-	-	-	217.67
Interest on the borrowings	190.00	118.06	150.09	20.42	478.57
Other financial liabilities	408.91	2.57	19.46	-	430.94
Total	1,469.58	721.49	1,386.69	149.96	3,727.72
Derivative financial liabilities	152.62	-	-	-	152.62
Lease liabilities	93.47	94.58	281.32	6,104.86	6,574.23
Financial guarantee contracts	155.45	38.79	195.39	21.95	411.58
Total financial liabilities	1,871.12	854.86	1,863.40	6,276.77	10,866.15

March 31, 2020	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Borrowings (including redemption premium)	234.75	619.50	912.00	178.42	1,944.67
Trade and other payables	255.17	-	-	-	255.17
Interest on the borrowings	151.74	119.65	116.27	11.86	399.52
Other financial liabilities	298.57	7.66	4.41	0.44	311.08
Total	940.23	746.81	1,032.68	190.72	2,910.44
Derivative financial liabilities	-	177.22	-	-	177.22
Lease liabilities	103.24	94.44	277.60	6,150.36	6,625.64
Financial guarantee contracts	115.29	14.31	128.78		258.38
Total financial liabilities	1,158.76	1,032.78	1,439.06	6,341.08	9,971.68



for the year ended March 31, 2021

### Note 35: Financial Risk Management (contd.)

#### iii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and noncurrent term loans' as shown in the balance sheet) less cash and cash equivalents and current investments.

			(₹ crores)
	Note	March 31, 2021	March 31, 2020
Borrowings	16	2,591.79	1,943.32
Less: Cash and cash equivalents	12	33.32	131.47
Less: Call and Short-term deposit accounts	13	5.10	15.15
Less: Current Investments in mutual funds	6 (b)	374.39	408.72
Net debt		2,178.98	1,387.98
Equity	14/15	4,208.38	4,583.56
Gearing ratio		0.52	0.30

#### **Market Risk**

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

#### **Foreign Currency Risk**

The predominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). The Company's reported debt has an exposure to borrowings held in US dollars. Further, the Company has foreign currency exposure for its investments (equity and shareholder's loan) in its international subsidiaries. Movements in foreign exchange rates can affect the Company's reported profit, net assets.

The Company's investment in foreign subsidiaries is offset partially by US dollar denominated derivative instruments and bank loan which mitigates the foreign currency risk arising from the subsidiary's net assets.

The Company uses interest rate swaps and currency swaps to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:-

### **Derivative Instruments outstanding:**

	March 31,	, 2021	March 31, 2020		
Nature of derivative	Notional principal (US\$ million)	Fair values (₹ crores)	Notional principal Fair valu (US\$ million) (₹ crore		
Cross currency Interest rate Swap	55.17	152.62	55.17	177.22	
Total	55.17	152.62	55.17	177.22	

for the year ended March 31, 2021

### Note 35: Financial Risk Management (contd.)

#### Sensitivity

For the year ended March 31, 2021 and March 31, 2020, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall reduce the Company's profit before tax by approximately 1.54% and 2.19% respectively.

For the year ended March 31, 2021 and March 31, 2020, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall increase the Company's profit before tax by approximately 2.39% and 4.06% respectively.

The above derivative is maturing in July, 2021 and the last reset of interest rate has been done in July, 2020. There will be no further reset of interest rate from March till July, 2021 and hence the sensitivity is not computed.

#### Un-Hedged Foreign currency exposure receivable/ (payable):

Currency	March 31, 2021	March 31, 2020
United States Dollar (Million)	(0.62)	(0.62)

#### Sensitivity

For the year ended March 31, 2021 and March 31, 2020, every 3% depreciation/ appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the Company's profit before tax by approximately 0.03 % and 0.03 % respectively.

### ii) Interest rate risk

The Company adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

The total borrowing at variable rate was ₹ 1,096.85 crores as at March 31, 2021 (Previous year - ₹ 694.34 crores). The carrying value of the long term debt approximates fair value since the current interest rate approximates the market rate.

### iii) Other market price risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through Other Comprehensive Income. If the equity prices of quoted investments are 3% higher/ lower, the Other Comprehensive Income for the year ended March 31, 2021 would increase/ decrease by 3.73% (for the year ended March 31, 2020: increase/ decrease by 2.26%).

### d) Risk towards Global Pandemic COVID-19

Financial instruments carried at fair value as at March 31, 2021 is ₹ 837.40 crores and financial instruments carried at amortised cost as at March 31, 2021 is ₹ 720.94 crores. A significant part of the financial assets are classified as Level 1 having fair value of ₹ 634.38 crores as at March 31, 2021. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in equity shares of listed entities wherein the uncertainties arising out of COVID-19 has already been factored by the stock market as at March 31, 2021 and liquid debt securities wherein no material volatility is expected.

for the year ended March 31, 2021

### Note 35: Financial Risk Management (contd.)

Trade receivables of ₹ 196.96 crores as at March 31, 2021 forms a significant part of the financial assets carried at amortised cost. Trade receivables do not have any concentrated risk and the Company does expect to recover these outstanding in due course. Further, adequate credit loss provision has been created based on the policy of the Company. The Company has specifically evaluated the potential impact with respect to customers in Airline and Travel Agents segments which could have an immediate impact though the outstanding is not significant. Further, the Company expects that there could be some delay in payments from trade receivables, over and above the credit cycle. Basis the management's internal assessment and the provisioning policy of the Company, the allowance for doubtful trade receivables of ₹ 26.49 crores as at March 31, 2021 is considered adequate.

### **Note 36: Employee Benefits**

(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

		(₹ crores)
	March 31, 2021	March 31, 2020
Provident Fund	9.84	10.98
Superannuation Fund	4.15	3.88
Total	13.99	14.86

### (b) The Company Operates Post Retirement Defined Benefit Plans as follows:-

### a. Funded:

- Provident Fund
- ii. Post Retirement Gratuity
- iii. Pension to Employees Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

### b. Unfunded:

- i. Pension to Executive Directors and Employees Post retirement minimum guaranteed pension scheme for select existing and retired executive directors and certain categories of employees, which is unfunded.
- ii. Post Employment Medical Benefits to qualifying employees

### (c) Provident Fund:

The Company operates Provident Fund Scheme through a Trust – 'The Indian Hotels Company Limited Employees Provident Fund' ('the Plan'), set up by the Company and for certain categories contributions are made to State Plan.

The Plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at March 31, 2021 and March 31, 2020.

for the year ended March 31, 2021

### Note 36: Employee Benefits (contd.)

The details of fund and plan asset position are given below:

(₹ crores)

	March 31, 2021	March 31, 2020
Plan Assets as at period end	687.57	634.96
Present Value of Funded Obligation at period end	687.57	634.96
Amount recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	March 31, 2021	March 31, 2020
Guaranteed Rate of Return	8.50%	8.50%
Discounted Rate for remaining term to Maturity of Investment	6.80%	6.55%
Expected Rate of Return on Investment	8.70%	8.61%

The Company contributed ₹ 11.80 crores and ₹ 13.15 crores towards provident fund to the Plan during the year ended March 31, 2021 and March 31, 2020 respectively and the same has been recognised in the statement of profit and loss.

In light of the Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement.

### (d) Pension Scheme for Employees:

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

# (e) The above defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has a relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the Fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



for the year ended March 31, 2021

### Note 36: Employee Benefits (contd.)

### Defined Benefit Plans - As per Actuarial Valuation on March 31, 2021:-

(i) Amount to be Recognised in Balance Sheet and Movement in Net Liability

(₹ crores) Pension Pension Pension Gratuity **Employment** Top-up Director Staff Funded **Medical Benefits** Unfunded Unfunded Funded Unfunded Present Value of Funded Obligations 197.71 8.08 203.51 8.26 Present Value of Unfunded Obligations 7.30 3.30 18.44 7.35 3.62 18.58 Fair Value of Plan Assets 191.47 11.18 (175.76)(10.73)Amount not recognised due to asset limit 1.05 0.84 6.24 7.30 3.30 18.44 (2.05)Net (Asset) / Liability 27.75 7.35 3.62 18.58 (1.63)

### (ii) Expenses recognised in the Statement of Profit and Loss

(₹ crores)

					(1 010163)
	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Current Service Cost	11.30	0.11	0.20	-	0.17
	10.24	0.09	0.15	-	0.15
Past service Cost	-	-	-	-	-
Tust service cost	-	-	-	-	-
Interest Cost	1.34	0.47	0.24	1.20	(0.11)
	0.84	0.49	0.19	1.21	(0.12)
Total	12.64	0.58	0.44	1.20	0.06
	11.08	0.58	0.34	1.21	0.03

### Footnote:

Amount charged to the Statement of Profit and Loss in respect of gratuity is net of recovery ₹ 1.02 crores (Previous year ₹ 1.77 crores).

for the year ended March 31, 2021

# Note 36: Employee Benefits (contd.)

# (iii) Expenses Recognised in Other Comprehensive Income (OCI)

		- (,			(₹ crores)
	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	(1.88)	(0.11)	(0.06)	(0.25)	(0.09)
	10.88	0.62	0.37	1.47	0.54
Changes in demographic assumptions	-	-	-	-	-
	-	-	-	-	-
Experience adjustments	(5.11)	(0.31)	0.18	0.10	(0.19)
	6.17	(0.07)	0.66	0.41	(0.40)
Actual return on plan assets less interest on	(27.17)	-	-	-	(0.24)
plan assets	0.77	-	-	-	(0.18)
Adjustment to recognise the effect of asset	-	-	-	-	0.16
ceiling	-	-	-	-	0.02
	(34.16)	(0.42)	0.12	(0.15)	(0.36)
Total —	17.82	0.55	1.03	1.88	(0.02)

# (iv) Reconciliation of Defined Benefit Obligation

<b>0</b>					(₹ crores)
	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Defined Benefit Obligation	203.51	7.35	3.62	18.58	8.26
	180.29	6.61	2.65	16.62	7.91
Current Service Cost	11.30	0.11	0.20	-	0.17
	10.24	0.09	0.15	-	0.15
Past Service Cost	-	-	-	-	-
	-	-	-	-	-
Interest Cost	12.18	0.47	0.24	1.20	0.53
	12.35	0.49	0.19	1.21	0.56
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	(1.88)	(0.11)	(0.06)	(0.25)	(0.09)
	10.88	0.62	0.37	1.47	0.54
Changes in demographic assumptions	_	-	-	-	-
	-	-	-	-	-
Experience adjustments	(5.11)	(0.31)	0.18	0.10	(0.19)
	6.17	(0.07)	0.66	0.41	(0.40)
Benefits Paid	(22.29)	(0.21)	(0.88)	(1.19)	(0.60)
	(18.07)	(0.39)	(0.40)	(1.13)	(0.50)
Liabilities assumed/(settled)	-	-	-	-	-
	1.65	-	-	-	-
Closing Defined Benefit Obligation	197.71	7.30	3.30	18.44	8.08
-	203.51	7.35	3.62	18.58	8.26



for the year ended March 31, 2021

### Note 36: Employee Benefits (contd.)

#### **Reconciliation of Fair Value of Plan Assets**

(₹ crores) Post Pension Pension Pension Gratuity Employment Top-up Director Staff Funded **Medical Benefits** Unfunded Funded Unfunded Unfunded Opening Fair Value of Plan Assets 175.76 10.73 161.69 10.15 Interest on Plan Assets 10.83 0.69 11.51 0.74 Remeasurements due to: 27.17 0.23 Actual return on plan assets less interest on plan assets (0.77)0.18 Contribution by Employer 0.21 0.88 1.19 0.13 19.75 0.39 1.13 0.40 0.16 **Benefits Paid** (22.29)(0.21)(0.88)(1.19)(0.60)(18.07)(0.39)(0.40)(1.13)(0.50)Assets acquired/(settled) 1.65 Closing Fair Value of Plan Assets 11.18 191.47 175.76 10.73 Expected Employer's contribution/ outflow 15.00 15.00 next year

### (vi) Actuarial Assumptions

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.) in %	6.80%	6.80%	6.80%	6.80%	6.80%
	6.65%	6.65%	6.65%	6.65%	6.65%
Salary Escalation Rate (p.a.) in %	4%-5%	-	4.00%	-	-
	4%-5%	-	4.00%	-	-
Pension Escalation Rate (p.a.) in %	-	-	-	4.00%	-
	-	-	-	4.00%	-
Annual increase in healthcare costs (p.a.) in %	-	6.00%	-	-	-
	-	6.00%	-	-	-
Mortality Table *					
Mortality table in service	Table 1	Table 1	Table 1	NA	NA
	Table 1	Table 1	Table 1	NA	NA
Mortality table in retirement	NA	Table 2	Table 2	Table 2	Table 2
•	NA	Table 2	Table 2	Table 2	Table 2

<sup>\*</sup> Table 1 - Indian Assured Lives Mortality (2012-14) Ult table

Table 2 – UK Published S1PA Mortality table

for the year ended March 31, 2021

# Note 36: Employee Benefits (contd.)

# (vii) Disaggregation of Plan Assets (Managed by an Insurance Company)

# a) Gratuity Funded

		March 31, 2021				March 31, 2020			
	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%	
Government Debt Instruments	93.52	-	93.52	49%	94.16	-	94.16	54%	
Other Debt Instruments	52.31	-	52.31	27%	41.01	-	41.01	23%	
Other Equity Instruments	33.01	-	33.01	17%	30.53	-	30.53	17%	
Others	12.17	0.46	12.63	7%	9.80	0.26	10.06	6%	
Total	191.01	0.46	191.47	100%	175.50	0.26	175.76	100%	

### b) Pension Staff Funded

		March 31, 2021				March 31, 2020			
	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%	Quoted ₹ crores	Unquoted ₹ crores	Total ₹ crores	%	
Government Debt Instruments	4.72	-	4.72	42%	4.82	-	4.82	45%	
Other Debt Instruments	3.60	-	3.60	32%	4.72	-	4.72	44%	
Other Equity Instruments	0.21	-	0.21	2%	0.21	-	0.21	2%	
Others	-	2.65	2.65	24%	-	0.98	0.98	9%	
Total	8.53	2.65	11.18	100%	9.75	0.98	10.73	100%	

# (viii) Sensitivity Analysis (for each defined benefit plan)

	•			n Top up 1 31, 2021		ension Staff Funded March 31, 2021	
March 31, 2021	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(3.04)	3.29	(6.08)		(3.58)		
Impact of decrease in 50 bps on DBO	3.23	(3.12)	6.65		3.85		
Impact of life expectancy 1 year decrease				(1.90)			
Impact of life expectancy 1 year Increase				1.82			

	Post- Employment Medical Benefits Unfunded March 31, 2021			Pension Director Unfunded March 31, 2021		
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Pension rate
	(%)	(%)		(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(4.68)			(4.37)		
Impact of decrease in 50 bps on DBO	5.10			4.72		
Impact of life expectancy 1 year decrease		(3.61)			(4.19)	
Impact of life expectancy 1 year Increase		3.43			4.04	
Defined benefit obligation on pension decrease rate minus 100 bps						(8.70)
Defined benefit obligation on pension						10.02
increase rate plus 100 bps Defined benefit obligation on healthcare costs rate minus 100 bps			(4.45)			
Defined benefit obligation on healthcare costs rate plus 100 bps			5.23			



for the year ended March 31, 2021

# Note 36: Employee Benefits (contd.)

		•		1 Top up 31, 2020	Pension Staff Funded March 31, 2020		
March 31, 2020	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(3.04)	3.28	(5.87)		(3.74)		
Impact of decrease in 50 bps on DBO	3.23	(3.12)	6.41		4.01		
Impact of life expectancy 1 year decrease				(1.93)			
Impact of life expectancy 1 year Increase				1.85			

	. ,	ent Medical Benefi March 31, 2020	Pension Director UnfundedMarch 31, 2020			
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Pension rate
	(%)	(%)		(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(4.85)			(4.54)		
Impact of decrease in 50 bps on DBO	5.29			4.93		
Impact of life expectancy 1 year decrease		(3.52)			(4.02)	
Impact of life expectancy 1 year Increase		3.35			3.88	
Defined benefit obligation on pension decrease rate minus 100 bps						(9.03)
Defined benefit obligation on pension increase rate plus 100 bps						10.45
Defined benefit obligation on healthcare costs rate minus 100 bps			(4.61)			
Defined benefit obligation on healthcare costs rate plus 100 bps			5.44			

# (ix) Movement in Asset Ceiling

(₹ crores)

		, ,
	March 31, 2021	March 31, 2020
Opening value of asset ceiling	0.84	0.76
Interest on Opening balance of asset ceiling	0.05	0.06
Remeasurement due to:		
Change in Surplus/(deficit)	0.16	0.02
Closing value of asset ceiling	1.05	0.84

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

for the year ended March 31, 2021

### Note 36: Employee Benefits (contd.)

### (x) Expected Future Benefit Payments:

					(₹ crores)
	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Within one year	43.31	0.46	-	1.26	0.77
	40.89	0.43	-	1.21	0.71
Between one and five years	76.04	2.06	2.11	5.34	3.03
	84.80	1.99	3.06	5.17	2.87
After five years	214.38	14.85	2.09	33.60	11.54
	213.18	15.18	1.83	34.70	12.11
Weighted average duration of the	6.27	9.77	12.85	9.08	7.05
Defined Benefit Obligation (in years)	6.26	10.13	12.33	9.46	7.36

Due to the restrictions in the type of investments that can be held by the gratuity and pension fund as per the prevalent regulations, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

### **CODE ON SOCIAL SECURITY, 2020:**

The Code on Social Security, 2020 ('the Code') relating to employee benefits received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020 and invited suggestions from the stakeholders. The date of implementation of the Code is yet to be notified by the Government and when implemented will impact the contributions by the Company towards benefits such as Provident Fund, Gratuity etc. The Company will assess the impact of the Code and give effect in the financial results when the Code and Rules thereunder are notified.

### **Note 37: Other Regulatory Matters**

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to the period prior to 1998. Arising out of such disclosures, the Company received show cause notices and the Company had replied to the notices. Prior to 2018, the Company has received adjudication cum demand of ₹ 10.89 crores on certain matters which has been disputed by the Company. This has been disclosed as Contingent Liability. The Company has filed appeal against the adjudication cum demand, and the appeal is pending. During the financial year 2018-19, the Company received adjudication cum demand aggregating ₹ 1.12 crores on three other matters being contested. The Company has filed appeals against these adjudication cum demand orders and the same are pending. For the balance Show Cause Notices, adjudication proceedings are pending.

for the year ended March 31, 2021

### Note 38: Deposits and Advances in the Nature of Loans to Subsidiaries, Joint Ventures and Associates

(₹ crores)

Particulars	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2021	Maximum amount outstanding during the previous year	Balance Outstanding as on March 31, 2020
Subsidiaries				
PIEM Hotels Ltd.	-	-	10.00	-
Joint Ventures				
Taj Karnataka Hotels & Resorts Ltd.	5.35	5.05	5.35	5.35
Taj Safaris Ltd.	-	-	3.00	-
Associates				
Taida Trading and Industries Ltd.	7.70	7.70	6.59	6.59

#### Note 39: Tax Disclosures

### i) Income Tax recognised in the Statement of Profit and Loss:

(₹ crores)

March 31, 2021	March 31, 2020
-	155.69
-	6.69
-	162.38
(115.50)	(34.24)
-	(86.99)
-	(4.82)
(115.50)	(126.05)
(115.50)	36.33
	(115.50)

<sup>\*</sup> During the previous year, the Company has elected to exercise the option permitted under section 115BAA of the Income tax act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its opening deferred tax liability at the reduced tax rate. The full impact of the re-measurement of the opening deferred tax liabilities amounting to ₹ 86.99 crores has been recognised in the statement of Profit and Loss account for the year ended March 31, 2020.

The Company reviews its income tax treatments in order to determine its impact on the financial statements. As a practice, where the interpretation of income tax law is not clear, management relies on the some or all of the following factors to determine the probability of its acceptance by the tax authority:

- Strength of technical and judicial argument and clarity of the legislation;
- Past experience related to similar tax treatments in its own case;
- Legal and professional advice or case law related to other entities.

After analysing above factors for each of such uncertain tax treatments, where the Company expects that the probability to sustain its position on ultimate resolution of such uncertain tax treatment is remote, the Company ensures that such uncertain tax positions are adequately provided for in the Company's financial Statements.

for the year ended March 31, 2021

#### Note 39: Tax Disclosures (contd.)

# ii) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below:

		(₹ crores)
	March 31, 2021	March 31, 2020
Profit/ (Loss) before tax from continuing operations (a)	(640.28)	437.74
Income tax rate as applicable (b)	25.17%	25.17%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	(161.15)	110.17
Permanent tax differences due to:		
Effect of income that is exempt from taxation	-	(3.50)
Effect of income that are not taxable in determining taxable profit	(5.80)	-
Effect of expenses that are not deductible in determining taxable profit	5.66	7.42
Tax impact on Impairment losses on investments that are not deductible	45.38	17.71
Effect on deferred tax balances due to the change in income tax rate from $34.94\%$ to $25.17\%$ (effective from April 1, 2019)	-	(86.99)
Tax on Income on which special tax rate is applied	-	(15.73)
Others	0.41	5.38
	(115.50)	34.46
Prior year taxes as shown above		1.87
Income tax expense recognised in the Statement of Profit and Loss	(115.50)	36.33

### iii) Income tax recognised in other comprehensive income:

Current Tax

Tax impact on profit on sale of investment in equity shares at fair value through Other Comprehensive Income

Deferred tax

# (a) Arising on income and expenses recognised in other comprehensive income: Net fair value gain on investments in equity shares at fair value through Other

 Comprehensive Income

 Remeasurement of defined benefit obligation
 8.61
 (5.21)

 8.61
 (5.21)

# (b) Arising on income and expenses reclassified from equity to profit or loss:

Relating to financial assets measured at fair value through other

comprehensive income

Total income tax recognised in other comprehensive income

(c) Bifurcation of the income tax recognised in other comprehensive income into:

# v) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

(₹ crores)

	March 31, 2021	March 31, 2020
Deferred Tax assets	229.19	123.84
Deferred Tax liabilities	(301.99)	(303.53)
Net Deferred Tax Liability	(72.80)	(179.69)



for the year ended March 31, 2021

Note 39: Tax Disclosures (contd.)

# Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

Opening Balance	Recognised in the statement of profit and loss	Recognised in other comprehensive	Closing balance
		income	closing balance
(299.27)	6.56	-	(292.71)
(0.07)	(0.56)	-	(0.63)
(0.34)	(1.86)	-	(2.20)
(3.85)	-	(2.33)	(6.18)
5.93	(6.20)	-	(0.27)
33.73	(5.25)	(8.61)	19.87
-	110.31	-	110.31
46.67	5.40	-	52.07
12.31	(0.42)	-	11.89
3.34	1.43	-	4.77
4.48	2.19	-	6.67
0.19	1.37	-	1.56
3.85	-	2.33	6.18
13.34	2.53	-	15.87
(179.69)	115.50	(8.61)	(72.80)
	(0.07) (0.34) (3.85) 5.93 33.73 - 46.67 12.31 3.34 4.48 0.19 3.85 13.34	(0.07)     (0.56)       (0.34)     (1.86)       (3.85)     -       5.93     (6.20)       33.73     (5.25)       -     110.31       46.67     5.40       12.31     (0.42)       3.34     1.43       4.48     2.19       0.19     1.37       3.85     -       13.34     2.53	(0.07)       (0.56)       -         (0.34)       (1.86)       -         (3.85)       -       (2.33)         5.93       (6.20)       -         33.73       (5.25)       (8.61)         -       110.31       -         46.67       5.40       -         12.31       (0.42)       -         3.34       1.43       -         4.48       2.19       -         0.19       1.37       -         3.85       -       2.33         13.34       2.53       -

# Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows: (₹ crores)

		Recognised statement of p		Recognised in	A di		
March 31, 2020	Opening Balance	Impact of change in Income Tax Rate	Others	other comprehensive income	Adjustment on adoption of Ind AS 116	Closing balance	
Deferred tax assets/ (liabilities):							
Property, plant and equipment & Intangible Assets	(445.78)	124.71	21.80	-	-	(299.27)	
Unrealised gain/ loss on non-equity instruments carried at fair value through P&L	-	-	(0.07)	-	-	(0.07)	
Unamortised borrowing cost	(0.37)	0.10	(0.07)	-	-	(0.34)	
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(5.53)	1.55	-	0.13	-	(3.85)	
Fair valuation changes of derivative contracts	(2.25)	0.63	7.55	-	-	5.93	
Provision for Employee Benefits	35.90	(10.04)	2.66	5.21	-	33.73	
Right-of-Use assets (ROU) Net of Lease Liability	-	(15.99)	5.49	-	57.17	46.67	
Reward Points	14.82	(4.15)	1.64	-	-	12.31	
Provision for disputed claims	11.67	(3.26)	(5.07)	-	-	3.34	
Allowance for Doubtful Debts	5.32	(1.49)	0.65	-	-	4.48	
Allowance for Doubtful Advances	-	-	0.19	-	-	0.19	
Unrealised loss on equity shares carried at fair value through Other Comprehensive Income	5.53	(1.55)	-	(0.13)	-	3.85	
Others	12.57	(3.52)	4.29			13.34	
Total Deferred Tax Liabilities	(368.12)	86.99	39.06	5.21	57.17	(179.69)	

for the year ended March 31, 2021

#### Note 39: Tax Disclosures (contd.)

A deferred tax asset of ₹ 106.38 crores has been recognised by the Company for the unused tax losses in the current year. These losses essentially represents business losses and unabsorbed depreciation.

The recoverability of the deferred tax assets has been assessed based on:

- Internal budgets, profit forecasts prepared by management, after duly considering the potential impact of COVID-19 in the future business of the Company.
- · applying tax principles to those forecasts; and
- following the methodology required by Ind AS 12 Income Taxes.

Based on the assessments as above, the management determines that ₹ 110.31 crores deferred tax assets on unused tax losses of ₹ 438.31 crores (comprising carried forward tax business loss of ₹ 269.44 crores and unabsorbed depreciation tax loss of ₹ 153.23 crores), should reverse well within the statutory time limit. Under tax law, unabsorbed depreciation tax losses do not expire and business losses expires in 8 years. These losses can be fully set-off against future taxable profits, and accordingly based on the reasonable certainty that sufficient future taxable income would be generated considering the size of the Company, its growth trajectory and past performance history during normal times, appropriate amount of deferred tax asset has been created during the year. The management will continue to monitor and review these assets based on the profit forecasts in future.

### **Note 40: Related Party Disclosures**

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

Company having significant influence

T. C. D. H. J. J. H. H. H. H. H. J.	1 1'
Name of the Company	Country of Incorporation

	Name of the company	country of incorporation
	Tata Sons Pvt. Ltd. (including its subsidiaries and joint ventures)	India
ii.	Subsidiary Companies	
	Name of the Company	Country of Incorporation
	Domestic	
	KTC Hotels Ltd.	India
	United Hotels Ltd.	India
	Roots Corporation Ltd.	India
	Taj Enterprises Ltd.	India
	Taj Trade and Transport Co Ltd.	India
	Benares Hotels Ltd.	India
	Inditravel Ltd.	India
	Piem Hotels Ltd.	India
	Northern India Hotels Ltd.	India
	Skydeck Properties and Developers Pvt. Ltd.	India
	Sheena Investments Pvt. Ltd.	India
	ELEL Hotels & Investments Ltd.	India
	Luthria & Lalchandani Hotel & Properties Pvt. Ltd.	India
	Ideal Ice & Cold Storage Company Limited <sup>1</sup>	India
	<sup>1</sup> became a subsidiary w.e.f. March 19, 2021	

The Indian Hotels Company Limited Superannuation Scheme

The Indian Hotels Employees Gratuity Trust



# Notes to Standalone Financial Statements (Contd.)

for the year ended March 31, 2021

# Note 40: Related Party Disclosures (contd.)

- 1	Name of the Company	Country of Incorporation
- 1	nternational	
I	HOCO BV	Netherlands
ı	Jnited Overseas Holding Inc. and its subsidiaries	United States of America
9	St. James Court Hotel Ltd.	United Kingdom
-	Гај International Hotels Ltd.	United Kingdom
-	Гај International Hotels (H.K.) Ltd.	Hong Kong
I	PIEM International (H.K.) Ltd.	Hong Kong
I	HMS Hotels (SA) (Proprietary) Ltd. <sup>1</sup>	South Africa
(	Good Hope Palace Hotels Proprietary Limited <sup>1</sup>	South Africa
1	Ceased to be a joint venture and is now Subsidiary w.e.f. June 30, 2020	
iii. J	oint Ventures	
1	Name of the Company	Country of Incorporation
ī	Domestic	
-	Taj Sats Air Catering Ltd. and its Subsidiaries	India
-	Гај Karnataka Hotels & Resorts Ltd.	India
-	Taj Kerala Hotels & Resorts Ltd.	India
-	Гај GVK Hotels & Resorts Ltd.	India
-	Гаj Safaris Ltd.	India
ı	Kaveri Retreats and Resorts Ltd.	India
2	Zarrenstar Hospitality Private Limited	India
ı	nternational	
-	TAL Hotels & Resorts Ltd. and its Subsidiaries	Hong Kong
iv.	Associates	
1	Name of the Company	Country of Incorporation
ī	Domestic	
(	Oriental Hotels Limited and its subsidiaries	India
-	Гај Madurai Limited	India
-	Taida Trading & Industries Ltd. and its subsidiaries	India
	nternational	
I	anka Island Resort Ltd.	Sri Lanka
-	「AL Lanka Hotels PLC	Sri Lanka
I	BJETS Pte Ltd., Singapore	Singapore
v. I	Key Management Personnel	
	Particulars	Relation
Ī	Puneet Chhatwal	Managing Director & CEO
vi. I	Post Employment Benefit Plans	
	Particulars	

for the year ended March 31, 2021

Note 40: Related Party Disclosures (contd.)

# (b) The details of related party transactions during the year ended March 31, 2021 and March 31, 2020 are as follows:

(₹ crores) Company Post having Joint Management **Subsidiaries** Associates # Retirement significant Ventures# benefit plans Personnel influence \* Interest income 0.63 0.48 0.28 0.58 0.49 Interest expense 0.65 Dividend income 4.50 0.94 1.29 4.60 3.39 2.69 0.96 Dividend Paid 23.59 0.10 22.61 0.10 Operating / Licence fees expense 0.15 0.30 Management and Operating Fees Income 0.94 21.30 9.22 10.98 68.15 24.39 29.34 Purchase of goods and services 9.36 0.43 1.33 45.45 60.99 17.05 1.03 1.41 Sale of goods and services 13.93 2.25 0.93 39.27 4.09 0.14 0.84 **Deputed Staff reimbursements** 4.10 0.04 7.33 3.07 3.50 4.78 8.03 Other Cost reimbursements 0.04 1.16 0.09 0.17 0.31 0.46 0.60 1.60 Loyalty expense (Net of redemption credit) 0.02 0.68 0.38 0.07 9.98 3.79 1.36 **Deputed Staff Out** 0.81 18.91 11.15 10.84 0.23 23.69 14.15 15.74 Contribution to Funds 16.45 48.09 Inter Corporate Deposit ("ICD") Placed 1.11 0.55 3.00 ICD Encashed 0.30 10.00 3.00 ICD Taken 15.00 **Purchase of Shares** 6.60 273.87 4.99 2.99 6.72 Sale of Shares 29.79 Remuneration Paid / Payable 7.23 (Refer Footnote (ii) & (iii)) 14.57 Guarantees/Letter of Comfort withdrawn 109.75 Guarantees/Letter of Comfort extended and 117.55 27.94 60.60 485.01 Guarantees/Letter of Comfort extended but not utilised



for the year ended March 31, 2021

Note 40: Related Party Disclosures (contd.)

The details of amount due to or from related parties as at March 31, 2021 and March 31, 2020 are as follows:

(₹ crores)

	Company having significant influence *	Key Management Personnel	Subsidiaries	Associates #	Joint Ventures#	Post Retirement benefit plans
Trade Receivables (Refer Note 11)	4.24	-	10.17	9.84	24.19	-
	6.63	-	17.53	10.33	24.19	-
Trade Payables (Refer Note 20)	5.96	-	2.39	0.14	1.00	-
	14.70	-	1.72	1.74	0.04	-
Other Receivables/(Other Payables)	0.57	-	84.54	5.15	9.46	-
(Refer Note 8 and Note 17)	0.74	-	84.00	1.70	3.32	-
Interest Receivable	-	-	-	0.02	-	-
(Refer Note 8)	-	-	-	0.45	0.04	-
Interest Payable	0.06	-	-	-	-	-
(Refer Note 17)	-	-	-	-	-	-
Deposits Receivable	0.08	-	3.98	7.70	5.05	-
(Refer Note 7 and Note 8)	0.08	-	3.98	6.59	5.35	-
Deposits Payable	15.05	-	4.54	-	-	-
(Refer Note 16)	0.05	-	4.67	-	-	-
Option Deposit	71.10	-	-	-	-	-
(Refer Note 6(b)(ii))	71.10	-	-	-	-	-
Guarantees/Letter of Comfort utilised and	-	-	411.58	-	-	-
outstanding (Refer Note 30)	-	-	112.97	-	290.82	-
Guarantees/Letter of Comfort extended but not utilised	-	-	485.01	-	-	-
(Refer Note 30)					-	-

<sup>\*</sup> including its subsidiaries and joint ventures

#### Footnotes:

<sup>#</sup> including its subsidiaries

Figures in italics are of the previous period.

Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole.

The remuneration paid/payable to Managing Director & CEO for the years ended March 31, 2021 and March 31, 2020 is ₹7.23 crores and ₹14.57 crores, respectively. For the year ended March 31, 2021, remuneration includes ₹ 3.24 crores of incentive remuneration, being part of minimum remuneration, which is accrued based on recommendation by the Nomination and Remuneration Committee. The total managerial remuneration for the financial year (amounting to ₹7.23 crores) exceeds the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by ₹5.91 crores. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual general Meeting.

for the year ended March 31, 2021

# Note 40: Related Party Disclosures (contd.)

### (c) Statement of Material Transactions

		(₹ crores)
Name of the Company	March 31, 2021	March 31, 2020
Company having substantial interest and its subsidiaries and joint ventures:		
Tata Sons Pvt. Ltd.		
Dividend income	4.50	4.50
Dividend paid	22.65	21.66
Sale of goods and services	3.06	6.63
Tata Consultancy Services Ltd.		
Trade Payables	3.91	7.05
Purchase of goods and services	18.62	36.16
Tata Communications Ltd.		
Trade Payables	1.06	2.26
Tata Realty and Infrastructure Ltd.		
Deposit Closing position – Option Deposit	71.10	71.10
Tata AIA Life Insurance Company Ltd.		
Sale of goods and services	1.96	0.62
Tata AIG General Insurance Company Ltd.		
Purchase of goods and services	17.99	9.89
Tata SIA Airlines Ltd.		
Sale of goods and services	4.22	19.55
Tata International Limited		
Interest expense	0.65	-
Deposit Payable	15.00	-
Interest Payable	0.06	-
Remuneration to Key Management Personnel		
Mr. Puneet Chhatwal	7.23	14.57



for the year ended March 31, 2021

Note 40: Related Party Disclosures (contd.)

17	crc	rec.
1,	CIC	ores <sub>.</sub>

Subsidiaries:			(₹ crores)	
KTC Hotels Ltd.           Operating/Licence Fees expense         0.15         0.           Deposit given outstanding         3.50         3.           Benares Hotels Ltd           Other Receivable / (Payable)         (0.19)         (0.19)         (0.19)           Loyalty expense (Net of redemption credit)         0.15         0.0           Piem Hotels Ltd.           Trade Receivables         5.97         9           Operating fees income         14.19         34.           Deputed Staff Out         15.31         18.           Deputed Staff Reimbursement         5.80         6           Other Cost reimbursements         9.90         1.           Skydeck Properties and Developers Private Limited         1.         1.           Other receivables/(Other payables)         79.88         79.8           Shared piedged on behalf         *         *           * shares held in its subsidiaries, namely, ELEL Hotels & Investments Ltd. and Sheena Investments Pvt. Ltd., have been pledged as security to enabled company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))           United Overseas Holdings Inc.           Purchase of goods and services         6.60         11.           Guarantees/Letter of Comf		March 31, 2021	March 31, 2020	
Operating/Licence Fees expense         0.15         0.0           Deposit given outstanding         3.50         3.30           Benares Hotels Ltd         Context Receivable / (Payable)         (0.19)         (0.19)           Loyalty expense (Net of redemption credit)         0.15         0.00           Piem Hotels Ltd.           Trade Receivables         5.97         9.0           Operating fees income         14.19         3.4           Deputed Staff Out         15.31         1.8           Deputed Staff Reimbursement         5.80         6.0           Other receivables/(Other payables)         79.88         79           Skydeck Properties and Developers Private Limited         *         *           Other receivables/(Other payables)         79.88         79           Shared pledged on behalf         *         *           * shares held in its subsidiaries, namely, ELEL Hotels & Investments Ltd. and Sheena Investments Pvt. Ltd., have been pledged as security to enable company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))            *            * <td and="" be="" colspany="" extended="" fire="" from="" td="" to="" u<=""><td>Subsidiaries:</td><td></td><td></td></td>	<td>Subsidiaries:</td> <td></td> <td></td>	Subsidiaries:		
Deposit given outstanding 3.50 3.50  Benares Hotels Ltd Other Receivable / (Payable) (0.19) (0.19) (0.10) (	KTC Hotels Ltd.			
Benares Hotels Ltd  Other Receivable / (Payable)	Operating/Licence Fees expense	0.15	0.30	
Other Receivable / (Payable) (0.19) (0.10) (	Deposit given outstanding	3.50	3.50	
Loyalty expense (Net of redemption credit)  Piem Hotels Ltd.  Trade Receivables Operating fees income 14.19 34. Deputed Staff Out 15.31 18. Deputed Staff Reimbursement Skydeck Froperties and Developers Private Limited Other Cost reimbursements  Skydeck Properties and Developers Private Limited Other receivables/ (Other payables) 79.88 79. Shared pledged on behalf * * shares held in its subsidiaries, namely, ELEL Hotels & Investments Ltd. and Sheena Investments Pvt. Ltd., have been pledged as security to enable Company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))  United Overseas Holdings Inc. Purchase of goods and services Guarantees/Letter of Comfort extended and utilised Guarantees/Letter of Comfort extended but not utilised Guarantees/Letter of Comfort given on behalf and outstanding – Closing position  St. James Court Hotel Ltd Loyalty expense (Net of redemption credit) Trade Payables 1.75 Guarantees/Letter of Comfort extended but not utilised 433.78  Taj International Hotels (H.K.) Ltd. Deposit Payable 4.54 4.60 HHOCO BV	Benares Hotels Ltd			
Piem Hotels Ltd. Trade Receivables 5.97 9.00 perating fees income 14.19 34.19 34.00 perating fees income 14.19 34.19 34.00 perating fees income 15.31 18.00 perating fees income 15.31 18.00 66.00 ther Cost reimbursements 5.80 66.00 feer Cost reimbursements 79.88 79.09 15.00 feer Receivables (Other payables) 79.88 79.88 79.00 feer Receivables (Other payables) 79.00 fe	Other Receivable / (Payable)	(0.19)	(0.58)	
Trade Receivables 5.97 9.90 perating fees income 14.19 34.40 peputed Staff Out 15.31 18.80 peputed Staff Out 15.31 18.80 peputed Staff Reimbursement 5.80 6.00 ther Cost reimbursements 5.80 7.90 7.80 79.88 79.80 79.88 79.80 79.88 79.80 79.88 79.80 79.88 79.80 79.88 79.80 79.88 79.80 receivables/(Other payables) 79.88 79.80 receivables/(Other payables) 79.88 79.80 receivables/(Indicated Properties and Developers Private Limited 79.89 Perate Pledged on behalf 89.89 Perate Pledged on Staff Pledged on Pledged as security to enable Company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))  **United Overseas Holdings Inc.**  **Unit	Loyalty expense (Net of redemption credit)	0.15	0.46	
Operating fees income 14.19 34. Deputed Staff Out 15.31 18. Deputed Staff Out 5.80 6. Other Cost reimbursement 5.80 6. Other Cost reimbursements 0.90 1.  Skydeck Properties and Developers Private Limited Other receivables/(Other payables) 79.88 79. Shared pledged on behalf * * shares held in its subsidiaries, namely, ELEL Hotels & Investments Ltd. and Sheena Investments Pvt. Ltd., have been pledged as security to enable company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))  United Overseas Holdings Inc.  Purchase of goods and services 6.60 11. Guarantees/Letter of Comfort extended and utilised 117.55 6.0 1.23 1.23 1.23 1.23 1.23 1.23 1.23 1.23	Piem Hotels Ltd.			
Deputed Staff Out 15.31 18. Deputed Staff Reimbursement 5.80 6. Other Cost reimbursements 0.90 1.  Skydeck Properties and Developers Private Limited Other receivables/(Other payables) 79.88 79. Shared pledged on behalf * * shares held in its subsidiaries, namely, ELEL Hotels & Investments Ltd. and Sheena Investments Pvt. Ltd., have been pledged as security to enable Company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))  United Overseas Holdings Inc. Purchase of goods and services 6.60 11. Guarantees/Letter of Comfort extended and utilised 117.55 60. Guarantees/Letter of Comfort extended but not utilised 51.23 Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position 230.52 112.  St. James Court Hotel Ltd Loyalty expense (Net of redemption credit) 0.39 4. Trade Payables 1.75 0. Guarantees/Letter of Comfort extended but not utilised 433.78  Taj International Hotels (H.K.) Ltd. Deposit Payable 4.54 4.  HOCO BV	Trade Receivables	5.97	9.39	
Deputed Staff Reimbursements 5.80 6.0 ther Cost reimbursements 0.90 1.0 cost receivables/(Other payables) 79.88 79.0	Operating fees income	14.19	34.29	
Other Cost reimbursements 0.90 1.  Skydeck Properties and Developers Private Limited Other receivables/(Other payables) 79.88 79.88 79.83 79.83 79.83 79.83 89.83	Deputed Staff Out	15.31	18.83	
Skydeck Properties and Developers Private Limited  Other receivables/(Other payables) 79.88 79. Shared pledged on behalf * * shares held in its subsidiaries, namely, ELEL Hotels & Investments Ltd. and Sheena Investments Pvt. Ltd., have been pledged as security to enable company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))  United Overseas Holdings Inc.  Purchase of goods and services 6.60 11. Guarantees/Letter of Comfort extended and utilised 117.55 60. Guarantees/Letter of Comfort extended but not utilised 51.23 Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position 230.52 112.  St. James Court Hotel Ltd  Loyalty expense (Net of redemption credit) 0.39 4. Trade Payables 1.75 0. Guarantees/Letter of Comfort extended but not utilised 433.78  Taj International Hotels (H.K.) Ltd.  Deposit Payable 4.54 4.54	Deputed Staff Reimbursement	5.80	6.45	
Other receivables/(Other payables) Shared pledged on behalf * shares held in its subsidiaries, namely, ELEL Hotels & Investments Ltd. and Sheena Investments Pvt. Ltd., have been pledged as security to enable Company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))  **United Overseas Holdings Inc.**  Purchase of goods and services Guarantees/Letter of Comfort extended and utilised Guarantees/Letter of Comfort extended but not utilised Guarantees/Letter of Comfort extended but not utilised Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position  ***  ****  ***  ***  ***  ***  ***	Other Cost reimbursements	0.90	1.07	
Shared pledged on behalf * shares held in its subsidiaries, namely, ELEL Hotels & Investments Ltd. and Sheena Investments Pvt. Ltd., have been pledged as security to enable Company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))  United Overseas Holdings Inc.  Purchase of goods and services 6.60 11. Guarantees/Letter of Comfort extended and utilised 117.55 60. Guarantees/Letter of Comfort extended but not utilised 51.23 Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position 230.52 112.  St. James Court Hotel Ltd Loyalty expense (Net of redemption credit) 7. Trade Payables 1.75 0. Guarantees/Letter of Comfort extended but not utilised 433.78  Taj International Hotels (H.K.) Ltd. Deposit Payable 4.54 4.54 4.60  IHOCO BV	Skydeck Properties and Developers Private Limited			
* shares held in its subsidiaries, namely, ELEL Hotels & Investments Ltd. and Sheena Investments Pvt. Ltd., have been pledged as security to enable Company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))  United Overseas Holdings Inc.  Purchase of goods and services 6.60 11. Guarantees/Letter of Comfort extended and utilised 117.55 60. Guarantees/Letter of Comfort extended but not utilised 51.23 Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position 230.52 112.  St. James Court Hotel Ltd Loyalty expense (Net of redemption credit) 0.39 4. Trade Payables 1.75 0. Guarantees/Letter of Comfort extended but not utilised 433.78  Taj International Hotels (H.K.) Ltd. Deposit Payable 4.54 4.54  IHOCO BV	Other receivables/(Other payables)	79.88	79.61	
United Overseas Holdings Inc.  Purchase of goods and services 6.60 11. Guarantees/Letter of Comfort extended and utilised 117.55 60. Guarantees/Letter of Comfort extended but not utilised 51.23 Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position 230.52 112.  St. James Court Hotel Ltd Loyalty expense (Net of redemption credit) 0.39 4. Trade Payables 1.75 0. Guarantees/Letter of Comfort extended but not utilised 433.78  Taj International Hotels (H.K.) Ltd. Deposit Payable 4.54 4.54  IHOCO BV	Shared pledged on behalf	*	-	
United Overseas Holdings Inc. Purchase of goods and services 6.60 11. Guarantees/Letter of Comfort extended and utilised 117.55 60. Guarantees/Letter of Comfort extended but not utilised 51.23 Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position 230.52 112.  St. James Court Hotel Ltd Loyalty expense (Net of redemption credit) 0.39 4. Trade Payables 1.75 0. Guarantees/Letter of Comfort extended but not utilised 433.78  Taj International Hotels (H.K.) Ltd. Deposit Payable 4.54 4.  IHOCO BV	· · · · · · · · · · · · · · · · · · ·	. Ltd., have been pledged as se	ecurity to enable the	
Purchase of goods and services 6.60 11. Guarantees/Letter of Comfort extended and utilised 117.55 60. Guarantees/Letter of Comfort extended but not utilised 51.23 Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position 230.52 112.  St. James Court Hotel Ltd Loyalty expense (Net of redemption credit) 0.39 4. Trade Payables 1.75 0. Guarantees/Letter of Comfort extended but not utilised 433.78  Taj International Hotels (H.K.) Ltd. Deposit Payable 4.54 4.54  IHOCO BV	Company to obtain term loan from a financial institution. (Refer Note 16, Footnote (v))			
Guarantees/Letter of Comfort extended and utilised Guarantees/Letter of Comfort extended but not utilised Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position  St. James Court Hotel Ltd Loyalty expense (Net of redemption credit)  Trade Payables Guarantees/Letter of Comfort extended but not utilised  Taj International Hotels (H.K.) Ltd. Deposit Payable  4.54  HOCO BV	United Overseas Holdings Inc.			
Guarantees/Letter of Comfort extended but not utilised Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position  St. James Court Hotel Ltd Loyalty expense (Net of redemption credit)  Trade Payables Guarantees/Letter of Comfort extended but not utilised  Taj International Hotels (H.K.) Ltd. Deposit Payable  4.54  4.64  IHOCO BV	Purchase of goods and services	6.60	11.97	
Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position  230.52  112.  St. James Court Hotel Ltd  Loyalty expense (Net of redemption credit)  Trade Payables  Guarantees/Letter of Comfort extended but not utilised  1.75  Guarantees/Letter of Comfort extended but not utilised  Taj International Hotels (H.K.) Ltd.  Deposit Payable  4.54  4.64  IHOCO BV	Guarantees/Letter of Comfort extended and utilised	117.55	60.60	
St. James Court Hotel Ltd Loyalty expense (Net of redemption credit) 0.39 4. Trade Payables 1.75 0. Guarantees/Letter of Comfort extended but not utilised 433.78  Taj International Hotels (H.K.) Ltd. Deposit Payable 4.54 4.54  IHOCO BV	Guarantees/Letter of Comfort extended but not utilised	51.23	-	
Loyalty expense (Net of redemption credit)  Trade Payables 1.75 0. Guarantees/Letter of Comfort extended but not utilised  Taj International Hotels (H.K.) Ltd.  Deposit Payable  4.54 4.64  IHOCO BV	Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position	230.52	112.97	
Trade Payables 1.75 0. Guarantees/Letter of Comfort extended but not utilised 433.78  Taj International Hotels (H.K.) Ltd. Deposit Payable 4.54 4.	St. James Court Hotel Ltd			
Guarantees/Letter of Comfort extended but not utilised  Taj International Hotels (H.K.) Ltd.  Deposit Payable  4.54  4.54  4.54	Loyalty expense (Net of redemption credit)	0.39	4.54	
Taj International Hotels (H.K.) Ltd.  Deposit Payable 4.54 4.  IHOCO BV	Trade Payables	1.75	0.31	
Deposit Payable 4.54 4.  IHOCO BV	Guarantees/Letter of Comfort extended but not utilised	433.78	-	
ІНОСО ВУ	Taj International Hotels (H.K.) Ltd.			
	Deposit Payable	4.54	4.67	
Purchase of Shares 273.84	IHOCO BV			
	Purchase of Shares	273.84	-	
Good Hope Palace Hotels Proprietary Limited	Good Hope Palace Hotels Proprietary Limited			
Guarantees/ Letter of Comfort withdrawn 109.75		109.75	-	
Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position 181.07 290.	Guarantees/ Letter of Comfort given on behalf and outstanding – Closing position	181.07	290.82	

for the year ended March 31, 2021

Note 40: Related Party Disclosures (contd.)

(₹ crores)

		(₹ crores)
Name of the Company	March 31, 2021	March 31, 2020
Joint Ventures:		
Taj GVK Hotels & Resorts Ltd.		
Operating Fees income	4.41	12.65
Deputed Staff Out	5.02	8.32
Deputed Staff Reimbursement	2.43	3.16
Trade Receivables	15.71	11.04
Taj Sats Air Catering Ltd.		
Trade Payables	1.00	0.04
Taj Karnataka Hotels & Resorts Ltd.		
Interest income	0.48	0.48
Deposit given outstanding	5.05	5.35
ICD Encashed	0.30	-
Other receivables/(Other payables)	(0.07)	(0.11)
Kaveri Retreat & Resorts Limited		
Other receivables/(Other payables)	(0.34)	(0.47)
Taj Safaris Ltd.		
Loyalty expense (Net of redemption credit)	0.13	0.09
Associates:		
Taida Trading & Industries Ltd.		
Interest Income	0.63	0.58
Interest Receivable	0.02	0.45
ICD Placed	1.11	0.55
Deposit given outstanding	7.70	6.59
Oriental Hotels Ltd.		
Operating fees income	9.80	22.43
Dividend Income	1.02	2.55
Deputed Staff Out	11.06	14.03
Loyalty expense (Net of redemption credit)	0.36	3.24
Deputed Staff reimbursement	3.07	3.50
Trade Receivables	9.70	8.37
Post-employment benefit plans		
Contribution to Superannuation Fund	4.65	4.89
Contribution to Provident Fund	11.80	23.45
Contribution to Gratuity Fund	-	19.75

for the year ended March 31, 2021

## **Note 41. Segment Information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker. From the internal organisation of the Company's activities and consistent with the internal reporting provided to the chief operating decision-maker and after considering the nature of its services, the ultimate customer availing those services and the methods used by it to provide those services, "Hotel Services" has been identified to be the Company's sole operating segment. Hotel Services include "Revenue from Operations" including Management and Operating Fees where hotels are not owned or leased by the Company. The organisation is largely managed separately by property based on centrally driven policies and the results and cash flows of the period, financial position as of each reporting date aggregated for the assessment by the Managing Director and Chief Executive Officer. The Company's management reporting and controlling systems principally use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under Ind AS. As the Company is engaged in a single operating segment, segment information that has been tabulated below is Company-wide:

(₹ crores)

Country	Revenue from Hot location of cu	•	Non-currer (see footnot	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
India	1,122.46	2,697.72	3,878.23	3,952.41
Overseas locations	10.69	45.75	-	-
Total	1,133.15	2,743.47	3,878.23	3,952.41

Footnote: Non-current assets exclude financial assets.

No single customer contributes 10% or more of the Company's total revenue for the years ended March 31, 2021 and March 31, 2020.

## Note 42: Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'.

	March 31, 2021	March 31, 2020
Profit/ (Loss) after tax (₹ crores)	(524.78)	401.41
Weighted average number of Equity Shares	118,92,58,445	118,92,58,445
Earnings Per Share:		
Basic and Diluted (₹)	(4.41)	3.38
Face Value per Equity Share (₹)	1.00	1.00

for the year ended March 31, 2021

# Note 43: The List of Investments in Subsidiaries, Joint Ventures and Associates are as given below:

# a. Subsidiary Companies

	Driveinal place of	March 31	, 2021	March 31	, 2020
	Principal place of business/ Country of incorporation	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
Domestic					
Benares Hotels Limited	India	53.70	51.68	53.70	51.68
Inditravel Limited	India	96.67	78.88	96.67	78.86
KTC Hotels Limited	India	100.00	100.00	100.00	100.00
Northern India Hotels Limited	India	94.17	48.56	94.17	48.56
Piem Hotels Limited	India	51.57	51.57	51.57	51.57
Roots Corporation Limited	India	67.11	63.74	67.11	63.74
Taj Enterprises Limited	India	93.40	93.40	93.19	93.19
Taj Trade & Transport Limited	India	89.51	73.03	89.51	73.03
United Hotels Limited	India	55.00	55.00	55.00	55.00
Skydeck Properties & Developers Private Limited	India	100.00	100.00	100.00	100.00
Sheena Investments Private Limited	India	100.00	100.00	100.00	100.00
ELEL Hotels & Investments Limited	India	85.72	85.72	85.72	85.72
Luthria & Lalchandani Hotels and Properties Private Limited	India	87.15	87.15	87.15	87.15
Ideal Ice & Cold Storage Company Limited	India	100.00	100.00	-	-

	Principal place of	March 31	, 2021	March 31	, 2020
	business/ Country of incorporation	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
International					
IHOCO BV	Netherlands	100.00	100.00	100.00	100.00
United Overseas Holding Inc	United States of America	100.00	100.00	100.00	100.00
Piem International (H.K.) Ltd.	Hong Kong	100.00	51.57	100.00	51.57
St. James Court Hotel Ltd.	<b>United Kingdom</b>	89.39	72.25	89.39	72.25
Taj International Hotels (H.K.) Ltd.	Hong Kong	100.00	100.00	100.00	100.00
Taj International Hotels Ltd.	United Kingdom	100.00	100.00	100.00	100.00
IHMS Hotels (SA)(Pty) Ltd.	South Africa	100.00	100.00	-	-
Good Hope Palace Hotels Proprietary Ltd.	South Africa	100.00	100.00	-	-



for the year ended March 31, 2021

Note 43: The List of Investments in Subsidiaries, Joint Ventures and Associates are as given below: (contd.)

## Joint Ventures

	Dringing place of	March 31	, 2021	March 31	, 2020
	Principal place of business/ Country of incorporation	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
Domestic					
Taj SATS Air Catering Ltd.	India	51.00	51.00	51.00	51.00
Taj Karnataka Hotels & Resorts Ltd.	India	49.40	44.27	49.40	44.27
Taj Kerala Hotels & Resorts Ltd.	India	28.78	28.78	28.30	28.30
Taj GVK Hotels & Resorts Ltd.	India	25.52	25.52	25.52	25.52
Taj Safaris Ltd.	India	45.42	41.81	45.42	41.81
Kaveri Retreat & Resorts Ltd.	India	50.00	50.00	50.00	50.00
Zarrenstar Hospitality Private Ltd.	India	50.00	50.00	50.00	50.00
International					
TAL Hotels & Resorts Ltd.	Hong Kong	28.26	27.49	28.26	27.49
IHMS Hotels (SA)(Pty) Ltd.	South Africa		-	50.00	50.00

## Associates

	Principal place of	March 31	, 2021	March 31	, 2020
	business/ Country of incorporation	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
Domestic					
Oriental Hotels Ltd.	India	37.05	35.67	37.05	35.67
Taj Madurai Ltd.	India	26.00	26.00	26.00	26.00
Taida Trading and Industries Ltd.	India	48.74	34.78	48.74	34.78
International					
BJets Pte Ltd.	Singapore	45.69	45.69	45.69	45.69
Lanka Island Resorts Limited	Sri Lanka	24.66	24.66	24.66	24.66
TAL Lanka Hotels PLC	Sri Lanka	24.62	24.62	24.62	24.62

All the above investments have been accounted at cost in accordance with the provisions of Ind AS – 27 "Separate Financial Statements"



for the year ended March 31, 2021

## Note 44: Going Concern

#### Negative working capital:

As at the year end, the Company's current liabilities have exceeded its current assets by ₹876.30 crores primarily on account of current maturities of long term borrowings aggregating ₹638.00 crores and liability on derivative and other contracts aggregating ₹317.76 crores falling due within 12 months following the balance sheet date. Management is confident of its ability to generate adequate cash inflows from operations and also utilise long term funds available to meet its obligations on due date.

# Impact of COVID-19

The Company is facing significant uncertainties due to COVID-19 which has impacted the operations of the Company adversely throughout the year. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate future financing requirements.

As on the reporting date, the Company has undrawn sanctioned lines of credit aggregating ₹ 710.00 crores which is estimated as sufficient to meet the estimated cash requirements during the next twelve months and the Company is current on all its Debt obligations. However as the COVID-19 situation still continues, as an abundant precaution, the Management is exploring means to secure additional financing to fulfil its long-term/ working capital requirements. Also refer note 2 (d) Estimation uncertainty relating to the global health pandemic on COVID-19.

Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2021.

# Note 45: Dividends

Dividends paid during the year ended March 31, 2021 out of Retained Earnings was ₹ 0.50 per equity share for the year ended March 31, 2020, aggregating to ₹ 59.46 crores.

The dividends declared by the Company are based on the profits available for distribution as reported in the standalone financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2021, retained earnings not transferred to reserves available for distribution was ₹ 250.64 crores.

On April 30, 2021, the Board of Directors of the Company have proposed a final dividend of ₹ 0.40 per equity share in respect of the year ended March 31, 2021, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 47.57 crores.

As per our report of even date as attached

For and on behalf of the Board

For **B S R & Co. LLP**Chartered Accountants

Firm Registration No: 101248W/W-100022

Tarun Kinger

Partner

Membership No. 105003

Mumbai, April 30, 2021

N. Chandrasekaran

Chairman DIN: 00121863

Nasser Munjee

Director DIN: 00010180

Giridhar Sanjeevi

Executive Vice President & Chief Financial Officer

**Puneet Chhatwal** 

Managing Director & CEO DIN: 07624616

**Beejal Desai** 

Senior Vice President - Corporate Affairs & Company Secretary (Group)



for the year ended March 31, 2021

#### **FINANCIAL STATISTICS**

				Capital A	ccounts		
Year		Share Capital	Reserves and Surplus (Other Equity)	Borrowings	Gross Block (Including Right-of-Use assets)	Net Block (Including Right-of-Use assets)	Investments
		₹ crores	₹ crores	₹crores	₹ crores	₹ crores	₹crores
1978-79		3.07	5.41	6.17	17.81	12.68	0.55
1979-80	*	5.09	5.58	5.56	20.48	14.31	0.74
1980-81		5.09	8.53	7.76	25.01	17.60	1.10
1981-82	**	6.90	9.20	8.87	28.79	20.06	1.13
1982-83	***	6.35	12.34	26.71	49.54	39.22	2.65
1983-84		6.35	17.45	32.25	58.48	44.40	3.77
1984-85		6.35	22.23	42.20	67.77	44.55	11.70
1985-86	а	7.85	28.70	38.82	71.69	53.72	6.21
1986-87		7.85	32.73	53.58	89.73	67.56	5.53
1987-88	+	9.86	41.97	63.47	107.70	80.08	6.90
1988-89		9.86	48.54	74.06	127.39	93.56	9.34
1989-90	!!	14.78	51.44	97.13	161.28	119.95	11.19
1990-91		14.78	56.77	121.07	178.61	128.43	12.37
1991-92		14.78	73.72	123.53	194.44	135.89	13.76
1992-93	!!!	19.96	124.44	106.86	210.68	142.53	16.93
1993-94		19.96	165.65	100.86	234.64	156.21	32.54
1994-95	æ	39.92	205.84	245.05	293.59	201.92	36.04
1995-96	=	45.12	567.16	200.18	384.01	273.21	142.09
1996-97		45.12	671.86	219.75	500.10	364.08	214.80
1997-98		45.12	767.68	197.31	581.48	414.57	218.09
1998-99		45.12	844.35	178.42	665.67	466.77	259.09
1999-00		45.12	913.96	432.32	842.01	606.86	337.75
2000-01		45.12	980.10	555.31	942.16	665.06	422.13
2001-02		45.12	844.13	809.21	946.15	655.08	541.34
2002-03		45.12	842.17	799.50	985.71	677.77	571.64
2003-04		45.12	844.79	1412.46	1159.69	813.13	600.83
2004-05	¶	50.25	1081.80	1052.03	1290.70	885.20	607.01
2005-06	 ¶	58.41	1657.83	544.34	1308.34	843.01	656.57
2006-07	Δ	60.29	1738.39	943.94	2014.34	1360.05	962.81
2007-08		60.29	1956.29	1134.18	2072.16	1371.60	977.58
2008-09	Ω	72.34	2975.29	1766.47	2362.23	1585.40	2026.88
2009-10		72.35	2616.87	2650.55	2408.32	1561.26	2445.63
2010-11	&	75.95	3028.59	2341.44	2605.18	1725.74	3026.78
2011-12		75.95	3176.70	2679.38	2830.66	1838.75	3622.19
2012-13	§	80.75	3226.90	2522.27	2861.65	1756.46	3369.14
2013-14	· ·	80.75	2613.09	2690.60	2910.27	1697.41	2761.64
2014-15		80.75	2534.40	3208.99	3329.33	2011.80	2977.96
2015-16	±	98.93	2276.65	2157.65	2267.37	2142.27	1954.71
2016-17		98.93	2668.27	2048.98	2456.58	2187.53	3029.15
2017-18	¥	118.93	4275.03	1783.88	2814.61	2398.50	4161.46
2018-19		118.93	4364.81	1784.05	3066.39	2486.34	4112.70
2019-20		118.93	4464.63	1943.32	4088.42	3311.36	4151.50
2020-21		118.93	4089.45	2591.79	4336.17	3359.59	4409.67

- Issue of Bonus Shares in the Ratio 4:5
- Issue of Bonus Shares in the Ratio 2:5
- After redemption of Preference Share of ₹ 0.55 crore
- After conversion of a part of the 15,000,000
- Convertible debenture at a premium of ₹ 15/- per share
- After conversion of a part of the 20,01,121 Convertible debenture at a premium of  $\stackrel{7}{\scriptstyle{\sim}}$  15/- per share
- !! After issue of bonus share in the Ratio 1:2
- After Right issue of Shares in the Ratio of 1:3
- Issue of Bonus Shares in the Ratio of 1:1

- Issue of Global Depository Shares
- Conversion of foreign currency bonds into share capital.
- Split of Shares of face value ₹ 10/- each to share of Face value ₹ 1/- each
- After Right issue of Shares in the Ratio of 1:5
- Allotment of Shares on preferential basis to promoters
- Conversion of Warrants into Equity on exercise of warrants
- After conversion of 18,18,01,228
  - Compulsorily Convertible Debentures at a premium of ₹ 54/- per share
- After Right issue of Shares in the Ratio of 1:5

for the year ended March 31, 2021

# **FINANCIAL STATISTICS**

						Revenue accou	ints					
Year	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit/(Loss) before Tax	Tax Expenses	Net Profit/(Loss) for the year	Other Comprehen- sive Income	Total Comprehen- sive Income	Net Transfer to General Reserves		Dividend	Rate of Dividend on Ordinary Shares
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	<b>₹ crores</b>	₹ crores	₹ crores	₹ crores		₹ crores	%
1978-79	18.42	13.63	0.69	4.10	1.40	2.70			2.02	â	0.68	25.00
1979-80	26.49	18.59	1.04	6.86	3.63	3.23			2.18	â	1.05	25.00
1980-81	31.54	23.13	1.24	7.17	3.17	4.00			2.95	â	1.45	22.00
1981-82	36.09	26.72	1.33	8.04	4.10	3.94			2.49	â	1.45	22.00
1982-83	42.98	36.87	1.62	4.49	0.00	4.49			2.99	â	1.50	23.00
1983-84	54.69	43.79	3.80	7.10	0.40	6.70			5.11		1.59	25.00
1984-85	65.50	55.39	2.66	7.45	1.08	6.37			4.78		1.59	25.00
1985-86	78.48	69.32	3.44	7.66	1.60	6.06			4.22		1.84	25.00
1986-87	93.05	79.68	4.25	9.12	2.75	6.37			4.02		2.35	30.00
1987-88	105.69	90.98	5.55	9.16	2.40	6.76			4.23		2.53	30.00
1988-89	117.72	100.61	6.24	10.87	1.50	9.37			6.42		2.96	30.00
1989-90	141.50	120.93	7.80	12.77	1.25	11.52			7.83		3.70	25.00
1990-91	159.11	139.42	9.11	10.58	1.55	9.03			5.33		3.70	25.00
1991-92	206.79	169.52	++8.85	27.58	6.50	21.08			16.75		5.17	35.00
1992-93	239.21	188.24	9.77	41.20	9.00	32.20			24.86		8.68	50.00
1993-94	301.92	223.49	10.90	67.53	15.50	52.03			41.21		13.97	70.00
1994-95	381.88	263.20	13.67	105.11	23.00	82.11			60.15		21.96	55.00
1995-96	547.36	347.42	20.37	179.57	39.00	140.57			107.10		33.47	75.00
1996-97	613.33	405.67	27.18	180.48	33.60	146.48			104.70		38.35	85.00
1997-98	623.91	427.53	32.42	163.96	26.00	137.96			95.78		38.35	85.00
1998-99	623.34	435.36	33.84	154.14	35.00	119.14			76.57		38.35	85.00
1999-00	650.91	482.49	37.69	130.73	17.50	113.23			70.66	@	38.35	85.00
2000-01	742.92	560.47	45.16	137.29	20.50	116.79			67.07		45.12	100.00
2001-02	617.55	589.81	47.49	98.14	17.44	80.70			40.00		36.09	80.00
2002-03	609.91	575.43	38.98	53.80	13.72	40.48			7.50		31.58	70.00
2003-04	727.09	646.89	48.58	80.20	19.55	60.65			8.57		36.09	80.00
2004-05	896.23	754.55	56.77	141.68	35.82	105.86			11.00		50.25	100.00
2005-06	1154.80	890.90	65.90	272.00	88.22	183.78			20.00		77.95	130.00
2006-07	1618.83	1146.47	91.44	474.64	152.25	322.39			35.00		96.46	160.00
2007-08	1823.16	1254.11	85.48	580.47	203.01	377.46			38.00		114.54	190.00
2008-09	1706.52	1348.42	94.46	362.30	128.27	234.03			30.00		86.81	120.00
2009-10	1520.36	1358.48	104.14	218.25	65.15	153.10			15.31		72.35	100.00
2010-11	1737.14	1509.90	108.40	221.45	80.20	141.25			14.13		75.95	100.00
2010-11	1864.72	1628.69	113.90	229.92	84.57	145.35			14.54		75.95	100.00
2011-12	1924.79	1701.67	125.02	(209.79)	66.82	(276.61)			17.54	*	69.40	80.00
2012-13	1977.33	1761.07	122.26	(520.90)	69.59	(590.49)			_		-	-
2013-14	2103.60	1873.02	117.85	1.88	83.90	(82.02)			_		_	_
2014-15	2374.12	2088.32	126.02	152.89	68.74	84.15	71.40	155.55	_		29.68	30.00
2015-10	2459.58	2079.74	151.31	262.04	118.86	143.18	124.43	267.61	_		34.62	35.00
2010-17	2639.34	2148.58	151.34	284.23	136.46	147.77	29.23	177.00			47.57	40.00
2017-18	2870.91	2209.61	169.10	417.54	153.84	263.70	(120.59)	143.11	-		59.47	50.00
2018-19	2877.88	2219.96	203.78	417.54	36.33	401.41	(120.59)	277.43	-		59.47	50.00
		1524.84	203.78	(640.28)			209.06		-	¢¢	47.57	40.00
2020-21	1243.67	1524.84	203.81	(040.28)	(115.50)	(524.78)	209.06	(315.72)		\$\$	47.57	40.00

â Preference and Ordinary Dividend

<sup>++</sup> After deducting ₹ 0.84 crores towards excess provision of depreciation for previous year.

<sup>@</sup> Ordinary / Interim dividend for the year

Includes ₹ 4.80 crores dividend paid for previous year

<sup>\$\$</sup> Dividend Proposed



# Independent Auditors' Report

To the Members of The Indian Hotels Company Limited

# Report on the Audit of the Consolidated Financial **Statements**

#### **Opinion**

We have audited the consolidated financial statements of The Indian Hotels Company Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act 2013, ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

# **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## **Emphasis of matter**

We draw attention to Note 2(e) to the consolidated financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Group's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matter.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Impact of COVID-19 pandemic on Going Concern

Refer Note 47 - "Going Concern" and Note 2(e) "Estimation related to COVID-19" of the consolidated financial statements

During the year, the business of the Group was significantly impacted due to COVID-19. Significant number of hotels were not operating for the first six months on account of restrictions imposed due to lockdowns; with lifting of lockdown restrictions all the hotels started operating from second half of the year.

Presently, various state Governments have imposed restrictions due to the resurgence of COVID-19 cases, which has significantly impacted business of the Group.

The Group has assessed the impact of COVID-19 on the future cash flow projections. The Group has also prepared a range of scenarios to estimate financing requirements.

In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.

# How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained an understanding of the key controls relating to the Group's forecasting process
- · Compared the forecasted statement of profit and loss and cash flows with the Group's business plan approved by the board of directors

To the Members of The Indian Hotels Company Limited

- Obtained an understanding of key assumptions adopted by the Group in preparing the forecasted statement of profit and loss and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Group's business
- Assessed the forecasted income statement and cash flow by considering plausible changes to the key assumptions adopted by the Group
- Performed the following procedures as mitigating factors:
  - Obtained understanding of new borrowing proposed to be availed including additional credit pronounced under government scheme;
  - Assessed Government's efforts to counter the impact of resurgence in COVID-19 cases and the impact of the same on future projections;
- Assessed disclosures made in the consolidated financial statements with regard to the above. Refer to notes 47 and 2(e).

# ii. Goodwill – evaluation of adequacy of provision for impairment of goodwill

As a result of past acquisitions, the Group carries capitalised goodwill aggregating ₹ 610.97 Crores.

Management performs an impairment assessment on an annual basis as required by Ind AS 36 Impairment of Assets.

For the Cash generating units (CGUs) which contain goodwill, the determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. Recoverable amounts of these CGU's are based on management's view of variables such as future average revenue per available room, room occupancy, room rates, rate per cover etc. and operating expenditure and the most appropriate discount rate.

Refer to note 5 – "Goodwill" and note 6 – "Intangible assets" of the consolidated financial statements.

We considered goodwill impairment to be key audit matter due to the extent of judgement and assumptions involved in the assessment process.

#### How our audit addressed the key audit matter

We performed an evaluation of managements' assessment of the Group's CGU. Further, our evaluation included discussion with management, review of the internal reporting structure, the decision making process and how resources are allocated among business units of the Group. We subsequently evaluated the impairment assessment made by management to also ensure they were in accordance with Ind AS.

Our procedures included challenging management on the suitability of the impairment model and reasonableness of the assumptions through performing the following:

- Benchmarking the key market related assumptions in management's valuation models with industry comparators and assumptions made in prior years including revenue and margin trends, capital expenditure on network assets and spectrum, market share and customer churn, against external data where available, utilizing our internal valuation specialists;
- Recalculation of the discount rate by our internal valuation specialists using external information and comparison to management's assumptions;
- Testing the mathematical accuracy of the cash flow model and agreeing relevant data to the Board approved strategic long-term plan;
- Assessing the reliability of management's forecast through a review of actual performance against previous forecasts;
- Assessing and validating the appropriateness of the disclosures made in the financial statements.

#### Other information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



To the Members of The Indian Hotels Company Limited

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this information, we are required to report the fact. We have nothing to report in this regard.

# Management and Board of Director's Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective

Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is also responsible for overseeing the financial reporting process of each company.

# Auditor's Responsibilities for the Audit of the Consolidated **Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

To the Members of The Indian Hotels Company Limited

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content
  of the consolidated financial statements, including the
  disclosures, and whether the consolidated financial
  statements represent the underlying transactions and
  events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other Matters**

- (a) We did not audit the financial statements of sixteen subsidiaries, whose financial statements reflect total assets of ₹ 2,483.15 crores as at 31 March 2021, total revenues of ₹ 222.54 crores and total net loss after tax (before consolidation adjustments) of ₹ 102.65 crores and net cash outflows amounting to ₹ 4.22 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 67.36 crores for the year ended on that date, as considered in the consolidated financial statements, in respect of six associates and seven joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.
- (b) Certain of these subsidiaries, associates and joint ventures are located outside India whose financial statements and other financial information have been



To the Members of The Indian Hotels Company Limited

prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, associates and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## **Report on Other Legal and Regulatory Requirements**

- As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - the consolidated balance Sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of

- account maintained for the purpose of preparation of the consolidated financial statements;
- in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;
- on the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
- with respect to the adequacy of the internal f) financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:
  - The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 32 and Note 42 to the consolidated financial statements.
  - Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 21 to the consolidated financial statements in respect of such items

To the Members of The Indian Hotels Company Limited

as it relates to the Group, its associates and joint ventures.

- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended 31 March 2021;
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditor's report under section 197(16):

We draw your attention to Note 43 to the consolidated financial statements for the year ended March 31, 2021 according to which the managerial remuneration paid/payable to the CEO and Managing Director of the Holding Company amounting to ₹ 7.23 crores and consequently the total managerial remuneration for the financial year amounting to ₹ 7.23 crores exceed the prescribed limits under Section 197 read with Schedule V to the Act by ₹ 5.91 crores. As per the provisions of the Act, the excess

remuneration is subject to approval of the shareholders which the Holding Company proposes to obtain in the forthcoming Annual General Meeting.

Further, in our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint ventures incorporated in India which were not audited by us, the remuneration paid/payable during the current year by such subsidiary companies, associate companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. In our opinion and according to the information and explanations given to us, the remuneration paid to any director by a subsidiary company and a joint venture incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us and other auditors.

For BSR & Co. LLP

Chartered Accountants Firm's Registration No: 101248W/W-100022

Tarun Kinger

Partner

Mumbai 30 April 2021 Membership No: 105003 ICAI UDIN: 21105003AAAABX4982

# Annexure 'A'

to the Independent Auditors' Report on the consolidated financial statements of The Indian Hotels Company Limited

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

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

#### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of The Indian Hotels Company Limited ("hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its associate companies and its joint ventures as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

# Management's Responsibility for Internal Financial Controls

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors,

the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act 2013 (hereinafter referred to as "the Act")

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial control with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal control systems over financial reporting.

# Meaning of Internal Financial Controls with reference to Consolidated Financial Statement

A company's internal financial control with reference to consolidated financial statements is a process designed to

# Annexure 'A' (Contd.)

to the Independent Auditors' Report on the consolidated financial statements of The Indian Hotels Company Limited

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statement includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

# Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to its thirteen subsidiary companies, its three associates and its six joint ventures which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For BSR&Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Tarun Kinger** 

Partner

Mumbai Membership No: 105003 30 April 2021 ICAI UDIN: 21105003AAAABX4982

# **Consolidated Balance Sheet**

as at March 31, 2021

(₹ crores)

	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	5,728.00	5,270.65
Capital work-in-progress		164.99	243.15
Right-of-Use assets	4	1,529.74	1,583.28
Goodwill Intangible assets	5 6	610.97 568.99	614.58 590.34
Intangible assets Intangible assets under development	б	568.99	0.93
Investments accounted using the equity method	7	578.37	672.35
Financial assets	,	370.37	072.55
Investments	8(a)	456.17	318.00
Loans	9(a)	5.05	16.65
Other financial assets	10(a)	78.19	118.36
Deferred tax assets (net)	11(a)	117.98	76.50
Advance income tax (net)	` ,	203.40	227.85
Other non-current assets	12(a)	316.98	348.31
		10,358.83	10,080.95
Current assets Inventories	13	92.88	93.61
Financial assets	13	92.88	33.01
Investments	8(b)	448.63	436.24
Trade receivables	14	219.84	290.02
Cash and cash equivalents	15	94.27	250.82
Other balances with banks	16	59.36	64.76
Loans	9(b)	16.68	4.77
Other financial assets	10(b)	88.95	160.98
Other current assets	12(b)	132.20	132.37
	. , -	1,152.81	1,433.57
Assets classified as held for sale	3(vi) _	1.07	3.74
	_	1,153.88	1,437.31
Total	-	11,512.71	11,518.26
EQUITY AND LIABILITIES Equity			
Equity share capital	17	118.93	118.93
Other equity	18	3,529.51	4,237.88
Equity attributable to owners of the company	10 -	3,648.44	4,356.81
Non-controlling interests		634.57	764.90
Total equity	-	4,283.01	5,121.71
Liabilities ´		•	
Non-current liabilities			
Financial liabilities			
Borrowings	19(a)	2,223.83	2,125.80
Lease liabilities	35	1,846.38	1,842.57
Other financial liabilities	21(a)	25.71	201.37
Provisions	22(a)	91.74	121.09
Deferred tax liabilities (net) Other non-current liabilities	11(b)	78.05 15.93	186.85
Other Hori-current habilities	23(a) _	4,281.64	18.05 <b>4,495.73</b>
Current liabilities		4,201.04	4,433.73
Financial liabilities			
Borrowings	19(b)	242.53	166.25
Lease liabilities	35 ′	39.11	56.14
Trade payables	20	317.81	389.32
Other financial liabilities	21(b)	1,875.97	819.89
Provisions	22(b)	170.76	154.46
Current income tax liabilities (net)		34.95	33.77
Other current liabilities	23(b) _	266.93	280.99
Table Deliver	-	2,948.06	1,900.82
Total liabilities	-	7,229.70	6,396.55
The accompanying notes form an integral part of the consolidated financial statements	1 - 49	11,512.71	11,518.26
The accompanying notes form an integral part of the consolidated financial statements	1 - 49		

As per our report of even date as attached

For B S R & Co. LLP

**Chartered Accountants** 

ICAI Firm Registration No: 101248W/W-100022

Tarun Kinger

Partner

Membership No. 105003

Mumbai, April 30, 2021

For and on behalf of the Board

N. Chandrasekaran

Chairman DIN: 00121863

**Nasser Munjee** Director

DIN: 00010180

**Giridhar Sanjeevi** Executive Vice President & Chief Financial Officer

**Puneet Chhatwal** 

DIN: 07624616

Managing Director & CEO

**Beejal Desai** Senior Vice President - Corporate Affairs & Company Secretary (Group)

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ crores)

			( 7
	Note	March 31, 2021	March 31, 2020
INCOME			
Revenue from operations	24	1,575.16	4,463.14
Other income	25	164.72	132.42
Total income		1,739.88	4,595.56
EXPENSES			
Food and beverages consumed		143.82	370.56
Employee benefit expense and payment to contractors	26	894.01	1,494.60
Finance costs	27	402.82	341.12
Depreciation and amortisation expenses	28	409.63	404.24
Other operating and general expenses	29	899.09	1,630.45
Total expenses	-	2,749.37	4,240.97
Profit/(Loss) before exceptional items, tax and share of profit of equity accounted investees	-	(1,009.49)	354.59
Exceptional items	30	159.95	40.95
Profit/(Loss) before tax and share of profit of equity accounted investees		(849.54)	395.54
Tax expense		(0.0.0.7)	
Current tax		1.01	169.15
Deferred tax credit		(156.34)	(124.38)
Total tax expense		(155.33)	44.77
Profit/(Loss) after tax before share of profit of equity accounted investees	-	(694.21)	350.77
Share of Profit/(Loss) of associates and joint venture (net of tax)		(101.42)	12.97
Profit/(Loss) for the year	-	(795.63)	363.74
OTHER COMPREHENSIVE INCOME	-		
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		37.62	(21.52)
Change in fair value of equity instruments designated irrevocably as fair value through		200.00	(110.05)
other comprehensive income		209.90	(118.25)
Share of other comprehensive income in associates and joint ventures (net of tax)		2.92	(3.66)
Add/(Less): Income tax credit/(expense) on the above		(11.78)	6.47
Net other comprehensive income not to be reclassified subsequently to profit or loss	-	238.66	(136.96)
Items that will be reclassified subsequently to profit or loss			, ,
Exchange differences on translating the financial statement of foreign operations		31.20	116.47
Share of other comprehensive income in associates and joint ventures (net of tax)		(2.59)	12.93
Add/(Less): Income tax credit/(expense) on the above		(=:55)	-
Net other comprehensive income to be reclassified subsequently to profit or loss	-	28.61	129.40
Other comprehensive income for the year, net of tax	-	267.27	(7.56)
Total comprehensive income for the year	-	(528.36)	356.18
Profit/(Loss) for the year attributable to:	-	(525.55)	
Owners of the company		(720.11)	354.42
Non-controlling interests		(75.52)	9.32
Non-controlling interests	-	(795.63)	363.74
Total comprehensive Income for the year attributable to:	-	(733.03)	303.74
Owners of the company		(479.75)	344.60
Non-controlling interests		(48.61)	11.58
	-	(528.36)	356.18
Earnings per share :	46	(5-2:30)	223.20
Basic and Diluted - (₹)		(6.05)	2.98
			1.00
Face value per equity share - (₹)		1.00	1.00

As per our report of even date as attached

For B S R & Co. LLP **Chartered Accountants** 

ICAI Firm Registration No: 101248W/W-100022

**Tarun Kinger** Partner

Membership No. 105003

For and on behalf of the Board

N. Chandrasekaran Chairman

DIN: 00121863

Nasser Munjee Director

DIN: 00010180

Giridhar Sanjeevi

Executive Vice President & Chief Financial Officer

**Puneet Chhatwal** 

Managing Director & CEO

DIN: 07624616

**Beejal Desai** 

Senior Vice President - Corporate Affairs & Company Secretary (Group)

# IHCL |

(₹ crores)

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

	a) Equity				1	(4) Othor Equity							
				Reserves and Surplus				Items of Other Co	Items of Other Comprehensive Income				
	Equity Share Capital Subscribed	Capital	Capital Reserve on Consolida- tion	Securities	General Reserve	Other	Retained	Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statement of foreign	Total Other Equity	Equity attributable to owners of the company	Non Controlling Interests	Total
Balance as at April 1, 2019 Profit for the year ended March 31, 2020	118.93	43.91	111.81	2,702.05	561.98	324.60	(110.32) 354.42	206.01	124.36	<b>3,964.40</b>	<b>4,083.33</b>	<b>755.83</b>	<b>4,839.16</b>
Other Comprehensive Income for the vear ended March 31, 2020, net of taxes	,	1	1	1	1	1	(17.67)	(114.77)	122.62	(9.82)	(9.82)	2.26	(7.56)
Total Comprehensive Income for the				'			336.75	(114.77)	122.62	344.60	344.60	11.58	356.18
Dividend	,	,	,	,	1	1	(59.46)	,		(59.46)	(59.46)	(3.17)	(62.63)
Tax on Dividend Transfer from Debenture Redemption	1		1	1	- 01 001	- 100 001	(11.70)	1		(11.70)	(11.70)	0.66	(11.04)
Reserve to General Reserve Realised loss on sale of investment transferred from Other Comprehensive					T30.30	(00:001)	(3.01)	3.01				1 1	
Income Change in ownership interests in	1	1	(0.24)	1	1	1	1	ı	1	(0.24)	(0.24)	1	(0.24)
Joint Venture Change in ownership interests in subsidiaries	1	•	,	,	0.08	0.20	'	ı	1	0.28	0.28	,	0.28
Balance as at March 31, 2020	118.93	43.91	111.57	2,702.05	692.56	194.30	152.26	94.25	246.98	4,237.88	4,356.81	764.90	5,121.71
Loss for the year ended March 31, 2021	1						(720.11)	1	•	(720.11)	(720.11)	(75.52)	(795.63)
Other Comprehensive Income for the vear ended March 31, 2021, net of taxes	•	•	•	•	•	1	29.97	195.81	14.58	240.36	240.36	26.91	267.27
Total Comprehensive Income for the vear ended March 31, 2021	•	•			•	•	(690.14)	195.81	14.58	(479.75)	(479.75)	(48.61)	(528.36)
Adjustment on account of change in holding of Minority Interest	'						(169.16)		1	(169.16)	(169.16)	(80.87)	(250.03)
(Refer Note 33 (ii)) Dividend	1	1	1	•	•	•	(59.46)			(59.46)	(59.46)	(0.85)	(60.31)
Transfer from Debenture Redemption	1	1	1	1	32.39	(32.39)			•				
Realised Gain on sale of investment transferred from Other Comprehensive			1	1			5.80	(5.80)	,	1	•	1	1
Income  Balance as at March 31, 2021 118.93 43.91  The accommonsing notes form an integral part of the concollidated finar	118.93	43.91	111.57	111.57 2,702.05 724.95	724.95 Note 1 - 40	161.91	(760.70)	284.26	261.56	3,529.51	3,648.44	634.57	4,283.01
As per our report of even date as attached			For an	For and on behalf of the Board	f the Board								
For <b>B S R &amp; Co. LLP</b> Chartered Accountants ICAI Firm Registration No: 101248W/W-100022	00022		N. Chandr Chairman DIN: 0012	<b>N. Chandrasekaran</b> Chairman DIN: 00121863				<b>Puneet Chhatwal</b> Managing Director & CEO DIN: 07624616	& CEO				
<b>Tarun Kinger</b> Partner Membership No. 105003			Nasser P Director DIN: 000	Nasser Munjee Director DIN: 00010180									
Mumbai, April 30, 2021			Giridh: Execut Chief F	<b>Giridhar Sanjeevi</b> Executive Vice President & Chief Financial Officer	dent & er		<b>8</b> 83	<b>Beejal Desai</b> Senior Vice President - Corp Company Secretary (Group)	Beejal Desai Senior Vice President - Corporate Affairs & Company Secretary (Group)	irs &			

# **Consolidated Statement of Cash Flows**

for the year ended March 31, 2021

(₹ crores)

		(< crores)
	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(849.54)	395.54
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation expenses on Property, plant and equipment	347.66	334.99
Depreciation and amortisation expenses on Right-of-Use assets	61.97	69.25
Gain arising out of acquiring controlling stake in a joint venture	(82.04)	
Profit on sale of investments	(5.63)	(9.82)
Profit on sale of a hotel property	(25.74)	-
Profit on disposal of Property, plant and equipment	(18.58)	(136.86)
Allowance for Doubtful Debts and advances	12.51	6.65
Dividend Income	(5.43)	(7.32)
Interest Income	(44.79)	(18.67)
Finance Cost	248.51	184.23
Interest on lease liability	154.31	156.89
Exchange (Gain)/ Loss on Long term borrowing/Assets (net)	(56.38)	2.61
Assets written off	3.29	6.91
Provision no longer required written back	-	(0.17)
Provision for disputed claims	10.69	2.53
Provision for Employee Benefits	11.32	(2.09)
Gain on investments carried at fair value through statement of profit and loss	(2.51)	(0.28)
Fair valuation (Gain)/ Loss on derivative contracts	(25.00)	21.76
Tall valuation (Sally 2003 on derivative contracts	584.16	610.61
Cash Operating Profit before working capital changes	(265.38)	1,006.15
Adjustments for increase / decrease in operating assets and liabilities:	(203.30)	1,000.13
Inventories	11.67	(13.21)
Other financial assets	107.38	(29.05)
Other financial liabilities	(195.72)	65.75
Other infancial naphities	(76.67)	23.49
Cash Generated from Operating Activities	(342.05)	1,029.64
Income taxes refund/(paid)	23.36	
Net Cash Generated From Operating Activities (A)		(206.17) <b>823.47</b>
CASH FLOW FROM INVESTING ACTIVITIES	(318.69)	023.47
	/245 47\	(407.20)
Payments for purchase of property, plant & equipment	(215.47)	(487.39)
Proceeds from disposal of property, plant and equipment	28.30	175.39
Capital subsidy received from Government	1.10	40.69
Purchase of current investments	(1,512.32)	(1,934.32)
Proceeds from sale / redemption of current investments	1,579.30	1,712.12
Purchase of non-current investments	(73.00)	(3.36)
Disposal of long term investment	11.31	29.79
Interest received	17.60	15.68
Dividend received (includes dividend from joint ventures and associates)	6.98	13.92
Bank Balances not considered as Cash & Cash Equivalents	14.60	(17.53)
Long Term Deposits refunded/ (placed)	(6.22)	-
Short term Loans (given) /repaid by other company	-	3.89
Proceeds from sale of hotel properties	31.69	-
Long-term deposits placed for hotel properties	(3.04)	(47.38)
Short-term deposits placed with Others Companies	(0.49)	(3.38)
Net Cash Generated /(Used) In Investing Activities (B)	(119.66)	(501.88)
Carried over	(438.35)	321.59



# Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2021

(₹ crores)

	March 31, 2021	March 31, 2020
Brought over	(438.35)	321.59
CASH FLOW FROM FINANCING ACTIVITIES		
Loan arrangement expenses	(0.15)	(0.14)
Interest and other borrowing costs paid	(232.08)	(155.45)
Payment of lease liability (including Interest)	(138.93)	(136.12)
Proceeds from long-term borrowings	1,040.57	732.30
Repayment of long-term borrowings	(402.24)	(637.80)
Proceeds from short-term borrowings	100.02	283.18
Repayment of short-term borrowings	(25.98)	(155.02)
Dividend and (including tax on dividend in previous period and Unclaimed dividend)	(60.05)	(75.73)
Settlement of cross currency Interest rate swap (net)	(0.79)	(120.60)
Net Cash Generated/(Used) In Financing Activities (C)	280.37	(265.38)
Net Increase/(Decrease) In Cash and Cash Equivalents (A + B + C)	(157.98)	56.21
Cash and Cash Equivalents - Opening	250.82	189.29
Add: Opening cash balance of Subsidiary on acquisition	1.60	-
Exchange difference on translation of foreign currency cash and cash equivalents	(0.17)	5.32
Cash and Cash Equivalents - Closing	94.27	250.82

Refer Note 19 (viii) for movement in financing activity

The accompanying notes form an integral part of the consolidated financial statements (Refer Note 1 - 49)

As per our report of even date as attached

For and on behalf of the Board

For B S R & Co. LLP

**Chartered Accountants** 

ICAI Firm Registration No: 101248W/W-100022

**Tarun Kinger** 

Partner

Membership No. 105003

Mumbai, April 30, 2021

N. Chandrasekaran

Chairman

DIN: 00121863

**Nasser Munjee** 

Director

DIN: 00010180

Giridhar Sanjeevi

Executive Vice President & Chief Financial Officer

**Puneet Chhatwal** 

Managing Director & CEO

DIN: 07624616

Beejal Desai

Senior Vice President - Corporate Affairs

& Company Secretary (Group)

for the year ended March 31, 2021

## **Note 1. Corporate Information**

The Indian Hotels Company Limited ("IHCL" or the "Company"), and its subsidiaries (referred collectively as the "Group") is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts. These consolidated financial statements of the Group also include the Group's interest in associates and joint ventures.

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

These consolidated financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on April 30, 2021.

Note 2. Basis of Preparation, Principles of Consolidation and Equity Accounting, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements

The consolidated financial statements have been prepared on the following basis:

## (a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

# (b) Basis of Preparation

The Consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of the Group. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

# (c) Principles of Consolidation and Equity Accounting

## Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

# (ii) Joint ventures, associates and equity method accounting

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets and obligations for the liabilities, relating to the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance sheet.

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.



for the year ended March 31, 2021

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its Associates and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amounts of equity accounted investments are tested for impairment.

The financial statements of subsidiaries, joint ventures and associates consolidated are drawn upto the same reporting date as that of the Company except one of the associate and joint venture which has the reporting date of December 31, 2020.

# (iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate an equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate.

#### (iv) Goodwill

- Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.
- Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.
- Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Consolidated Statement of Profit and Loss.
- Goodwill on acquisition of the foreign subsidiaries is restated at the rate prevailing at the end of the year.

# **Critical Accounting Estimates and Judgements**

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

for the year ended March 31, 2021

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

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

- Useful lives of property, plant and equipment and intangible assets: The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- Impairment testing: Property, plant and equipment, Right-of-Use assets and Intangible assets that are subject to amortisation/depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- Impairment of investments: The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- Income Taxes: Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of

recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charges in the Consolidated Statement of Profit and Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and the tax charge in the Consolidated Statement of Profit and Loss.

 Loyalty programme: The Group estimates the fair value of points awarded under the Loyalty programme by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.

The group assessed whether the loyalty points provide a material right to the customer that needs to be accounted for as a separate performance obligation. The group determines that the loyalty points provide a material right that the customer would not exercise without entering into the contract.

- Fair value measurement of derivative and other financial instruments: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet Date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.
- Litigation: From time to time, the Group is subject
  to legal proceedings the ultimate outcome of each
  being always subject to many uncertainties inherent
  in litigation. A provision for litigation is made when
  it is considered probable that a payment will be
  made and the amount of the loss can be reasonably
  estimated. Significant judgement is made when
  evaluating, among other factors, the probability
  of unfavorable outcome and the ability to make a

for the year ended March 31, 2021

reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- Defined benefit plans: The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet Date.
- Determination of control: The group has exercised its judgement not to consolidate entities with majority holding where the group does not have any power or control over or exposure to entity and does not have any rights to variable returns from its involvement with the entity. Also, for all strategic investments in entities where there is a contractual agreement in the form of joint venture agreement were classified as joint venture.
- Recognition of deferred tax liability on undistributed profits: The extent to which the group can control the timing of reversal of deferred tax liability on undistributed profit of its subsidiaries requires judgement.

## Leases:

Critical judgements in determining the lease term: Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to group's operations taking into account the location of the underlying asset and the availability of

suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**Critical judgements in determining the discount rate:** The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

## (e) Estimation Uncertainty due to COVID-19:

On March 11, 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020. Business operations in the various international markets where the Group operates have also been impacted to varying extent based on the spread of the pandemic and the restrictions on business activities placed by the respective foreign Governments.

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to all the businesses of the Group and its joint ventures and associates.

The business has been severely impacted during the year on account of COVID-19. The Group witnessed softer revenues due to the lockdown imposed during the first six months of the year and a significant number of the Group's hotels had to be shut down. With the unlocking of restrictions, all the Group's hotels have been opened and business is expected to gradually improve across all hotels. During the second half of the year, the Group witnessed some signs of recovery of demand, especially in leisure destinations. Whilst there has been a second wave of the COVID-19 pandemic in the last few months in some of the countries where the Group operates, there has also been increased vaccination drive by the respective Governments and the Group continues to closely monitor the situation.

The Group has also assessed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. Various steps have been

for the year ended March 31, 2021

initiated to raise finances from banks and institutions for working capital needs and long term fund requirements and the Group is in a comfortable liquidity position to meet its commitments.

The Group has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Group. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Group as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

## Significant accounting policies

#### (f) Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

# Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

**Space and shop rentals:** Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognised in the period in which services are being rendered.

**Other Allied services:** In relation to the, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognised by reference to the time of service rendered.

Management and Operating fees: Management fees earned from hotels managed by the Group are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

Membership Fees: Membership fee income majorly consists of membership fees received from the loyalty program and Chamber membership fees. Income is earned when the customer enrolls for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Loyalty program: The Group operates loyalty programme, which provides a material right to customers that they would not exercise without entering in to a contract and the eligible customers earns points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and a contract liability is created and on redemption/ expiry of such award points, revenue is recognised at pre-determined rates.

#### **Contract balances**

## a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.



for the year ended March 31, 2021

#### **Contract liabilities**

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

#### Interest

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

#### **Dividend**

Dividend income is recognised when the Group's right to receive the amount is established.

#### (g) Employee Benefits

## **Short term Employee Benefits**

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

## **Post-Employment Benefits:**

**Defined Contribution Plans** 

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

## Provident and family pension fund

The eligible employees of domestic components of the Group are entitled to receive post-retirement benefits in respect of provident fund and family pension fund a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund managed by the trust set up by the Group, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred.

Employee benefits arising out of contributions towards Provident Fund and Family Pension Scheme to Regional Provident Fund Commissioner or the Central Provident Commissioner and Social Security etc. paid/payable during the year are recognised as expense in the Statement of Profit and Loss account in the period in which the employee renders services.

Eligible employees of some of the overseas components of the Group are members of defined contribution plans. These plans, in addition to employee contribution, require the Group to make contributions equivalent to a pre-define percentage of each eligible participant's plan compensation for each year. The Group may also make a profit sharing contribution of uniform percentage of eligible participant's plan compensation based on profit as defined. The Group recognised such contribution as an expense in the year in which the employee renders service.

# Superannuation

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

#### **Others** c)

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligation therein, based on independent external actuarial valuations carried out at the Balance Sheet date.

Certain international subsidiaries operate a defined contribution pension scheme and the pension charge represents the amounts paid/payable by them to the fund in the period in which the employee renders services.

for the year ended March 31, 2021

#### **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

## a) Gratuity

The Group accounts for the net present value of its obligations for gratuity benefits, based on independent actuarial valuations, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or asset as of the reporting date. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

In case of funded scheme, the Group makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds in respect of eligible employee in case of certain domestic components and the parent / company.

# b) Post-Retirement Pension Scheme and Medical Benefits

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

The Group also participates in an industry-wide defined benefit plan which provides pension linked to final salaries in respect of employees

of certain overseas hotel properties. The plan is funded in a manner such that contributions are set at a level that is expected to be sufficient to pay the benefits falling due in the same period. It is not practicable to determine the present values of the Group's obligations as the covered hotel properties have not received information from the plan's administrator. In the absence of sufficient information the plan has been accounted as if it was a defined contribution plan.

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

## c) Provident Fund Trust

In respect of contribution to the trust set up by the Group, since the Group is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

## Other Long-term Employee Benefits

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

## (h) Property, Plant and Equipment

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



for the year ended March 31, 2021

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

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

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

## **Indian Entities**

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

The estimated useful lives of the assets are as follows:

Class of Assets	Estimated Useful Life
Building	30 to 80 years
Plant and Equipment	5 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years

Class of Assets	Estimated Useful Life
End User devices – Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Other miscellaneous hotel assets	4 years

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

Freehold land is not depreciated.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Proportionate depreciation is charged for the addition and disposal made during the year.

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

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

#### **International Entities**

Depreciation on assets is provided at Straight Line Method (SLM) based on the estimated useful life detailed below. In respect of improvements in the nature of structural changes and major refurbishment

for the year ended March 31, 2021

to buildings occupied on lease, depreciation is provided for over the period of the lease.

Class of Assets	Estimated Useful Life
Long term lease hold property	Over the term of lease
Plant and Equipment	5 to 20 years
Electrical Installation and Equipment	20 years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives. Freehold land is not depreciated.

#### (i) Intangible Assets

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

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

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

Class of Assets	Estimated Useful Life
Website Development Cost	5 years
Software and Licences	6 years
Service and Operating Rights	10 years
Leasehold property rights	Over the term of lease

An intangible assets is derecognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal

proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

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

## (j) Impairment of Assets

Goodwill which has an indefinite useful life is not subject to amortisation and is tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

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

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

# (k) Foreign Currency Translation Functional and presentation currency

The functional currency and presentation currency of the Company is Indian Rupee (₹).



for the year ended March 31, 2021

#### **Initial Recognition**

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

## **Subsequent Recognition**

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.

# Translation of financial statements of foreign operations

Assets and liabilities of foreign entities are translated into Indian Rupees on the basis of the closing exchange rates as at the end of the year. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. All resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as a part of gain or loss on sale.

#### (I) Lease

On inception of a contract, the Group assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Group statement of financial position as a right-of-use asset and a lease liability.

## **Right to Use Assets**

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated to a residual value over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed annually.

#### **Lease Liabilities**

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Group is reasonably certain to exercise and excludes the effect of early termination options where the Group is reasonably certain that it will not exercise the option. Minimum lease payments include the cost of a purchase option if the Group is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

for the year ended March 31, 2021

#### Variable Lease

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs.

#### Short-term leases and leases of low-value assets

The Group has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

# Presentation of lease payments in Cash Flow Statements:

Lease payments are presented as follows in the Group statement of cash flows:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- Payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from financing activities; and
- Payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

# **COVID-19-related rent concessions**

In the current year, the Group has applied the amendments to Ind AS 116 that are effective for an annual period that begins on or after 1 April 2020 Refer Note 2(x).

## (m) Inventories

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

## (n) Government Grants

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

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

Government grants related to assets are presented in the balance sheet by deducting the grant in calculating the carrying amount of the asset.

#### (o) Income Taxes

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

# **Current tax**

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates at the end of the reporting period in the countries where the company and its subsidiaries and its associates and joint ventures operate and generate taxable income.

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

#### **Deferred tax**

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary

for the year ended March 31, 2021

differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of the goodwill. The deferred tax is also not accounted if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profits/(taxable loss).

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets positions are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

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

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only

when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

## (p) Provisions, Contingent Liabilities and Contingent Assets

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent assets and contingent liabilities are reviewed at each balance sheet date.

#### (q) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to

for the year ended March 31, 2021

the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

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

#### (r) Statement of cash flows

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

#### (s) Earnings per share

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

# (t) Exceptional items

The Group discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Group and provides consistency with the Group's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group. Exceptional items can include, but are not restricted to, gains and losses on the disposal of properties/significant undertakings,

impairment charges, exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

## (u) Financial Instruments

#### a. Financial assets

Initial recognition and measurement

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

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

#### Classification

- Cash and cash equivalents Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- Debt Instruments The Group classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset:

## i. Financial assets at amortised cost

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

# ii. Financial assets at Fair Value through Other Comprehensive Income ("FVOCI")

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection



for the year ended March 31, 2021

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

# iii. Financial assets at Fair Value through Statement of Profit and Loss ("FVTPL")

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

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

The Group has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments not held for trading.

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

## De-recognition

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

#### Impairment of financial assets

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

#### **Financial liabilities**

## Initial recognition and measurement

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

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



for the year ended March 31, 2021

#### Subsequent measurement

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

#### De-recognition

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

#### **Derivatives contracts**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The fair value changes of derivatives which are not designated as a hedging instrument are accounted through Statement of Profit and Loss. During the years reported, no hedge relationship was designated.

## **Equity instruments**

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

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

## (v) Financial guarantee contracts

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

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

## (w) Business combination

The Group uses the "acquisition method" of accounting to account for its business combinations as per which the identifiable assets or liabilities (and contingent liabilities) assumed are recognised at their fair values (with limited exceptions). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interests of the acquire, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition date amounts of identifiable assets acquired and the liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in Other Comprehensive Income and accumulated in equity as Capital Reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as Capital Reserve.

Transaction costs incurred (other than debt / equity instrument related) in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees are expensed as incurred.

If the Group obtains control over one or more entities that are not businesses, then the bringing together of those entities are not business combinations. The cost of acquisition is allocated among the individual identifiable assets and liabilities of such entities, based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill and no non-controlling interest is recognised.



for the year ended March 31, 2021

In case of business combinations involving entities under common control, the above policy done not apply. Business combinations of entities under common control are accounted using the "pooling of interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination

# (x) Recent accounting pronouncements

## New and amended standards adopted by the Group:

In the current year, the Group has applied the below amendments to Ind AS 116 that are effective for an annual period that begins on or after 1 April 2020:

The Group has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- · Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- There is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures. The Group has benefited from waiver of lease payments of ₹ 35.05 crores (including those leases where the Company availed the above practical expedients) on certain hotel properties/ office premises. The waiver of lease payments has been accounted for as "Other Income" in the statement of profit or loss. The Company has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments.

# New Standards or other amendments issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

for the year ended March 31, 2021

Note 3: Property, plant and equipment (owned, unless otherwise stated)

(₹ crores)

	Freehold Land	Buildings (Refer Footnote i and vi)	Plant and machinery	Furniture & fixtures (Refer Footnote ii)	Office Equipment (Refer Footnote ii)	Vehicles	Total
Cost							
Gross carrying value							
As at April 1, 2019	265.17	3,995.57	1,314.53	608.21	72.93	10.58	6,266.99
Translation adjustment (Refer Footnote iii)	8.77	110.62	2.20	10.48	0.83	-	132.90
Additions (Refer Footnote iv)	-	133.71	111.49	58.63	14.85	3.68	322.36
Adjustments (Refer Footnote vii)	-	(24.29)	(15.58)	-	-	-	(39.87)
Disposals (Refer Footnote vi)	8.32	33.87	10.98	5.83	0.91	0.32	60.23
At March 31, 2020	265.62	4,181.74	1,401.66	671.49	87.70	13.94	6,622.15
Translation adjustment (Refer Footnote iii)	(3.04)	58.33	3.92	5.25	(0.40)	-	64.06
Addition on acquisition (Refer Footnote viii)	64.80	384.19	39.11	28.03	2.69	-	518.82
Additions (Refer Footnote iv)	22.11	153.29	90.27	39.35	4.64	0.40	310.06
Disposals (Refer Footnote vi)	1.35	12.97	8.25	1.53	1.51	0.43	26.04
At March 31, 2021	348.14	4,764.58	1,526.71	742.59	93.12	13.91	7,489.05
Accumulated Depreciation							
As at April 1, 2019	-	430.32	346.36	213.22	40.34	3.57	1,033.81
Translation adjustment (Refer Footnote iii)	-	15.22	0.95	7.49	0.62	-	24.28
Charge for the year	-	130.77	105.02	59.58	11.72	1.07	308.16
Disposals		5.22	4.21	4.34	0.70	0.28	14.75
At March 31, 2020	-	571.09	448.12	275.95	51.98	4.36	1,351.50
Translation adjustment (Refer Footnote iii)	-	5.61	1.56	2.66	(0.23)	-	9.60
Addition on acquisition (Refer Footnote viii)	-	34.77	22.29	24.97	2.41	-	84.44
Charge for the year	-	148.82	101.71	60.45	12.08	1.24	324.30
Disposals		1.41	4.76	0.82	1.41	0.39	8.79
At March 31, 2021		758.88	568.92	363.21	64.83	5.21	1,761.05
Net Block							
At March 31, 2020	265.62	3,610.65	953.54	395.54	35.72	9.58	5,270.65
At March 31, 2021	348.14	4,005.70	957.79	379.38	28.29	8.70	5,728.00

#### Footnotes:

- (i) Cost includes improvements to buildings constructed on leasehold land ₹ 3,190.73 crores; (Previous year ₹ 2,999.78 crores)
- (ii) Furniture, Fixtures and Office Equipment as at the year end include assets acquired on finance lease: Cost ₹ 5.30 crore (Previous year ₹ 4.90 crore), Accumulated Depreciation ₹ 2.28 crores (Previous year ₹ 1.27 crores), Depreciation for the year ₹ 0.87 crore (Previous year ₹ 0.48 crore) and carrying value as at the reporting date of ₹ 3.02 crores (Previous year ₹ 3.63 crores).
- $(iii) \qquad \text{Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".}$
- (iv) Addition includes ₹ 1.00 crores (Previous year ₹ 1.51 crores) on account of interest cost on borrowings capitalised on certain qualifying assets (Refer Note 27).
- (v) For details of pledged assets refer Note 19 footnote (ii).
- (vi) Disposals include adjustment of ₹ 1.07 crores (Previous year ₹ 3.74 crores) comprising of residential flats, re-classified as held for sale.
- (vii) Claims received during previous year is directly attributable to specific assets amounting to ₹ 39.87 crores has been reduced/adjusted against the respective assets and accordingly depreciation in future years would be lower.
- (viii) During the year, Group has acquired entire stake in a jointly controlled entity, IHMS SA Pty limited ("IHMS SA") consequently IHMS SA along with its subsidiary has become a wholly owned subsidiaries and due to which net block increase by ₹ 434.38 crores.



for the year ended March 31, 2021

#### Note 4: Right-of-use assets

(₹ crores)

				( . 0.0.00)
	Leasehold Land	Buildings	Office Premises	Total
Cost				
Gross carrying value				
As at April 1, 2019 (Refer Note 35)	194.53	1,511.83	35.60	1,741.96
Reassessment of leases	-	29.23	-	29.23
Additions	-	46.37	-	46.37
Disposals	0.15	170.63	-	170.78
At March 31, 2020	194.38	1,416.80	35.60	1,646.78
Translation adjustment (Refer Footnote iii)		6.35	-	6.35
Addition on acquisition (Refer Footnote v)	-	6.48	0.43	6.91
Additions	9.58	1.96	10.27	21.81
Disposals	0.03	24.37	-	24.40
At March 31, 2021	203.93	1,407.22	46.30	1,657.45
Accumulated Amortisation				
As at April 1, 2019 (Refer Note 35)	-	-	-	-
Translation adjustment (Refer Footnote iii)	-	1.36	-	1.36
Charge for the year (Refer Footnote i)	3.34	61.96	7.00	72.30
Disposals	-	10.16	-	10.16
At March 31, 2020	3.34	53.16	7.00	63.50
Translation adjustment (Refer Footnote iii)		0.14	0.02	0.16
Addition on acquisition (Refer Footnote v)	-	1.37	0.23	1.60
Charge for the year (Refer Footnote i)	3.63	52.05	7.49	63.17
Disposals	-	0.72	-	0.72
At March 31, 2021	6.97	106.00	14.74	127.71
Net Block				
At March 31, 2020	191.04	1,363.64	28.60	1,583.28
At March 31, 2021	196.96	1,301.22	31.56	1,529.74

#### Footnote:

- Amortisation includes ₹ 1.20 crores (Previous year ₹ 1.94 crores) which is capitalised during the year. (i)
- The Company's leased assets mainly comprise land and hotel properties and offices. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1 to 198 years. Many of the Company's property leases contain extension or early termination options, which are used for operational flexibility.
  - One of the land lease agreement with the Government has expired and is in an advanced stage of renewal. In the absence of a definitive agreement and uncertainty about the timing of the cash flows, this lease is not included in the calculation of Right-of-Use Assets and corresponding Lease liabilities. The rental for this land continues to be provided as lease expense on a best estimate.
- Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".
- Variable lease payments are payable under certain of the Company's hotel leases and arise where the Company is committed to making additional lease payments that are contingent on the performance of the hotels. (Refer Note 35 (c))
- During the year, Group has acquired entire stake in a jointly controlled entity, IHMS SA Pty limited ("IHMS SA") consequently IHMS SA along with its subsidiary has become a wholly owned subsidiaries and due to which net block increase by ₹ 5.31 crores.

#### Note 5: Goodwill

(₹ crores)

	March 31, 2021	March 31, 2020
Opening Balance	614.58	583.47
Add : Foreign Exchange fluctuation for the year	(3.61)	31.52
Less: Adjustment on account of additional stake in a subsidiary	<u>-</u> _	(0.41)
Closing Balance	610.97	614.58

#### Footnote:

The Group tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill, which arose on acquisition of the assets/entities, is allocated to a cash generating unit "CGU" representing the lowest level with the Group at which goodwill is monitored for internal management reporting purposes.

for the year ended March 31, 2021

#### Note 5: Goodwill (contd.)

The recoverable value of the CGU is determined on the basis of 'fair value less cost to sell'. The Group determined fair values using the market approach, when available and appropriate, or the income approach, or a combination of both. The Group assesses the valuation methodology based upon the relevance and availability of the data at the time the valuation is performed. If multiple valuation methodologies are used, the results are weighted appropriately.

Valuations using the market approach are derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services.

Goodwill mainly comprises of ₹ 427.17 crores (Previous year - ₹ 430.78 crores) allocated to the International business (United Kingdom) and ₹ 130.99 crores (Previous year - ₹ 130.99 crores) allocated to a component of domestic business. The estimated fair value of these CGUs is based on market value of property. The remaining amount of goodwill of ₹ 52.81 crores (Previous year - ₹ 52.81 crores) relates to different CGUs which is individually immaterial.

#### Note 6: Other intangible assets

(₹ crores)

	Leasehold property rights (acquired) (Refer Footnote iii)	Website development cost	Software and licences (Refer Footnote i)	Service and Operating Rights	Total
Cost					
Gross carrying value					
As at April 1, 2019	633.22	21.50	54.94	3.70	713.36
Translation adjustment (Refer Footnote ii)	0.99	-	-	0.34	1.33
Additions	6.67	1.16	2.54	-	10.37
Disposals	0.04	_	0.01	<u> </u>	0.05
At March 31, 2020	640.84	22.66	57.47	4.04	725.01
Translation adjustment (Refer Footnote ii)	(0.34)	-	-	(0.12)	(0.46)
Addition on acquisition (Refer Footnote iv)	-	-	1.75	-	1.75
Additions	0.04	0.45	1.27	-	1.76
Disposals	0.03	-	0.02	-	0.05
At March 31, 2021	640.51	23.11	60.47	3.92	728.01
Accumulated Amortisation					
As at April 1, 2019	58.14	13.05	32.87	3.70	107.76
Translation adjustment (Refer Footnote ii)	0.88	-	-	0.34	1.22
Charge for the year	13.75	4.30	7.67	-	25.72
Disposals	0.01	-	0.02	-	0.03
At March 31, 2020	72.76	17.35	40.52	4.04	134.67
Translation adjustment (Refer Footnote ii)	(0.32)	-	-	(0.12)	(0.44)
Addition on acquisition (Refer Footnote iv)	-	-	1.49	-	1.49
Charge for the year	12.84	4.03	6.49	-	23.36
Disposals	0.03	-	0.03	-	0.06
At March 31, 2021	85.25	21.38	48.47	3.92	159.02
Net Block					
At March 31, 2020	568.08	5.31	16.95	-	590.34
At March 31, 2021	555.26	1.73	12.00	-	568.99

#### Footnotes:

- (i) Software includes Customer Reservation System and other licensed software.
- (ii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".
- (iii) Leasehold property rights mainly consists of lease acquisition rights for the hotel property including land. Refer Note 2(i) for accounting policy.
- (iv) During the year, Group has acquired entire stake in a jointly controlled entity, IHMS SA Pty limited ("IHMS SA") consequently IHMS SA along with its subsidiary has become a wholly owned subsidiaries and due to which net block increase by ₹ 0.26 crores.



for the year ended March 31, 2021

Note 7: Investments accounted using the equity method

			March 31, 2	2021	March 31, 2	2020
		Face Value	Holdings As at	(₹ crores)	Holdings As at	(₹ crores)
	Break up of investments in joint ventures and associate (ca	rrying value o	determined using th	ne equity metho	d of accounting) as	below :-
(a)	Equity investments in joint venture companies (Refer Note 36(c))					
	Fully paid unquoted equity investments					
	Taj Kerala Hotels & Resorts Ltd. (49,89,430 shares acquired during the year)	₹ 10	19,141,094	14.72	14,151,664	13.95
	Taj SATS Air Catering Ltd.	₹ 10	8,874,000	41.78	8,874,000	69.95
	Taj Karnataka Hotels & Resorts Ltd. (Refer footnote (iii))	₹ 10	1,398,740	-	1,398,740	-
	Taj Safaris Ltd.	₹ 10	29,720,502	9.13	29,720,502	9.04
	Kaveri Retreat & Resorts Ltd.	₹ 10	13,176,467	45.24	13,176,467	43.49
	Zarrenstar Hospitality Private Ltd	₹ 1	1	-	1	-
	IHMS Hotels (SA) (Proprietary) Ltd. (Refer footnote (iii), (vi))	ZAR 1	-	-	86,739,958	-
	TAL Hotels and Resorts Ltd.	\$ 1	4,946,282	105.35	4,946,282	124.74
	Total Aggregate unquoted investments		_	216.22	_	261.17
	Fully paid quoted equity investments					
	Taj GVK Hotels & Resorts Ltd.	₹ 10	16,000,400	115.66	16,000,400	123.21
	Total Aggregate quoted investments		_	115.66	_	123.21
	Total Investments carrying value		_	331.88		384.38
(b)	Equity investments in associate companies (Refer Note 36(c))		_		_	
	Fully paid unquoted equity investments					
	Taj Madurai Ltd.	₹ 10	912,000	4.94	912,000	4.04
	Taida Trading & Industries Ltd. (Refer footnote (iv))	₹ 100	65,992	-	65,992	
	Lanka Island Resorts Ltd.	LKR 10	19,965,525	29.90	19,965,525	33.40
	Bjets Pte Ltd. (Refer footnote (iv))	\$ 1	20,000,000		20,000,000	
	Total Aggregate unquoted investments		_	34.84	_	37.44
	Fully paid quoted equity investments					
	Oriental Hotels Ltd. (Refer footnote (v))	₹ 10	66,166,530	210.40	66,166,530	238.99
	TAL Lanka Hotels Plc	LKR 10	34,375,640	1.25	34,375,640	11.54
	Total Aggregate quoted investments			211.65	_	250.53
	Total Investments carrying value			246.49		287.97
	Total Investments in joint ventures and associates			578.37		672.35
Foot	notes :					
(i)	Aggregate carrying amount of Quoted Investments			327.31		373.74
	Market value of Quoted Investments			340.53		289.87
	Aggregate amount of impairment in value of investments			-		
(ii)	Aggregate carrying amount of Unquoted Investments			251.06		298.61
	<del>-</del> 1 - 1 - 60 - 1 - 1 - 1 - 1 - 1					

The carrying value of these investments is carried at nil value as the Group's interest using equity method in these entities are reduced to zero. The Group has also picked up additional losses under the equity method to the extent of the Group's other exposures in terms of loans given and Fees/dues Outstanding's.

<sup>(</sup>iv) The carrying amount of these investments has been reported as nil, as the Group's share of losses exceeds the cost/carrying value.

Includes 1.25% (Previous year 5.40%), of the shares held in the form of Global Depository Receipts (GDR).

During the year, Group has acquired entire stake in IHMS SA Pty limited ("IHMS SA") consequently IHMS SA along with its subsidiary has become a wholly owned subsidiaries. (Refer Note 37)

for the year ended March 31, 2021

Note 8: Investments

			March 31,	2021	March 31,	2020
		Face Value	Holdings As at	(₹ crores)	Holdings As at	(₹ crores
(a)	Non current					
	Equity investments in other companies (Non current)					
	Carried at fair value through Other Comprehensive Income:					
	Fully paid unquoted equity investments					
	Tata Industries Ltd. (Refer Footnote (v)	₹ 100	42,74,590	55.73	42,74,590	55.73
	Tata International Ltd (addition during the year)	₹ 1000	12,000	34.57	8,000	18.13
	Tata Sons Private Ltd. (Refer Footnote (v)	₹ 1000	4,500	25.00	4,500	25.00
	Kumarakruppa Frontier Hotels Private Ltd.	₹ 10	96,432	7.92	96,432	7.48
	Taj Air Ltd.	₹ 10	2,22,40,200	6.41	2,22,40,200	5.58
	TP Kirnali Solar Limited (Refer footnote (vi))	₹ 10	40.62.410	4.06		
	(40,63,410 shares purchased during the year)	<b>\ 10</b>	40,63,410	4.00	-	
	Tata Services Ltd.	₹ 1000	421	0.04	421	0.0
	TRIL Infopark Ltd. (Refer Footnote iii)	₹ 10	-	-	7,11,00,000	71.10
	MPOWER Information Systems Private Ltd. *	₹ 10	5,28,000	-	5,28,000	
	Smile and Care Products Private Ltd. *	₹ 10	49,800	-	49,800	
	Saraswat Co-operative Bank Ltd. *	₹ 10	2,000	-	2,000	
	Damania Airways Ltd.*	₹ 10	500	-	500	
	Bombay Mercantile Co-operative Bank Ltd. *	₹ 30	333	-	333	
	Hotels and Restaurant Co-op. Service Society Ltd. *	₹ 50	20	-	20	
	Hindustan Engineering & Industries Ltd. *	₹ 10	7		7	
	Fully paid quoted equity investments:			133.73		183.0
	India Tourism Development Corporation Ltd.	₹ 10	67,50,275	259.24	67,50,275	87.7
	Titan Company Ltd.	₹ 1	4,00,000	62.30	5,00,000	46.6
	Tulip Star Hotels Ltd.	₹ 10	35,800	02.30		0.0
	HDFC Bank Ltd.	₹1	5,000	0.14	35,800 5,000	0.0
		₹2	·	0.73		0.4
	Graviss Hospitality Ltd. EIH Ltd. *	₹ 2	4,500	0.01	4,500	0.0
		₹ 2	37 25	-	37 25	
	Hotel Leela Venture Ltd. *			-		
	Asian Hotels (North) Ltd. *	₹ 10	2	-	2	
	Asian Hotels (East) Ltd. *	₹ 10	2	-	2	
	Asian Hotels (West) Ltd. *	₹ 10	2	- 222.44	2	124.0
	Investment in Preference Shares			322.44		134.9
	(carried at amortised costs)					
	Central India Spinning Weaving & Manufacturing	₹ 500	F0		F0	
	Company Ltd. *	₹ 500	50	-	50	
	(10% unquoted Cumulative Preference Shares)					
	Investment in Others (carried at amortised costs)					
	Hindusthan Engineering & Industries Ltd *	₹ 10	7	-	7	
	National Savings Certificate *			-		0.0
	-		_	-	_	0.0
	Total Investments carrying value			456.17		318.00
Val	ue of these investments individually is less than ₹ 50,000					
ootı	notes :					
)	Aggregate carrying amount of Quoted Investments			322.44		134.95
	Market value of Quoted Investments			322.44		134.95
ii) iii)	Aggregate carrying amount of Unquoted Investments and Others Reclassified to current investment (Refer Note 8 (b) (iii)).			133.73		183.05

Foo	tnotes:		
(i)	Aggregate carrying amount of Quoted Investments	322.44	134.95
	Market value of Quoted Investments	322.44	134.95
(ii)	Aggregate carrying amount of Unquoted Investments and Others	133.73	183.05

<sup>(</sup>iii) Reclassified to current investment (Refer Note 8 (b) (iii)).

<sup>(</sup>iv) The fair value hierarchy and classification are disclosed in Note 38(b).

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

During the year, the Group invested 26% as mandated in TP Kirnali Solar Limited, a subsidiary of Tata Power Limited in order to obtain captive solar power supply for some of its hotel in Mumbai. The Group does not have control nor have any power to participate in financial and operating policy decision of TP Kirnali Solar Limited.



for the year ended March 31, 2021

#### Note 8: Investments (contd.)

(₹ crores)

		( . 0.0.00)
	March 31, 2021	March 31, 2020
(b) Current		
Investments carried at fair value through profit and loss:		
Investments in mutual fund units (unquoted)	377.53	436.24
	377.53	436.24
Fully Paid Unquoted Equity Investments		
TRIL Infopark Ltd. (Face value ₹ 10), (7,11,00,000 shares) (Refer Footnote (iii))	71.10	-
	71.10	-
Investments carried at fair value through Other Comprehensive Income:		
Equity investments in other entities (unquoted)		
BAHC 5 Pte Ltd. (Refer Footnote (ii))	-	-
1 (Previous year - 1) equity shares of US \$ 1 each (₹ 73 (Previous year ₹ 75))		
Total Current investments	448.63	436.24
Footnote:		
(i) Aggregate carrying amount of Unquoted Investments	448.63	436.24
(1) -1		

This investment are temporarily held for disposal in near future (Refer Note 36(a)(ii)(b))

#### Note 9: Loans

		(( 010103)
	March 31, 2021	March 31, 2020
(a) Non Current Loans at amortised costs		
(Unsecured, considered good unless stated otherwise)		
Loans to Related Parties (Refer Note 43)		
Considered good	5.05	16.65
Credit impaired	3.27	3.27
	8.32	19.92
Less: Allowance for credit impaired	3.27	3.27
	5.05	16.65
(b) Current Loans at amortised costs		
(Unsecured, considered good unless stated otherwise)		
Loans		
Related parties (Refer Note 43)	16.05	3.42
Others	0.63	1.35
	16.68	4.77

Transfer of shares is restricted due to option granted for 10 years upto July, 2021 to Tata Realty and Infrastructure Ltd. for repurchase of the shares at par value. Tata Realty and Infrastructure Ltd. has deposited a sum of ₹ 71.10 crores has been transferred to current (Previous year ₹ 71.10 crores shown under non current) as Option Deposit, which shall be adjusted upon exercise of the option or refunded. As the exercise option is in July 2021, it has been reclassified as current investment (Refer Note 43 (c)).

for the year ended March 31, 2021

#### Note 10: Other financial assets

		(₹ crores)
	March 31, 2021	March 31, 2020
(a) Non current		
Long-term security deposits placed for hotel properties at amortised costs		
Long-term security deposits placed for hotel properties at amortised costs	49.77	75.02
	49.77	75.02
Less : Allowance for doubtful deposits	2.00	2.00
	47.77	73.02
Deposits with Public Bodies and Others at amortised costs		
Related parties (Refer Note 43)	0.08	0.08
Public Bodies and Others	27.66	32.63
	27.74	32.71
Less: Allowance for doubtful deposits	0.02	0.02
	27.72	32.69
Deposits with banks (Refer Note 16)	1.61	10.81
Interest receivable	0.04	0.08
Others	1.05	1.76
	78.19	118.36
(b) Current		
Deposit with public bodies and others		
Public Bodies and Others	31.11	29.70
	31.11	29.70
Other advances		
Considered good	19.16	13.87
Considered doubtful	3.07	2.32
	22.23	16.19
Less : Allowance for doubtful advances	3.07	2.32
	19.16	13.87
Interest receivable		
Related Parties (Refer Note 43)	0.02	0.49
Others	1.34	6.72
	1.36	7.21
Other receivable		
Related Parties (Refer Note 43)	15.80	83.12
Others	21.52	27.08
	37.32	110.20
	88.95	160.98



for the year ended March 31, 2021

#### Note 11 : Deferred tax assets (net)

(₹ crores)

	March 31, 2021	March 31, 2020
(a) Deferred tax assets:		
Allowance for doubtful debts	0.56	0.44
Provision for employee benefits	1.99	4.18
Right-of-use assets (net of Lease Liabilities)	8.06	6.22
Unused tax losses (Business)	112.51	70.67
MAT credit entitlement	20.43	20.43
Others	5.51	2.80
Total (A)	149.06	104.74
Deferred tax liabilities:		
Property, Plant and equipment & Intangible Assets	27.74	27.71
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	3.21	0.38
Others	0.13	0.15
Total (B)	31.08	28.24
Net Deferred tax assets (A-B) (Refer Footnote i)	117.98	76.50

#### Footnotes:

- (i) Deferred tax assets and deferred tax liabilities of entities within the group have been offset as they relate to the same governing taxation laws.
- (ii) For details in deferred tax balances, Refer Note 40.

(₹ crores)

	March 31, 2021	March 31, 2020
(b) Deferred tax liabilities:		
Property, Plant and equipment & Intangible Assets	300.69	307.31
Unamortised borrowing costs	2.20	0.34
Fair valuation changes of derivative contracts	0.27	-
Others	0.63	0.07
Total (A)	303.79	307.72
Deferred tax assets:		
Allowance for doubtful debts	8.43	4.78
Provision for employee benefits	19.97	33.84
Right-of-use assets (net of Lease Liabilities)	52.65	47.23
Unused tax losses (Business)	112.11	-
Fair valuation changes of derivative contracts	-	5.93
Reward Points	11.90	12.31
Provision for Contingencies	4.77	3.34
Others	15.91	13.44
Total (B)	225.74	120.87
Net Deferred tax liabilities (A-B) (Refer Footnote i)	78.05	186.85

#### Footnotes:

- (i) Deferred tax liabilities and deferred tax assets of entities within the group have been offset as they relate to the same governing taxation laws.
- (ii) For details in deferred tax balances, Refer Note 40.

for the year ended March 31, 2021

#### Note 12: Other assets

/∓	_		
17	C	m	res)

	March 31, 2021	March 31, 2020
(a) Non current		
Capital advances	17.89	35.66
Prepaid expenses	150.31	120.32
Deposits with government authorities	117.67	111.41
Incentive receivables	27.30	76.67
Others	3.81	4.25
	316.98	348.31
(b) Current		
Prepaid expenses	53.61	58.86
Indirect tax recoverable	41.97	43.53
Advances to suppliers	17.38	26.95
Loans and advances to employee	1.92	2.01
Incentive receivables	15.76	0.77
Others	1.56	0.25
	132.20	132.37
Total other assets	449.18	480.68

#### Note 13: Inventories (At lower of cost or net realisable value)

(₹ crores)

	March 31, 2021	March 31, 2020
Food and Beverages	43.66	51.26
Stores and Operating Supplies	41.29	42.35
Apartment held for sale	7.93	-
	92.88	93.61

#### **Note 14: Trade Receivables**

		(101010)
	March 31, 2021	March 31, 2020
(Unsecured) (Refer Note 43 for Related Party Disclosures)	219.84	290.02
Considered good	-	-
Significant increase in credit risk	38.72	26.63
Credit impaired	258.56	316.65
	38.72	26.63
Less : Allowance for credit impaired	219.84	290.02
Footnote:		
Allowance for credit impaired		
Opening Balance	26.63	29.81
Add: Allowance during the year	11.76	5.90
	38.39	35.71
Less: Bad Debts written off/ Reversal of allowances no longer required	0.33	(9.08)
Closing Balance	38.72	26.63

for the year ended March 31, 2021

#### Note 15: Cash and Cash Equivalents

(₹ crores)

	March 31, 2021	March 31, 2020
Cash on hand	2.73	3.89
Cheques, drafts on hands	1.71	0.59
Balances with banks in current account	62.48	129.72
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	27.35	116.62
	94.27	250.82

#### Note 16: Other Balances with banks

(₹ crores)

		,
	March 31, 2021	March 31, 2020
Call and Short-term deposit accounts	51.47	58.39
Deposits pledged with others	0.99	8.73
Margin money deposits	6.42	6.41
Earmarked balances	2.09	2.04
•	60.97	75.57
Less : Term deposit with banks maturing after 12 months from the Balance Sheet date and other earmarked / margin money / pledged deposits classified as non-current 'Other financial asset' (Refer Note 10(a))	1.61	10.81
	59.36	64.76

#### Note 17: Equity Share capital

(₹ crores)

		(\ crores)
	March 31, 2021	March 31, 2020
Authorised Share Capital		
200,00,00,000 (Previous year - 200,00,00,000) Equity Shares of ₹ 1 each	200.00	200.00
	200.00	200.00
Issued Share Capital		
118,93,07,472 (Previous year - 118,93,07,472) Equity Shares of ₹ 1 each	118.93	118.93
	118.93	118.93
Subscribed and Paid Up		
118,92,58,445 (Previous Year - 118,92,58,445) Equity Shares of ₹ 1 each, Fully Paid	118.93	118.93
(Refer Footnote (iv))	118.93	118.93

#### Footnotes:

- (i) The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- (ii) Reconciliation of the shares outstanding at the beginning and at the end of the year  $\frac{1}{2}$

	March 31	March 31, 2021		March 31, 2020	
	No. of shares	₹crores	No. of shares	₹ crores	
As at the beginning of the year	118,92,58,445	118.93	118,92,58,445	118.93	
Add : Shares issued during the year	-	-	-	-	
As at the end of the year	118,92,58,445	118.93	118,92,58,445	118.93	

for the year ended March 31, 2021

#### Note 17: Equity Share capital (contd.)

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

	March 3	March 31, 2021		1, 2020
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Tata Sons Private Limited	45,30,05,131	38.09	45,30,05,131	38.09
Reliance Capital Trustee Company Limited	*	*	8,41,68,733	7.08
HDFC Trustee Company Limited	*	*	7,97,96,753	6.71

<sup>\*</sup> less than 5%

- (iv) 49,027 (Previous year 49,027) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.
- (v) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (Previous year Nil)
- (vi) Equity Shares held by associates:

	March 31	., 2021	March 31,	2020
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Oriental Hotels Limited	7,52,398	0.06	7,52,398	0.06
Taida Trading and Industries Limited	1,87,818	0.02	1,87,818	0.02
Taj Madurai Limited	11,25,393	0.09	11,25,393	0.09



for the year ended March 31, 2021

### Note 18 : Other equity

			(₹ crores)
		March 31, 2021	March 31, 2020
a)	Reserves and surplus		
	Capital Reserve (Refer Footnote (a) below)		
	Opening and Closing Balance	43.91	43.91
	Capital Reserve on Consolidation (Refer Footnote (b) below)		
	Opening Balance	111.57	111.81
	Less: Change in ownership in a Joint venture	-	(0.24)
	Closing Balance	111.57	111.57
	Securities Premium (Refer Footnote (c) below)		
	Opening and Closing Balance	2,702.05	2,702.05
	Other Reserves		
	Capital Redemption Reserve (Refer Footnote (d) below)		
	Opening Balance	10.79	10.59
	Add : Change in ownership	-	0.20
	Closing Balance	10.79	10.79
	Debenture Redemption Reserve (Refer Footnote (e) below)		
	Opening Balance	187.40	317.90
	Less : Transfer to General Reserve	(32.39)	(130.50)
	Closing Balance	155.01	187.40
	Other Reserve (Refer Footnote (f) below)		
	Opening and Closing Balance	(3.89)	(3.89)
		161.91	194.30
	General Reserve (Refer Footnote (g) below)		
	Opening Balance	692.56	561.98
	Add : Transfer from Debenture Redemption Reserve	32.39	130.50
	Add : Change in ownership	_	0.08
	Opening and Closing Balance	724.95	692.56
	Retained Earnings		
	Opening Balance	152.26	154.00
	Less: Adjustment on account of transition to the new lease standard, net of taxes	_	(264.32)
	Less: Adjustment on account of change in holding of Minority Interest (Refer Note 33 (ii))	(169.16)	,
	Add : Profit/(Loss) for the year	(720.11)	354.42
	Less : Final Dividend	(59.46)	(59.46)
	Less : Tax on Dividend (net)	-	(11.70)
	Less: Realised Gain/(loss) on sale of investment transferred from Other Comprehensive Income	5.80	(3.01)
	Less: Remeasurements of post employment benefit obligation, (item of other comprehensive		
	income recognised directly in retained earnings)	38.89	(22.92)
	Add : Tax on remeasurements of post employment benefit obligation	(8.92)	5.25
	Closing Balance	(760.70)	152.26
	Total	2,983.69	3,896.65
b)	Other Comprehensive Income (Refer Footnote (h) below)		
,	(Refer Statement of changes in equity for the reclassification adjustments to retained earnings)		
	Equity Instruments fair valued through Other Comprehensive Income	284.26	94.25
	Exchange differences on translating the financial statement of foreign operations	261.56	246.98
	<u> </u>	545.82	341.23
		3,529.51	4,237.88
			7,237.00

for the year ended March 31, 2021

#### Note 18: Other equity (contd.)

#### Footnote:

#### Description of nature and purpose of each reserve

- a) Capital Reserve: Capital reserve mainly consists of reserves transferred on amalgamation of subsidiaries in earlier years.
- b) **Capital Reserve on Consolidation :** During acquisition, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve on account of acquisition.
- c) **Securities Premium:** Securities premium represents the premium charged to the shareholders at the time of issuance of equity shares. The securities premium can be utilised based on the relevant requirements of the Companies Act, 2013.
- d) Capital Redemption Reserve: Capital Redemption Reserve was created on redemption of Preference shares in earlier years.
- e) **Debenture Redemption Reserve:** The Company created Debenture Redemption Reserve out of the profits which is available for the purpose of redemption of debentures. On redemption of debentures, the same will be transferred to General Reserve.
- f) Other Reserve: These expenses relates to share issue expenses incurred by one of its subsidiary company in accordance with IND AS 32 : Financial Instruments Presentation
- g) **General Reserve:** General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes based on the provisions of the Companies Act prior to its amendment.
- h) **Other Comprehensive Income:** This represents the cumulative gains and losses arising on the revaluation of investments in equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such investments are disposed off.

#### Note 19: Borrowings

		(₹ crores)
	March 31, 2021	March 31, 2020
(a) Non current		
Debentures		
Non convertible debentures		
Secured (Refer Footnote ii)	1,044.72	1,044.36
Unsecured (Refer Footnote iii)	445.68	199.96
	1,490.40	1,244.32
Term loans		
From Banks		
Secured (Refer Footnote iv)	1,649.61	1,187.84
From Other parties		
Secured (Refer Footnote v)	247.20	-
	1,896.81	1,187.84
Others	3.10	3.66
Total	3,390.31	2,435.82
Less: Current maturities of Long term borrowings (Refer Note 21 (b))	1,166.48	310.02
Total non current borrowings	2,223.83	2,125.80
(b) Current		
Loans repayable on demand		
From Bank		
Secured (Refer Footnote vi)	25.42	-
Unsecured (Refer Footnote vi)	0.64	12.40
	26.06	12.40
Other short-term loans		
From Bank		
Secured (Refer Footnote vii(a))	10.00	-
Unsecured (Refer Footnote vii(b))	151.47	113.85
	161.47	113.85
From Related parties (Refer Note 43)		
Unsecured (Refer Footnote vii(c))	55.00	40.00
	55.00	40.00
Total	216.47	153.85
Total current borrowings	242.53	166.25



for the year ended March 31, 2021

#### Note 19: Borrowings (contd.)

#### Footnotes:

#### (i) Details of borrowings as at:

(₹ crores)

	Effective		March 3:	1, 2021	March 3:	1, 2020
	Rate of Interest (%)		Face Value	Amortised cost	Face Value	Amortised cost
Debentures						
Non convertible debentures (NCDs)						
Secured						
7.85% Non convertible debentures	7.85	April 15, 2022	495.00	494.72	495.00	494.36
10.10% Non convertible debentures	10.10	November 18, 2021	300.00	300.00	300.00	300.00
9.95% Non convertible debentures	9.95	July 27, 2021	250.00	250.00	250.00	250.00
		•	1,045.00	1,044.72	1,045.00	1,044.36
Unsecured		•				
7.85% Non-Convertible Debentures	7.85	April 20, 2020	-	-	200.00	199.96
7.50% Non-Convertible Debentures	7.50	April 23, 2023	150.00	149.26	-	-
7.95% Non-Convertible Debentures	7.95	June 5, 2023	300.00	296.42	-	-
		•	450.00	445.68	200.00	199.96
		•	1,495.00	1,490.40	1,245.00	1,244.32
Term loan from banks		•				
Secured (Refer Footnote iv)			-	1,649.61	-	1,187.84
Term loans from other parties						
Secured (Refer Footnote v)			-	247.20	-	-
Others				3.10		3.66
		•	1,495.00	3,390.31	1,245.00	2,435.82
Short term borrowings (Refer Footnote vi and vii)		•		242.53	-	166.25
Total Borrowings		•	1,495.00	3,632.84	1,245.00	2,602.07

#### (ii) Non convertible debentures - secured include:

- a) 4,950, 7.85% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 495 crores, allotted on January 20, 2017 are repayable at par after the end of 5<sup>th</sup> year from the date of allotment i.e. on April 15, 2022
- b) 3,000, 10.10% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on November 18, 2011 are repayable at par on November 18, 2021 i.e. at the end of 10<sup>th</sup> year from the date of allotment. This has been classified under current maturities of long term borrowings.
- c) 2,500, 9.95% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on July 27, 2011 are repayable at par on July 27, 2021 i.e. at the end of 10<sup>th</sup> year from the date of allotment. This has been classified under current maturities of long term borrowings.
  All the Secured Non convertible debentures are rated, listed and secured by a pari passu first charge created on all the property, plant and equipment

#### iii) Non convertible debentures - unsecured include:

of the Company, both present and future.

- a) 2,000, 7.85% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 20, 2017 have been fully redeemed on due date i.e. April 20, 2020. In the previous year, this was classified under current maturities of long term borrowings.
- b) 1,500, 7.50% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 150 crores, allotted on April 23, 2020 are repayable at par on April 23, 2023 i.e. at the end of 3<sup>rd</sup> year from the date of allotment.
- c) 3,000, 7.95% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on June 05, 2020 are repayable at par on June 05, 2023 i.e. at the end of 3<sup>rd</sup> year from the date of allotment.

#### (iv) Term Loan from Banks (Secured) include

- a) Secured term loan from a bank amounting to ₹ 475 crores (Previous year ₹ 365 crores) is repayable over a period of 6 years from the date of first drawdown i.e. December 06, 2019 and has the final maturity date of December 6, 2025. This loan is linked to MCLR of the bank and currently carries an average interest rate of 7.80%. The Company has created partial charge, on pari-passu basis, on certain identified immovable properties against this loan. The current maturity of the said loan amounting to ₹ 50 crores has been classified under current maturities of long term borrowings.
- b) Secured term loan from a bank amounting to ₹ 361 crores (Previous year ₹ 330 crores) is repayable over a period of 6 years from the date of first drawdown i.e. December 09, 2019 and has the final maturity date of December 8, 2025. This loan is linked to MCLR of the bank and currently carries an average interest rate of 7.50%. The Company has created charge, on pari-passu basis, on certain identified immovable properties against this loan. The current maturity of the said loan amounting ₹ 38 crores has been classified under current maturities of long term borrowings.

for the year ended March 31, 2021

#### Note 19: Borrowings (contd.)

- c) Piem had obtained secured term loan from banks amounting to ₹ 36 crores is repayable over a period of 6 years (including moratorium of one year) from the date of the first drawdown with the final maturity date of December 11, 2026. This loan is linked to MCLR of the bank and currently carries an average interest rate of 8.75%. The Company is in the process of creating a charge on certain immovable properties against this loan.
- d) Roots Corporation Limited (RCL), a subsidiary of the Company, had obtained a secured loan facility from Kotak Bank for ₹ 75 crores which carries variable interest rate of 6 month MCLR + 30bps (effective interest as at March 31, 2021 8.05% (Previous year 8.5%) payable at monthly rests. Principal amount is repayable in quarterly instalments up to March 2022. Outstanding loan as at March 31, 2020 ₹ 22.50 crores (Previous Year ₹ 42 crores).
  - RCL has created a charge by way of hypothecation and mortgage of 2 hotel properties namely Ginger Nashik, Ginger Bhubaneshwar and Property, Plant and Equipment contained therein
  - Further, RCL had obtained loan of ₹ 50 crores from HDFC Bank Ltd which carries variable interest rate of 1 year MCLR + 5bps (effective interest as at March 31, 2020 7.65% (Previous year 8.7%) payable at monthly rest. Principal amount payable in 2 equal quarterly instalments of ₹ 1 crore and 16 quarterly instalments of ₹ 3 crores each. The repayment schedule started from July 2020. Outstanding loan as at March 31, 2021 ₹ 45 crores (Previous Year ₹ 50 crores).
  - RCL has created a charge by way of hypothecation and mortgage of one hotel property namely Ginger Mangalore. RCL is in a process to create a charge by way of hypothecation and mortgage of one hotel property namely Ginger Trivandrum.
- e) St James Court Hotels Limited, an overseas subsidiary of the company, had undertaken a new loan of £ 44.5 million in the year 2017 at a floating rate of 3 month Sterling LIBOR + 1.65%. Repayments of this loan are £ 1.5 million per annum (payable quarterly) with the balance repayable in August 19, 2021. As at the year end March 31, 2021 balance outstanding is £ 37.75 million (Previous year £ 39.25 million) out of which repayable within a year is £ 37.75 million (Previous year £ 1.50 million).
  - Further in 2018, a new revolving loan facility was taken for £ 15 Million at a floating rate of 3 month Sterling LIBOR + 1.85%, against which the company had drawn down £11 Million which is repayable on August 08, 2021. The company has now signed a term sheet for refinancing of the term loan, falling due in August 2021, with Standard Chartered Bank and Barclays Bank.
  - These loans are secured against the St James Court Hotel.
- f) United Overseas Inc., a Wholly owned subsidiary has entered into a loan agreement with Bank of Baroda, New York branch on February 12, 2021, for a total loan amount of \$ 30 million. The term of the loan is six years, i.e., till March 31, 2027. As per the agreement the Company has to withdraw the entire amount of \$ 30 million on or before June 30, 2021. UOH has withdrawn an amount of \$ 6 million as of March 31, 2021 at an effective interest rate of 4.04%. This facility has been mortgaged by its subsidiary's hotel property, Taj Campton place, San Francisco property.
- g) The Group acquired 100% controlling interest in Good Hope Palace Hotels Proprietary Limited (GHPH) on June 30, 2020. As a part of Business combination, loan outstanding in GHPH amounting to US\$ 24 m is also added to the borrowings of the company. This loan is repayable on July 31, 2023 and carries interest @ 6 month US LIBOR plus 2.25% which is calculated half yearly. The property, plant and equipment of GHPH are held as security for this loan.

#### (v) Term Loan from others (Secured) include:

Secured term loan from a Financial Institution amounting to ₹250 crores drawn on September 28, 2020 is repayable in 28 equal successive quarterly instalment from the end of 27<sup>th</sup> month from the month in which the first utilisation occurs with the final maturity date of September 30, 2029. This loan is linked to benchmark rate of the institution and currently carries an interest rate of 8.70%. The Group has pledged its entire investment in ELEL Hotels & Investments Limited (ELEL) as security for this loan. Further, the Group is required to create charge on certain identified leasehold immovable properties belonging to ELEL by December 31, 2021 or in the absence of this, any other suitable immovable assets to the satisfaction of the lender.

#### **Short Term Loans:**

#### (vi) Loans repayable on demand

Loans repayable on demand from bank, consists of overdraft facility.

#### (vii) Other short-term loans includes (Unsecured)

- a) Roots Corporation Limited (RCL), a subsidiary of the Company, had obtained a secured short term loan facility from Axis Bank for ₹ 10 crores which carries variable interest rate of 6 month MCLR + 0.75bps (effective interest as at March 31, 2021 8.2%) payable at monthly rests. Principal amount is repayable at the end of the tenure. Outstanding loan as at March 31, 2021 ₹ 10 crores. The Company is in a process to create a charge by way of hypothecation and mortgage of one hotel property namely Ginger Agartala and assets contained therein for this facility.
- b) United Overseas Inc., a Wholly owned subsidiary has availed \$ 15 million of credit agreement from J.P. Morgan Bank which expired on Dec 23, 2020 and was further renewed for a period of 1 year. At March 31, 2021, entire \$15 million was drawn down and outstanding on credit facility. The weighted average interest rate of the outstanding loans was approximately 4.31% and 3.87% for the year ending March 31, 2021 and March 31, 2020 respectively.
  - On April 30, 2020, UOH obtained further uncommitted temporary facility for short term loans from JP Morgan Chase Bank, North America, amounting to \$7,000,000. The amount outstanding on this facility as of March 31, 2021 was \$5,500,000 having an average interest of approximately 4.25%.
- c) Loan from related parties consists of an inter-corporate deposits obtained by the Group which carries interest of 8% to 9% p.a. having a balance tenor of 3-6 months with an option of early repayment.



for the year ended March 31, 2021

#### Note 19: Borrowings (contd.)

#### (viii) Disclosure of changes in liabilities arising from financing activities (read with cash flow statement)

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented below:

(₹ crores)

		March 31, 2021	March 31, 2020
a)	Net debt		
	Cash and cash equivalents	94.27	250.82
	Current investments	377.53	436.24
	Call and Short-term deposit accounts	51.47	58.39
	Total Liquid investment (a)	523.27	745.45
	Long term borrowings (including current maturities shown under Other Current financial liabilities)	3,390.31	2,435.82
	Short term borrowings	242.53	166.25
	Gross Debt (b)	3,632.84	2,602.07
	Net Debt ((b) - (a))	3,109.57	1,856.62
b)	Other financial liabilities		
	Liability on derivative contracts	153.86	179.68
	Interest accrued but not due / Unclaimed interest	73.20	56.49
	Total Other financial liabilities	227.06	236.17
	Grand Total	3,336.63	2,092.79

₹ crores

		Liquid Assets					om Financing vities		
	Cash and cash equivalents	and cash	Current Investments	Bank Balance	Gross Debt	Net Debt	Derivatives	Interest accrued but not due / Unclaimed interest	Total
	(a)	(b)	(c)	(d)	(e) = (d)-(a)- (b)-(c)	(f)	(g)	(h) = (e)+(f)+(g)	
Net Debt as at March 31, 2019	189.29	211.21	47.48	2,325.98	1,878.00	279.42	54.76	2,212.18	
Cash flows	56.21	222.20	10.91	222.66	(66.66)	(121.99)	-	(188.65)	
Interest expense	-	-	-	31.83	31.83	-	152.40	184.23	
Interest paid	-	-	-	(0.72)	(0.72)	-	(154.73)	(155.45)	
Transferred to IEPF	-	-	-	-	-	-	(0.46)	(0.46)	
Other non- cash movements:					-		4.28	4.28	
Added to Borrowings									
Fair value adjustments	-	2.83	-	-	(2.83)	21.76	-	18.93	
Foreign Currency Translation Difference	5.32	-	-	22.32	17.00	0.49	0.24	17.73	
Net Debt as at March 31, 2020	250.82	436.24	58.39	2,602.07	1,856.62	179.68	56.49	2,092.79	
Cash flows	(157.98)	(67.00)	(6.92)	712.42	944.32	(0.79)	-	943.53	
Interest expense	-	-	-	2.23	2.23	-	238.88	241.11	
Interest paid	-	-	-	(9.63)	(9.63)	-	(222.45)	(232.08)	
Added to Borrowings									
On acquisition of subsidiary	-	-	-	297.56	297.56	-	-	297.56	
Fair value adjustments	-	8.29	-	-	(8.29)	(25.00)	-	(33.29)	
Foreign Currency Translation Difference	1.43			28.19	26.76	(0.03)	0.28	27.01	
Net Debt as at March 31, 2021	94.27	377.53	51.47	3,632.84	3,109.57	153.86	73.20	3,336.63	

for the year ended March 31, 2021

#### Note 20: Trade Payables (Refer Note 43 for Related Party Disclosures)

(₹ crores)

	March 31, 2021	March 31, 2020
Vendor payables	157.52	190.90
Accrued expenses and others	160.29	198.42
	317.81	389.32

#### Note 21: Other financial liabilities

(₹ crores)

(a) Non current Liability on derivative contracts Deposits from others Creditors for capital expenditure Employee related liabilities Other contractual liability (Refer Note 33(ii))	6.99 - - 18.72 <b>25.71</b>	179.68 15.34 1.23 5.12
Deposits from others Creditors for capital expenditure Employee related liabilities	18.72	15.34 1.23 5.12
Creditors for capital expenditure Employee related liabilities	18.72	1.23 5.12
Employee related liabilities		5.12
• •		-
Other contractual liability (Refer Note 33(ii))		201 27
_	25.71	201 27
		201.37
(b) Current		
Current maturities of long-term borrowings (Refer Note 19 (a))		
Debentures	550.00	199.96
Term loan from banks	615.59	109.27
Others	0.89	0.79
	1,166.48	310.02
Liability on derivative contracts	153.86	-
Other contractual liability (Refer Note 33(ii))	165.14	
Contract Liability towards loyalty programmes (Refer Note 31(iii) (b)))	47.57	49.18
Other payables		
From related parties (Refer Note 43)	0.55	1.93
From other parties	3.27	7.40
	3.82	9.33
Additional liability on account of loss in joint ventures to the extent of exposure (Refer Note 7(a)(iii))	1.45	79.82
Deposits from others		
Option Deposit received against purchase of shares (Secured) (Refer Note 8(b)(iii))	71.10	71.10
Unsecured	25.17	20.05
	96.27	91.15
Interest accrued but not due on borrowings	73.20	56.46
Creditors for capital expenditure	22.24	32.41
Unclaimed dividends	1.51	1.58
Unclaimed matured deposits and interest accrued thereon	-	0.03
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous Year - ₹ 25,153)	-	-
Employee related liabilities	68.03	115.13
Other liabilities	76.40	74.78
	1,875.97	819.89

#### Footnotes

The fair value hierarchy and classification are disclosed in Note 38.

for the year ended March 31, 2021

#### **Note 22: Provisions**

(₹ crores)

			(
		March 31, 2021	March 31, 2020
(a) Noi	n current		
Pro	vision for employee benefits (Refer Note 41)		
Con	mpensated absences	55.43	62.29
Gra	ituity	9.33	30.90
Pos	st-employment medical benefits	6.84	6.92
Pos	st-retirement pension	20.14	20.98
		91.74	121.09
(b) Cur	rent		
Pro	vision for employee benefits (Refer Note 41)		
Con	mpensated absences	22.63	24.70
Gra	ituity	0.17	2.03
Pos	st-employment medical benefits	0.46	0.43
Pos	st-retirement pension	1.59	1.22
Oth	ner employee benefits	2.84	0.75
		27.69	29.13
Pro	vision for others		
Pro	vision for disputed dues (Refer Footnote i)	143.07	125.33
		143.07	125.33
		170.76	154.46

#### Footnote:

(i) Provision for disputed dues include provisions for the following:

(₹ crores)

	Opening Balance	Additions	Utilisation	Closing Balance
Disputed claims for taxes, levies and duties	122.75	19.67	1.93	140.49
	119.37	20.74	17.36	122.75
Dispute on contractual matters	0.41	-	-	0.41
	0.41	-	-	0.41
Dispute in respect of employee benefits	2.17	-	-	2.17
	2.17	-	-	2.17
Total	125.33	19.67	1.93	143.07
	121.95	20.74	17.36	125.33

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

#### Note 23: Other current liabilities

(₹ crores)

		(1 610163)
	March 31, 2021	March 31, 2020
(a) Non current		
Advances collected from customers	15.93	18.05
	15.93	18.05
(b) Current		
Income received in advance (Refer Footnote (i))	34.91	33.50
Deferred Revenue (Refer Footnote (i))	58.28	66.76
Advances collected from customers (Refer Footnote (i))	143.67	124.08
Statutory dues (Refer Footnote (ii))	30.07	56.65
	266.93	280.99

#### Footnote

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

i) Refer Note 31(iii) for detailed disclosure relating to Ind AS 115 - Revenue from contract with customers.

<sup>(</sup>ii) Statutory dues includes amount payable towards indirect taxes, tax deducted at source and employee related dues.

for the year ended March 31, 2021

#### Note 24: Revenue from Operations (Refer Note 31(i), (ii))

(₹ crores)

	March 31, 2021	March 31, 2020
Rooms, restaurants and banquets income	1,247.92	3,866.06
Shop rentals	34.19	47.59
Membership fees	77.40	114.82
Management and operating fees	136.45	212.70
Other operating income	79.20	221.97
Total	1,575.16	4,463.14

#### Note 25: Other Income

(₹ crores)

		(1 610163)
	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	1.10	1.56
Deposits with banks	8.39	9.90
Others	29.16	4.73
	38.65	16.19
Interest on income tax refunds	6.14	2.48
	44.79	18.67
Dividend Income from Investments		
from Investments that are fair valued through Other Comprehensive Income	5.40	7.24
from Investments that are fair valued through Profit and Loss	0.03	0.08
Profit on disposal of Property, plant and equipment (Net)	18.58	82.36
Profit on sale of current investment	5.63	9.82
Gain on investments carried at fair value through profit and loss	2.51	0.40
Exchange gain (Net)	28.26	-
Others	59.52	13.85
Total	164.72	132.42

### Note 26: Employee Benefit Expenses and Payment to Contractors

	March 31, 2021	March 31, 2020
Salaries, wages, bonus etc.	712.56	1,171.41
Company's contribution to provident and other funds (Refer Note 22, 41)	43.18	64.97
Reimbursement of expenses on personnel deputed to the company	46.19	51.52
Payment to contractors	35.43	98.46
Staff welfare expenses	56.65	108.24
Total	894.01	1,494.60

for the year ended March 31, 2021

#### **Note 27: Finance Costs**

(₹ crores)

	March 31, 2021	March 31, 2020
Interest expense		
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	242.47	182.19
Add/(Less): Settlements on interest rate swap contracts	(1.36)	0.40
	241.11	182.59
Interest on Lease liability	154.31	156.89
On income tax demand	6.43	2.77
Other borrowing costs	1.97	0.38
	403.82	342.63
Less : Interest capitalised (Refer Footnote)	1.00	1.51
Total	402.82	341.12

#### Footnote:

The Group has capitalised the interest cost on borrowings relating to qualifying assets including within capital work in progress

#### **Note 28: Depreciation and Amortisation Expenses**

(₹ crores)

	March 31, 2021	March 31, 2020
Depreciation on Property, Plant and Equipment	324.30	308.16
Depreciation of Right-of-use Assets *	61.97	70.36
Amortisation on Intangible Assets	23.36	25.72
Total	409.63	404.24

<sup>\*</sup> Amortisation charge for the year excludes ₹ 1.20 crores (Previous year ₹ 1.94 crores) which is capitalised during the year.

#### **Note 29: Operating and General Expenses**

		,
	March 31, 2021	March 31, 2020
(a) Operating expenses consist of the following:		
Linen and room supplies	27.59	66.13
Catering supplies	20.37	28.04
Other supplies	7.11	6.38
Fuel, power and light	172.85	269.87
Repairs to buildings	32.09	56.77
Repairs to machinery	51.10	73.78
Repairs to others	16.70	30.04
Linen and uniform washing and laundry expenses	20.47	47.56
Security charges and Others	28.22	48.46
Guest transportation	16.08	44.96
Travel agents' commission	37.16	100.01
Discount to collecting agents	12.99	48.14
Other operating expenses	29.93	111.94
Total	472.66	932.08
Carried Over	472.66	932.08

for the year ended March 31, 2021

Note 29: Operating and General Expenses (contd.)

(	₹	crores	;)

	March 31, 2021	March 31, 2020
ought Over	472.66	932.08
General expense consist of the following:		
Rent (Refer Note 35)	32.69	22.31
Licence fees (Refer Note 35)	60.32	145.90
Rates and taxes	70.97	120.93
Insurance	26.33	17.61
Advertising and publicity	29.74	104.79
Printing and stationery	6.18	12.40
Passage and travelling	2.55	16.58
Allowance for doubtful debts and Bad debts written off	11.76	5.90
Expenditure on corporate social responsibility	14.79	8.27
Professional fees	44.36	56.47
Support services	43.02	67.40
Exchange loss (Net)	-	1.08
Payment made to statutory auditors (Refer Footnote below)	7.84	7.72
Directors' fees and commission	2.12	4.07
Other expenses	73.76	106.94
Total	426.43	698.37
	899.09	1,630.45

#### Footnote:

#### Payment made to statutory auditors:

(₹ crores)

	March 31, 2021	March 31, 2020
As auditors	6.32	6.42
For other services (including tax audit and company law matters)	1.30	0.92
Expenses and incidentals	0.22	0.38
	7.84	7.72

### Note 30: Exceptional Items

	March 31, 2021	March 31, 2020
Exceptional Items comprises of the following :		
Exchange Gain / (Loss) on long term borrowings/assets (net)	29.12	-
Change in fair value of derivative contracts	25.00	(21.76)
Profit on sale of investment in a Joint Venture company	-	2.12
Profit on sale of hotel property in a subsidiary	23.80	6.09
Profit on sale of land and building	-	54.50
Gain arising out of acquiring controlling stake in a joint venture	82.03	-
Total	159.95	40.95

for the year ended March 31, 2021

#### Note 31: Revenue from Contracts with Customers and Assets/Liabilities

The Group's revenue primarily comprises of Revenue from Hotel operations, Management and Operating Fee and Membership fees income as tabulated below.

#### Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and Loss:

(₹ crores)

		(( 0,0,0)
	March 31, 2021	March 31, 2020
Revenue from operations		
Revenue from contract with customers		
Room Revenue, Food & Beverages and Banquets	1,247.92	3,866.06
Shop rentals	34.19	47.59
Membership fees	77.40	114.82
Management & Operating fees	136.45	212.70
	1,495.96	4,241.17
Other operating revenue		
Export Incentive	0.41	30.20
Other revenue	78.79	191.77
	79.20	221.97
Total Revenue from operations	1,575.16	4,463.14

#### ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

	March 31, 2021	March 31, 2020
Revenue based on geography		
Revenue from contract with customers		
India	1,354.02	3,206.09
Overseas	141.94	1,035.08
	1,495.96	4,241.17
Other Operating Revenue		
India	76.17	187.97
Overseas	3.03	34.00
	79.20	221.97
	1,575.16	4,463,14
Revenue based on product and services		
Revenue from contract with customers		
Room Revenue	702.48	2,133.14
Food & Beverages and Banquets	545.44	1,732.92
Shop rentals	34.19	47.59
Membership fees	77.40	114.82
Management & Operating fees	136.45	212.70
	1,575.16	4,241.17
Other Operating Revenue		
Export Incentives	0.41	30.20
Other revenue	78.79	191.77
	79.20	221.97
	1,575.16	4,463.14

for the year ended March 31, 2021

Note 31: Revenue from Contracts with Customers and Assets/Liabilities (contd.)

#### iii) Contract balances

The contract liabilities primarily relate to the unredeemed customer loyalty points and the advance consideration received from customers for which revenue is recognised when the performance obligation is over/ services delivered.

- a) Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services. It also includes membership fee received for Chambers Membership, Epicure membership and Spa and Health Club Memberships and disclosed as Income received in advance.
- b) Contract liability towards Loyalty programme represents the liability of the Company towards the points earned by the members.

		(₹ crores)
	March 31, 2021	March 31, 2020
Contract liabilities		
Income received in advance	34.91	33.50
Advance collections from customer	159.60	142.13
Deferred Revenue	58.28	66.76
Contract Liability towards loyalty programmes	47.57	49.18
	300.36	291.57

#### Footnote:

Considering the nature of business of the Group, the above contract liabilities are generally materialised as revenue within the same operating cycle.

#### Note 32: Contingent Liabilities (to the extent not provided for) and contingent assets

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

#### (a) On account of matters in disputes:

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company and the Group, in respect of taxes, etc., which are in dispute, and not provided for, are as under:

		(( 010163)
	March 31, 2021	March 31, 2020
Income Tax	260.70	238.24
Luxury tax	1.60	1.39
Entertainment tax	2.23	2.23
Sales tax / VAT	20.29	16.09
Property and Water tax	241.68	226.21
Service tax	22.24	10.23
Others	30.24	24 04

The Group is a defendant in various legal actions and a party to claims as above, plus interest thereon, which arose during the ordinary course of business. The Group's management believes based on the facts presently known, that the results of these actions will not have a material impact on the Company's financial statements. It is not practicable for the Group to estimate the timings of cash flows, if any, in respect of the above.

(F croroc)

for the year ended March 31, 2021

Note 32: Contingent Liabilities (to the extent not provided for) and contingent assets (contd.)

#### (b) On account of lease agreements:

In respect of a plot of land provided to the Company under a lease agreement, on which the Company has constructed a hotel, the lessor has made a claim of ₹ 527.24 crores to date, (13 times the previous annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the lessor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the then existing lessor's policy as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch beyond ₹ 147.03 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been filed by the Company before the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the lessor, pending a resolution of this dispute by the Honourable Bombay High Court, and the Company has obtained a stay order from the court.

#### (c) Other claims against the Group not acknowledge as debt :

- (i) Legal and statutory matters ₹ 4.98 crores (March 31, 2020 ₹ 4.98 crores)
- (ii) Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimates above, including where:
  - a) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
  - b) the proceedings are in early stages;
  - c) there is uncertainty as to the outcome of pending appeals or motions or negotiations;
  - d) there are significant factual issues to be resolved; and/or there are novel legal issues presented

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

#### (d) Claims filed by the Group:

The Company had invested in a Greenfield Project in Guwahati, Assam which is eligible as "Mega Project" under the Industrial and Investment Policy of Assam, 2014 and is entitled to apply for the revenue grant under the Assam Industrial Policy. The Company had made application for the grant/subsidy which is essentially is the form of reimbursement of SGST and Luxury Tax paid for a period of 10 years upto a maximum of 150% of the original capital outlay.

During the year, the Company's application was processed by the Industries Department of State Government of Assam and "Eligibility and Entitlement Certificate" was issued by Commissioner of Taxes, Guwahati, Assam.

On the basis of entitlement certificate, the Company accrued income of ₹ 12.69 crores towards reimbursement of taxes for the past years & ₹ 0.45 crore for the current financial year which has been recognised in "Other Operating Income". This grant is expected to be received by the Company once the verification of claims/ scrutiny & assessment of the previous year's taxes is completed by the said department

(e) In respect of one domestic subsidiary, for the proposed construction of a hotel on the plot of land, a Public Interest Litigation (PIL) has been filed against the Union of India and Others (including the Company/Group), interalia, challenging the various permissions / approvals. The Group is contesting the PIL on merits, and the matter is pending. The Group has not commenced construction pending regulatory and other approvals.

for the year ended March 31, 2021

#### **Note 33: Capital Commitments**

- i) Commitments includes the amount of purchase order (net of advance) issued to parties for completion of assets. Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for is ₹ 283.30 crores (March 31, 2020 ₹ 306.96 crores).
- ii) During the year, the Company has entered into a definitive agreement to purchase the balance 14.28% stake in ELEL Hotels and Investments Ltd (ELEL), a step down subsidiary, from its existing shareholders for a consideration of ₹ 250 crores over a period of two years in a phased manner on achievement of certain milestones and not later than end of December 2021. Consequent to this acquisition, ELEL will become a wholly owned step down subsidiary of the Company. Further, on recognition of the financial liability, the non-controlling interest has been de-recognised and the difference between the two has been recognised within equity, amounting to ₹ 169.16 crores.

The transaction has been accounted as a forward contract as per Ind AS 109 – Financial Instruments and a financial liability of ₹ 250 crores has been recognised at its present value.

The Company paid an advance consideration of ₹ 50 crores for the acquisition and balance has to be paid in stages on achievement of certain milestones but not later than end of December 31, 2021.

#### Note 34: Guarantees and Undertakings given

Guarantees given by the Group and outstanding as on March 31, 2021 - ₹ 13.31 crores (March 31, 2020 - ₹ 13.25 crores). Also, refer to note 36(c)(ii) for Guarantees on behalf of certain joint ventures.

#### Note 35: Leases - Ind AS 116

The Group has taken land and immovable properties on lease which are generally long term in nature with varying terms, escalation clauses and renewal rights expiring within five to one hundred and ninety eight years. On renewal, the terms of the leases are renegotiated.

#### a) Total lease liabilities are analysed as follows:

		,
	March 31, 2021	March 31, 2020
Denominated in the following currencies:		
Rupees	1,445.28	1,459.17
US dollars	276.09	290.71
Sterling	159.67	148.83
Others	4.45	-
Total	1,885.49	1,898.71
Analysed as:		
Current *	39.11	56.14
Non-current	1,846.38	1,842.57
Total	1,885.49	1,898.71

<sup>\*</sup> The Current Portion of the lease liability is excluding the interest component on the lease liability. Actual Lease Payments (including notional interest as per Ind AS 116) would be ₹ 177.20 crores. Refer note (b) below for the Maturity Analysis of the Lease Payments.



for the year ended March 31, 2021

Note 35: Leases – Ind AS 116 (contd.)

#### **Exposure to future cash flows:**

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

#### **Maturity analysis:**

(₹ crores)

		( /
	March 31, 2021	March 31, 2020
Less than 1 year	177.20	188.91
Between 1 and 2 years	179.32	177.08
Between 2 and 5 years	537.48	526.47
More than 5 years	9,094.75	9,129.32
Total	9,988.75	10,021.78

In addition, in certain circumstances the Group is committed to making additional lease payments that are contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased for which no lease liability has been recognised as it is contingent in nature.

#### Overall lease rentals (including provisions and amount adjusted against advances) for the year ended March 31, 2021 are as below:

(₹ crores)

		(
	March 31, 2021	March 31, 2020
Minimum Lease Payments/ Fixed Rentals	135.48	179.27
Contingent rents	52.33	145.90
Total	187.80	325.17

#### Note 36: Interest in Other Entities

#### a) **Subsidiaries**

The parent's subsidiaries at March 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the group and the effective ownership of the group is enumerated in the table below. The country of incorporation or registration is also their principal place of business.

(%)

	Country of		ership interest he Group	•	interest held by olling interests	
	Incorporation	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Domestic						
Benares Hotels Ltd.	India	51.68	51.68	48.32	48.32	
ELEL Hotels & Investments Ltd. ^	India	85.72	85.72	14.28	14.28	
Inditravel Ltd.@	India	78.88	78.86	21.12	21.14	
Ideal Ice and Cold Storage Company Ltd.#	India	100.00	-	-	-	
KTC Hotels Ltd.	India	100.00	100.00	-	-	
Luthria & Lalchandani Hotels and Properties Private Ltd.^	India	87.15	87.15	12.85	12.85	
Northern India Hotels Ltd.	India	48.56	48.56	51.44	51.44	
Piem Hotels Ltd.	India	51.57	51.57	48.43	48.43	
Roots Corporation Ltd.	India	63.74	63.74	36.26	36.26	
Sheena Investments Private Ltd.	India	100.00	100.00	-	-	
Skydeck Properties & Developers Private Ltd.	India	100.00	100.00	-	-	
Taj Enterprises Ltd.@	India	93.40	93.19	6.60	6.81	
Taj Trade & Transport Ltd.@	India	73.03	73.03	26.97	26.97	
United Hotels Ltd.	India	55.00	55.00	45.00	45.00	

for the year ended March 31, 2021

Note 36: Interest in Other Entities (contd.)

(%)

	Country of		ership interest he Group	Ownership interest held by non-controlling interests		
	Incorporation	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
International						
IHOCO BV	Netherlands	100.00	100.00	-	-	
IHMS Hotels (SA) Proprietary Ltd.*	South Africa	100.00	-	-	-	
Good Hope Palace Hotels Proprietary Ltd.*	South Africa	100.00	-	-	-	
Piem International (HK) Ltd.	Hong Kong	51.57	51.57	48.43	48.43	
St. James Court Hotel Ltd.	United Kingdom	72.25	72.25	27.75	27.75	
Taj International Hotels (HK) Ltd.	Hong Kong	100.00	100.00	-	-	
Taj International Hotels Ltd.	United Kingdom	100.00	100.00	-	-	
United Overseas Holding Inc.	United States of America	100.00	100.00			

<sup>@</sup> The Group has acquired additional stake in Taj enterprise Ltd. whereby the Group's holding has increased to 93.40% from 93.19% and consequently, there are changes in the effective holding in certain subsidiaries.

#### ii) Significant judgements and assumptions:

- a. The management have concluded that the group controls Northern India Hotels Limited, even though it holds less than half of the effective interest of this subsidiary. This is because the group is the largest shareholder and the direct ownership in this company is 94.15% through Piem Hotels Limited, a subsidiary in which the group holds 51.57%.
- b. The investment in BAHC 5, a company incorporated in Singapore in which the group holds 100% issued equity shares, is a temporary investment that is presently held for disposal. In the view of the management, the Group does not have any power or control over or exposure to this entity. It does not have any rights to variable returns from its involvement with this entity and thus the financial statements of this entity are not consolidated.
- c. The Group holds 51% of the equity share capital of Taj SATS Air Catering Ltd. However, as per the contractual arrangement in the form of joint venture agreement, the group considers it has joint control over the net assets of this entity and has been reclassified as joint venture.
- d. The Company has executed a definitive agreement to purchase the balance 14.28% stake in ELEL Hotels and Investments Ltd (ELEL) on or before December 31, 2021 and accordingly, recognised derivative assets and liabilities in its books. The management is of the view that, in substance, Group exercise full control of ELEL and its step down subsidiary, Luthria & Lalchandani Hotels and Properties Private Ltd have been consolidated accordingly. The resultant adjustment for non-controlling interest has been given in other equity Refer Note 33(ii).
- e. The Group has not consolidated TP Kirnali Solar Limited as an "Associate" as Management believes that it does not have control nor have any power to participate in financial and operating policy decision of TP Kirnali Solar Limited. This investment is solely in order to obtain captive solar power supply for some of it hotels in Mumbai.

<sup>#</sup> The Group has acquired 100% stake in Ideal Ice and Cold Storage Company Ltd on March 19, 2021.

<sup>^</sup> The Group has entered into a definitive agreement to purchase the balance 14.28% stake in ELEL Hotels and Investments Ltd (ELEL) and hence, for the purpose of consolidation of its accounts, effective holding of ELEL and its step down subsidiary, Luthria & Lalchandani Hotels and Properties Private Ltd is considered as 100%. (Refer Note 33(ii)).

<sup>\*</sup> Refer note 37 on acquisition of IHMS Hotels (SA) Proprietary Ltd and Good Hope Palace Hotels Proprietary Ltd w.e.f. July 1, 2020.



for the year ended March 31, 2021

#### Note 36: Interest in Other Entities (contd.)

#### Non-controlling interests ('NCI')

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group are set out below. The amounts disclosed for each subsidiary are before inter-company eliminations or other adjustment:-

(₹ crores)

Summarised Balance Sheet	PIEM Hotel	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Current Assets	46.45	76.06	41.48	53.83	6.46	8.44	8.36	34.69	
Current Liabilities	106.06	121.47	137.79	99.08	57.91	56.65	514.52	90.57	
Net Current Assets	(59.61)	(45.41)	(96.31)	(45.25)	(51.45)	(48.21)	(506.16)	(55.88)	
Non-Current Assets	752.53	769.31	646.07	682.10	607.76	618.67	1,290.22	1,200.32	
Non-Current Liabilities	113.49	101.66	404.39	442. 24	0.76	0.76	144.53	488.49	
Net Non-Current Assets	639.04	667.65	241.67	239.86	607.00	617.91	1145.69	711.83	
Net Assets	579.43	622.24	145.36	194.61	555.55	569.70	639.54	655.94	
Accumulated NCI	280.61	301.35	52.71	70.56	-	81.35	177.47	182.02	

(₹ crores)

Summarised Statement	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
of Profit and Loss	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue	154.01	389.32	134.86	212.65	0.19	0.27	43.20	351.54
Profit/(Loss) for the year	(68.76)	7.97	(49.38)	(22.77)	(14.15)	(14.26)	(67.27)	28.53
Other Comprehensive Income	25.95	(9.20)	0.14	0.13	-	-	50.87	23.54
<b>Total Comprehensive Income</b>	(42.81)	(1.23)	(49.24)	(22.64)	(14.15)	(14.26)	(16.41)	52.07
Total Comprehensive Income allocated to NCI	(20.73)	(0.60)	(17.86)	(8.21)	(0.51)	(2.04)	(4.55)	14.45
Dividend paid to NCI	-	1.85	-	-	-	-	-	-

Summarised Statement of Cash Flows	PIEM Hotel	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Cash Flows from Operating Activities	(40.24)	40.93	18.74	83.08	3.44	(2.56)	(36.74)	85.28	
Cash Flows from / (used in) Investing Activities	8.18	(48.58)	29.30	(46.62)	2.07	2.59	(20.22)	(29.54)	
Cash Flows from / (used in) Financing Activities	30.53	5.66	(47.44)	(40.54)	(0.08)	(0.08)	34.90	(52.32)	
Net Increase/(Decrease) in Cash & cash Equivalents	(1.53)	(1.99)	0.60	(4.08)	5.43	(0.04)	(22.06)	3.43	

for the year ended March 31, 2021

#### Note 36: Interest in Other Entities (contd.)

#### ii) Individually immaterial non-controlling interest("NCI"):

(₹ crores)

	March 31, 2021	March 31, 2020
Aggregate carrying amount of individually immaterial	123.78	129.61
Aggregate amount of NCI's share of profits/loss	(5.13)	7.83
Aggregate amount of NCI's share of other comprehensive Income	0.17	0.14
Aggregate amount of NCI's share of total comprehensive Income	(4.96)	7.97

#### c) Interests in associates and joint ventures

Details of the associates and joint ventures of the group as at March 31, 2021 and 2020 are set out below. The entities below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business. The Group follows equity method of accounting for the measuring its investments/interests in associates and joint ventures, the details of which are as below:-

(₹ crores)

	Country of	Effective	Carrying	amount	Quoted f	air value
	Incorporation	Holding "%"	March 31, 2021	arch 31, 2021 March 31, 2020		March 31, 2020
Joint Ventures						
Taj SATS Air Catering Ltd.	India	51.00	41.78	69.95	*	*
Taj Karnataka Hotels & Resorts Ltd. (Refer Note no 21(b))	India	44.27	-	-	*	*
Taj Kerala Hotels & Resorts Ltd.	India	28.78	14.72	13.95	*	*
Taj GVK Hotels & Resorts Ltd.	India	25.52	115.66	123.21	174.72	165.44
Taj Safaris Ltd.	India	41.81	9.13	9.04	*	*
Kaveri Retreat & Resorts Ltd.	India	50.00	45.24	43.49	*	*
Zarrenstar Hospitality Private Ltd	India	50.00	-	-	*	*
TAL Hotels & Resorts Ltd.	Hong Kong	27.49	105.35	124.74	*	*
IHMS Hotels (SA)(Pty) Ltd. (Refer Note no 21(b) & 37)	South Africa	50.00	-	-	*	*
			331.88	384.38	174.72	165.44
Associates						
Oriental Hotels Ltd.	India	35.67	210.40	238.99	150.53	114.14
Taj Madurai Ltd.	India	26.00	4.94	4.04	*	*
Taida Trading and Industries Ltd.	India	34.78	-	-	*	*
BJets Pte Ltd	Singapore	45.69	-	-	*	*
Lanka Island Resorts Ltd	Sri Lanka	24.66	29.90	33.40	*	*
TAL Lanka Hotels PLC	Sri Lanka	24.62	1.25	11.54	15.28	10.29
			246.49	287.97	165.81	124.43
Total			578.37	672.35	340.53	289.87

<sup>\*</sup> Unlisted entity – no quoted price available

#### ii) Commitments and contingent liabilities in respect of associates and joint ventures

	March 31, 2021	March 31, 2020
Commitment to provide funding for joint ventures capital commitments, if called	-	145.41
Capital Commitment for joint ventures and associate	2.08	7.73
Guarantees given by joint ventures and associates	1.09	1.41
Share of contingent liabilities in joint ventures and associates	38.43	37.30



for the year ended March 31, 2021

Note 36: Interest in Other Entities (contd.)

#### iii) Summarised financial information for associates and joint ventures

The summarised financial information for those joint ventures and associates that are material to the Group are set out below. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not of the Group's share of those amount. They have amended to reflect adjustments made when using equity method for the differences in accounting policies.

(₹ crores)

Communicat Balance Chart	•	lotels and Limited	•	Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
Summarised Balance Sheet	December 31 2020 *	December 31 2019 *	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Current assets									
Cash and cash equivalents	0.15	0.68	2.99	2.19	43.11	66.42	23.65	46.22	
Other assets	41.14	49.25	87.34	162.10	39.00	39.65	56.81	58.35	
	41.29	49.93	90.33	164.29	82.10	106.07	80.46	104.57	
Non-current assets	775.89	798.95	232.47	243.00	681.85	756.59	690.31	915.63	
Total assets	817.19	848.88	322.80	407.29	763.96	862.66	770.77	1020.20	
Current liabilities									
Financial liabilities (excluding trade payables)	63.28	41.15	6.07	14.10	22.17	19.74	38.94	43.24	
Other liabilities	153.32	160.08	60.95	65.76	63.98	62.38	43.52	235.72	
	216.60	201.23	67.02	80.16	86.15	82.12	82.46	278.97	
Non-current Liabilities									
Financial liabilities (excluding trade payables)	116.53	135.98	0.99	1.75	83.33	81.39	219.63	191.85	
Other liabilities	112.01	110.03	24.77	40.12	257.12	291.28	18.04	18.60	
	228.54	246.01	25.76	41.88	340.45	372.67	237.67	210.45	
Total liabilities	445.14	447.24	92.79	122.03	426.60	454.79	320.13	489.42	
Net assets	372.05	401.63	230.02	285.25	337.36	407.87	450.64	530.78	

#### **Reconciliation of carrying amounts**

(₹ crores)

Summarised Balance Sheet	•	Taj GVK Hotels and Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
	December 31 2020 *	December 31 2019 *	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Net Assets	372.05	401.63	230.02	285.25	337.36	407.87	450.64	530.78	
Group's Share	25.52%	25.52%	51.00%	51.00%	27.49%	27.49%	35.67%	35.67%	
Share of Net assets	94.96	102.51	117.31	145.48	92.74	112.12	160.74	189.33	
Goodwill	20.70	20.70	-	-	12.62	12.62	49.66	49.66	
Unrealised Gain		-	(75.53)#	(75.53)#		-		-	
Carrying Amount	115.66	123.21	41.78	69.95	105.35	124.74	210.40	238.99	

# Unrealised gain represents profit on sale of air catering business by the Group to Taj SATS on a slump sale basis on October 1, 2001 and sale of air catering business of Taj Madras flight Kitchen.

<sup>\*</sup> The latest available financial statement of this entity is only up to December 31, 2020 and accordingly has been used for the purpose of the preparation of the consolidated financial statement of the Company.

for the year ended March 31, 2021

#### Note 36: Interest in Other Entities (contd.)

#### v) Summary Statement of Profit and Loss

(₹ crores)

Summarised Statement	•	Taj GVK Hotels and Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
of Profit and Loss	December 31 2020 *	December 31 2019 *	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Revenue	127.09	330.75	152.51	395.24	105.28	273.50	123.12	298.83	
Depreciation	16.67	16.57	16.58	14.48	39.02	40.48	28.75	27.70	
Interest Income	0.44	0.28	1.33	1.47	0.49	0.18	3.10	5.00	
Interest Expense	20.15	22.59	1.52	1.21	31.34	38.85	22.00	24.02	
Income Tax Expense	(6.80)	18.29	(20.22)	2.84	6.43	(8.35)	(21.96)	0.20	
Profit/(Loss) for the year	(29.05)	35.83	(59.82)	28.46	(69.57)	(8.26)	(71.28)	(8.26)	
Other Comprehensive Income for the year	(0.54)	(0.08)	4.59	(2.13)	(0.78)	24.75	(5.30)	17.92	
Total Comprehensive Income for the year	(29.59)	35.76	(55.23)	26.33	(70.35)	16.49	(76.58)	9.66	
Dividend Received		0.96	-			1.95	1.27	3.19	

<sup>\*</sup> Refer Footnote of Note 36 (c)(iii) above

#### vi) Individually immaterial joint ventures and associates

(₹ crores)

	March 31, 2021	March 31, 2020
Aggregate carrying amount of individually immaterial	105.17	115.46
Aggregate amount of the group's share of profit/loss	(18.95)	(5.47)
Aggregate amount of the group's share of other comprehensive Income	0.28	(2.67)
Aggregate amount of the group's share of total comprehensive Income	(18.67)	(8.14)

#### Footnote:

The financial statements of joint ventures and associates consolidated are drawn upto the same reporting date as of the Company except in case of a joint venture and an associate company where the financial statements have been drawn upto December 31, 2020.

#### Note 37: Acquisition of IHMS (SA) Hotels Pty Ltd ("IHMS SA")

IHMS (SA) Hotels Pty Ltd ("IHMS SA") was joint venture between the Group and Tata Africa Holdings Limited. On June 30, 2020, IHOCO BV (a wholly owned subsidiary of IHCL) acquired remaining 50% stake in IHMS. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of \$1 (₹75) and assumption of all the debt in IHMS SA.

IHMS through its wholly owned subsidiary Good Hope Palace Proprietary Limited ("GHPH") owns Taj Cape Town, South Africa, a 159 keys luxury property in the commercial hub of Cape Town. As a result of the acquisition, IHMS and GHPH became a 100% step down subsidiary of IHCL with effect from July 1, 2020.



for the year ended March 31, 2021

#### Note 37: Acquisition of IHMS (SA) Hotels Pty Ltd ("IHMS SA") (contd.)

The following table summarises the consideration paid for IHMS and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date:

	(₹ crores)
Net assets acquired	
Land	64.80
Building	349.32
Other Property Plant and Equipment	20.52
Right of use assets	5.31
Lease Liability	(5.54)
Net Working Capital	(6.83)
Fair value of Tangible Assets acquired	427.59
Fair Value of Intangible Assets Acquired	-
Total fair value of tangible and intangible assets acquired (A)	427.59
Price paid per legal agreements (₹ 75)	-
Add: Fair value of debt obligations	427.59
Total Purchase consideration (B)	427.59
Goodwill (A - B)	-

#### **Note 38: Financial Instruments Measurements and Disclosures**

#### a) Financial instruments by category:

(₹ crores)

	FVTPL		FVOCI		Amortised cost		Total carrying value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets:								
Measured at fair value								
Investments								
(Refer Footnote below):								
Equity shares	-	-	527.27	318.00	-	-	527.27	318.00
Mutual fund units	377.53	436.24	-	-	-	-	377.53	436.24
Total	377.53	436.24	527.27	318.00			1,004.80	754.24
Not measured at fair value								
Trade receivables	-	-	-	-	219.84	290.02	219.84	290.02
Cash and cash equivalents	-	-	-	-	94.27	250.82	94.27	250.82
Other balances with banks	-	-	-	-	60.97	75.56	60.97	75.56
Loans	-	-	-	-	21.73	21.42	21.73	21.42
Other financial assets	-	-	-	-	165.53	268.54	165.53	268.54
			_		562.34	906.36	562.34	906.36
Total	377.53	436.24	523.21	318.00	562.34	906.36	1,467.14	1,660.60
Financial liabilities:								
Measured at fair value								
Derivative instruments	153.86	179.68	_	-	-	-	153.86	179.68
Not measured at fair value								
Borrowings	-	-	_	-	3,632.84	2,602.07	3,632.84	2.602.07
Lease Liabilities					1,885.49	1,898.71	1,885.49	1,898.71
Trade payables	-	-	-	-	317.81	389.32	317.81	389.32
Other financial liabilities	-	-	_	-	581.34	531.56	581.34	531.56
Total	153.86	179.68	_	_	6,417.48	5,421.66	6,571.34	5,601.34

#### Footnotes:

The above excludes investments in joint ventures and associates amounting to ₹578.37 crores (March 31, 2020 - ₹672.35 crores) which are accounted as per equity method.

FVTPL = Fair Value Through Profit and Loss and FVOCI = Fair Value Through Other Comprehensive Income.

for the year ended March 31, 2021

Note 38: Financial Instruments Measurements and Disclosures (contd.)

#### b) Fair value hierarchy

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

							(₹ crores)
Level 1		Level 2		Level 3		Level 4	
March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
322.44	134.95	-	-	204.83	183.05	527.27	318.00
377.53	436.24	-	-	-	-	377.53	436.24
699.97	571.19	-	-	204.83	183.05	1,004.80	754.24
_	_	153.86	179.68	_	_	153.86	179.68
-	-	1,541.10	1,271.73	-	-	1,541.10	1,271.73
-	-	1,694.96	1,451.41	-	-	1,694.96	1,451.41
	322.44 377.53 699.97	March 31, 2021 2020  322.44 134.95 377.53 436.24 699.97 571.19	March 31, 2021         March 31, 2020         March 31, 2021           322.44         134.95         - 377.53         436.24         153.86           699.97         571.19         - 153.86	March 31, 2021         March 31, 2020         March 31, 2021         March 31, 2020           322.44         134.95	March 31, 2021         March 31, 2021         March 31, 2020         March 31, 2021         March 31, 2020         March 31, 2021           322.44         134.95         -         -         -         204.83           377.53         436.24         -         -         -         -           699.97         571.19         -         -         204.83           -         -         153.86         179.68         -           -         -         1,541.10         1,271.73         -	March 31, 2021         March 31, 2020         March 3	March 31, 2021         March 31, 2020         March 31, 2020         March 31, 2021         <

#### Footnotes:

- a. The Company has not disclosed the fair value of certain short term financial instruments such as trade receivables, trade payables, short term loans, deposits etc. as their carrying amounts are a reasonable approximation of fair value.
- b. The carrying amounts of the borrowings excluding non-convertible debentures that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.
- c. The Investments measured at fair value and falling under fair value hierarchy level 3 are valued based on valuation reports provided by external valuers with the exception of two investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The investments other than those whose fair values approximate cost are individually immaterial.

#### c) Fair value hierarchy:

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

- a. Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This includes listed equity instruments, traded debentures and mutual funds that have quoted price / declared NAV. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period.
- b. Level 2: Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- c. **Level 3:** If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

for the year ended March 31, 2021

Note 38: Financial Instruments Measurements and Disclosures (contd.)

#### d) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

#### e) Inter level transfers:

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

#### f) Reconciliations of level 3 fair values

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

	(< crores)
	Equity instruments
Balance as at March 31, 2019	189.52
Net change in fair value (unrealised)	(6.47)
Balance as at March 31, 2020	183.05
Addition/ (deletion) during the year	10.66
Net change in fair value (unrealised)	11.12
Balance as at March 31, 2021	204.83

#### Note 39: Financial Risk Management

#### Risk management framework

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

The Company's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal audit team. The Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

for the year ended March 31, 2021

#### Note 39: Financial Risk Management (contd.)

The Group has exposure to the following risks arising from financial instruments:

- · Credit risk:
- · Liquidity risk;
- Market risk

#### a) Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Group's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

#### b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

#### i) Financing arrangements

The Group had access to certain undrawn borrowing facilities at the end of the reporting period. Major facilities are listed below:

	(₹ crores)
March 31, 2021	March 31, 2020
112.04	94.34
70.35	102.56
797.93	355.00
-	-
980.33	551.90
	112.04 70.35 797.93

The bank overdraft facilities may be drawn at any time by the respective companies in the Group.



for the year ended March 31, 2021

#### Note 39: Financial Risk Management (contd.)

In addition to above, the Group has also executed a facility agreement with certain banks/financial institution to avail loan in one of its overseas subsidiary to the extent of GBP 56 million, which will be essentially used to refinance existing loans. The same has not been drawn down yet.

The Group continues to engage with the banks and financial institutions and evaluating options to raise money for future operation needs.

#### ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross, undiscounted and exclude future contractual interest payments.

(₹ crores) Carrying Due after Due in Due in Due in 3rd to Total value as at 1st year 2nd year 5th year 5th year March Non-derivative financial liabilities: 3,632.84 1,419.85 810.96 1,290.91 138.54 3,660.26 **Borrowings** (including redemption premium) 479.88 1,006.96 942.00 178.42 2,607.26 2,602.07 537.48 9,094.75 9,988.75 1,885.49 177.20 179.32 Lease liability 177.08 526.47 9,129.32 10,021.78 1,898.71 188.91 317.81 317.81 317.81 Trade and other payables 389.32 389.32 389.32 72.45 72.45 72.45 Interest Accrued on borrowings 56.46 56.46 56.46 508.89 486.86 2.57 19.46 508.89 Other Financial liabilities 475.10 475.10 475.10 6,417.48 2,474.17 992.85 1,847.85 9,233.29 14,548.16 Total 5,421.66 1,687.87 1,303.69 1,584.74 9,319.60 13,895.90 153.86 153.86 153.86 Derivative instruments 179.68 2.45 177.23 179.68 Financial guarantee contract 2.32 14.31 128.78 145.41 6,571.34 2,628.03 992.85 1,847.85 9,233.29 14,702.02 **Total financial liabilities** 5,601.34 1,692.64 1,495.23 1,713.52 9,319.60 14,220.99

Figures in italics are of the previous year.

The Group management periodically monitors its Interest Service Cover Ratio to manage the liquidity risk towards the repayment of the interest liability. The interest cover ratio for the Group for the year ending March 31, 2021 and March 31, 2020 was (0.18) and 3.48 respectively.

The formula used for the calculation of Interest Service Cover ratio (which has been computed on a trailing twelve-month basis) is as below:

Interest Service Coverage Ratio = (Profit before tax + Interest (Net) + Provision for diminution in long term investment + Depreciation)/Interest (Net)

for the year ended March 31, 2021

#### Note 39: Financial Risk Management (contd.)

#### iii) Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and current investment.

			(₹ crores)
	Note	March 31, 2021	March 31, 2020
Borrowings	19	3,632.84	2,602.07
Less: Cash and cash equivalents	15	94.27	250.82
Less: Call and short term deposits	16	51.47	58.39
Less: Current investments	8(b)	377.53	436.24
Net debt		3,109.57	1,856.62
Total Equity	17/18	4,283.01	5121.71
Gearing ratio		0.73	0.36

#### c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

#### i) Foreign Currency risk

The predominant currency of the Group's revenue and operating cash flows is Indian Rupees (₹). The Company's reported debt has an exposure to borrowings held in US dollars. Movements in foreign exchange rates can affect the Company's reported profits and net assets.

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

#### **Derivative Instruments outstanding:**

		March 31	2021	March 31, 2020	
Nature of Derivative	Currency	Currency million	Fair values ₹ crores	Currency million	Fair values ₹ crores
Cross currency Interest rate Swap (CCS)	US\$	55.17	152.62	55.17	177.23
Interest Rate Swap (IRS)	GBP	20.00	1.24	20.00	2.45
Total			153.86		179.68



for the year ended March 31, 2021

#### Note 39: Financial Risk Management (contd.)

#### Sensitivity

In relation to the CCS, for the year ended March 31, 2021 and March 31, 2020, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall reduce the Group's profit before tax by approximately 1.57% and 2.19% respectively. For the year ended March 31, 2021 and March 31, 2020, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall increase the Group's profit before tax by approximately 2.44% and 4.46% respectively. The above derivative is maturing in July, 2021 and the last reset of interest rate has been done in July, 2020. There will be no further reset of interest rate from March till July, 2021 and hence, the sensitivity is not computed

The above relates to the Company and foreign currency risk in respect of other components is insignificant.

#### **Un-Hedged Foreign currency exposure payable:**

Currency	March 31, 2021	March 31, 2020
United States Dollar (Million)	0.62	0.62

#### Sensitivity

For the year ended March 31, 2021 and March 31, 2020, every 3% depreciation/ appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the Company's profit before tax by approximately 0.03 % and 0.03 % respectively.

#### Interest rate risk

The Group adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

The total borrowing at variable rate was ₹ 2,048.48 crores as at March 31, 2021 (March 31, 2020 - ₹ 1,316.08 crores). The carrying value of the long term debt approximates fair value since the current interest rate approximates the market rate.

#### iii) Other market price risks

The Group's exposure to equity securities' price risk arises from investments held by the Group and classified in the balance sheet as fair value through Other Comprehensive Income. If the equity prices of quoted investments are 3% higher/ lower, the equity for the year ended March 31, 2021 would increase/ decrease by ₹ (9.67) crores (for the year ended March 31, 2020: increase/ decrease by ₹ 4.05 crores).

for the year ended March 31, 2021

#### Note 40: Income Tax Disclosure

#### i) Income Tax recognised in the Statement Profit and Loss:

(₹ crores) March 31, 2020 March 31, 2021 **Current Tax** In respect of the current year 2.16 163.17 In respect of earlier years 5.98 (1.15)1.01 169.15 **Deferred Tax** In respect of the current year MAT credit (1.17)Other items (155.94)(21.02)Adjustment to deferred tax attributable to changes in tax rates and laws\* (97.37)In Respect of earlier years (0.40)(4.82)(156.34)(124.38)(155.33)44.77 Total tax expense recognised in the current year

The Group reviews its income tax treatments in order to determine its impact on the financial statements. As a practice, where the interpretation of income tax law is not clear, management relies on the some or all of the following factors to determine the probability of its acceptance by the tax authority:

- Strength of technical and judicial argument and clarity of the legislation;
- Past experience related to similar tax treatments in its own case;
- Legal and professional advice or case law related to other entities.

After analysing above factors for each of such uncertain tax treatments, where the Company expects that the probability to sustain its position on ultimate resolution of such uncertain tax treatment is remote, the Company ensures that such uncertain tax positions are adequately provided for in the Company's financial Statements.

<sup>\*</sup> During the previous year, some of the eligible companies in the Group has elected to exercise the option permitted under section 115BAA of the Income tax act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and the full impact of the re-measurement of the opening deferred tax liabilities amounting to ₹ 87.42 crores has been recognised in the statement of Profit and Loss account for the year ended March 31, 2020.



for the year ended March 31, 2021

#### Note 40: Income Tax Disclosure (contd.)

#### A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below:

		(₹ crores)
	March 31, 2021	March 31, 2020
Profit/(Loss) before tax (a)	(849.54)	395.54
Income tax rate as applicable in India (b)	25.17%	25.17%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	(213.81)	99.55
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(0.04)	(1.89)
Income considered to be capital in nature under tax and tax provisions	-	(0.27)
Effect of expenses that are not deductible in determining taxable profit	9.84	11.53
Expense considered to be capital in nature under tax and tax provisions	5.18	5.14
Income subject to lower rate of income tax	-	(10.66)
Deferred tax asset not recognised in Statement of Profit and Loss	65.87	29.60
Fair value gain on acquisition of a joint venture	(20.65)	-
Effect on deferred tax balances due to the change in income tax rate	(0.56)	(97.37)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	(0.04)	(0.03)
Difference (net) in tax rates between the company and components/ Jurisdiction	5.38	2.94
Others items, individually not material	(4.95)	5.07
	(153.78)	43.61
Prior year taxes as shown above	(1.55)	1.16
Income tax expense recognised in the Statement of Profit and Loss	(155.33)	44.77

#### iii) Income tax recognised in Other Comprehensive Income:

(₹ crores)

		, ,
	March 31, 2021	March 31, 2020
Current Tax		
Tax impact on profit on sale of investment in equity shares at fair value	-	-
through Other Comprehensive Income		
Deferred tax		
Arising on income and expenses recognised in Other Comprehensive Income:		
Net fair value gain on investments in equity shares at fair value through	2.50	(1.10)
Other Comprehensive Income	2.58	(1.19)
Remeasurement of defined benefit obligation	9.20	(5.28)
Total income tax recognised in Other Comprehensive Income	11.78	(6.47)
Bifurcation of the income tax recognised in Other Comprehensive Income into:		
Items that will not be reclassified to profit or loss	11.78	(6.47)
	11.78	(6.47)

#### iv) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

	March 31, 2021	March 31, 2020
Deferred Tax assets (net)	117.98	76.50
Deferred Tax liabilities (net)	(78.05)	(186.85)
Net Deferred Tax Liability	39.93	(110.35)

for the year ended March 31, 2021

Note 40: Income Tax Disclosure (contd.)

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ crores)

		Recognised in the S Profit and Los		Recognised	Adjustment	MAT	Exchange	
	Opening Balance	Impact of change in Income Tax Rate	Others	in Other Comprehensive Income (net)	on adoption of Ind AS 116	credit utilised	difference (net)	Closing balance
Deferred tax (liabilities)/ assets:								
Property, Plant and equipment	(335.02)	-	6.65	-	-	-	(0.06)	(328.43)
& Intangible Assets	(484.72)	130.42	19.31	-	-	-	(0.03)	(335.02)
Right-to-Use Assets Net of	53.45	-	7.26		-			60.71
Lease Liability	-	(16.94)	6.48		63.91			53.45
I la constitución de la constitución de característico	(0.34)	-	(1.86)	-	-	-	-	(2.20)
Unamortised borrowing cost	(0.37)	0.10	(0.07)	-	-	-	-	(0.34)
Provision for Employee	38.02	-	(6.86)	(9.20)	-			21.96
Benefits	38.87	(10.52)	4.39	5.28	-			38.02
Fair valuation changes of	5.93	-	(6.20)	_	-	-	-	(0.27)
derivative contracts	(2.26)	0.63	7.56	_	-	-	-	5.93
Unrealised gain on equity								
shares carried at fair value	(0.38)	-	-	(2.83)	-	-	-	(3.21)
through Other Comprehensive Income	(1.57)	-	-	1.19	-	-	-	(0.38)
NAAT Cradit Entitlement	20.43	-	-	-	-	-	-	20.43
MAT Credit Entitlement	19.34	-	(0.08)	-	-	1.17	-	20.43
Unused tax losses (Business)	70.67	-	148.18	-	-	-	5.77	224.62
(net)	73.52	6.92	(12.12)	-	-	-	2.35	70.67
Allowers of the development of the	5.23	-	3.76	-	-	-	-	8.99
Allowance for doubtful debts	5.85	(1.56)	0.94	-	-	-	-	5.23
Davis and Dalinto	12.31	-	(0.41)	-		-	-	11.90
Reward Points	14.83	(4.15)	1.63	-		-	-	12.31
Dravisian for Continuous:	3.33	-	1.44	-		-	-	4.77
Provision for Contingencies	11.67	(3.26)	(5.08)	-		-	-	3.33
Otherin	16.02	-	4.38	0.25	-	-	0.01	20.66
Others	17.51	(4.27)	2.89	-	-	-	(0.11)	16.02
Takal Dafamad Tau Kabibi	(110.35)		156.34	(11.78)		-	5.72	39.93
Total Deferred Tax Liability	(307.33)	97.37	25.85	6.47	63.91	1.17	2.21	(110.35)

Figures in italics are of the previous year.

v) A deferred tax asset of ₹ 148.18 crores has been recognised by the Group for the unused tax losses during the current year. These losses essentially represents business losses and unabsorbed depreciation.

The recoverability of the deferred tax assets has been assessed based on:

- Internal budgets, profit forecasts prepared by management, after duly considering the potential impact of Covid-19 in the future business of the Company.
- applying tax principles to those forecasts; and
- following the methodology required by Ind AS 12 Income Taxes.

for the year ended March 31, 2021

#### Note 40: Income Tax Disclosure (contd.)

Based on the assessments as above, the management determines that deferred tax assets created on unused tax losses (business losses and unabsorbed depreciation) should reverse well within the statutory time limit. These losses can be fully set-off against future taxable profits earned by the respective companies in the Group, and accordingly based on the reasonable certainty that sufficient future taxable income would be generated considering the size of the company, it growth trajectory and past performance history during normal times, appropriate amount of deferred tax asset has been created during the year. The management will continue to monitor and review these assets based on the profit forecasts in future.

- vi) Deferred tax asset amounting to ₹ 701.95 crores and ₹ 657.28 crores as at March 31, 2021 and March 31, 2020 respectively in respect of unused tax losses have not been recognised by the Group. The tax loss carry-forwards of ₹ 3,261.28 crores and ₹ 3,064.04 crores as at March 31, 2021 and March 31, 2020, respectively, relates to certain subsidiaries on which deferred tax asset has not been recognised by the Group, because there is a lack of reasonable certainty that these subsidiaries may generate future taxable profits. Approximately, ₹ 687.25 crores and ₹ 412.52 crores as at March 31, 2021 and March 31, 2020 respectively of these tax losses has carry-forwards is not currently subject to expiration dates. The remaining tax loss carry-forwards of approximately ₹ 2,574.03 crores and ₹ 2,651.52 crores as at March 31, 2021 and March 31, 2020 respectively, expires in various years through fiscal 2038. Deferred tax assets on unused tax losses have been recognised by certain subsidiaries to the extent of profits arising from the reversal of existing taxable temporary differences.
- vii) Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries amounting to ₹ 1,391.01 crores and ₹ 1,554.13 crores as at March 31, 2021 and March 31, 2020, respectively has not been recognised. Further, it is not practicable to estimate the amount of the unrecognised deferred tax liabilities for these undistributed earnings.

#### **Note 41 : Employee Benefits**

(a) The Group has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

		(₹ crores)
	March 31, 2021	March 31, 2020
Provident Fund	23.28	26.04
Superannuation Fund	4.19	3.92
Total	27.47	29.96

#### **Multi-Employer Benefit Plans**

One of the international subsidiaries, United Overseas Holding Inc., along with its LLP's namely "the New York LLC" is a party to the Industrywide Collective Bargaining Agreement between the New York Hotel Trades Council ("NYC Union") and the Hotel Association of New York City, Inc. The collective bargaining agreement provides for union sponsored multi-employer defined benefit plans (the "Plans") to which the New York LLC makes contributions for the benefit of their employees covered by the collective bargaining agreements. The New York LLC has not received information from the Plans' administrators to determine their share of unfunded benefit obligations, if any. The New York LLC has not undertaken to terminate, withdraw or partially withdraw from the Plans. The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects:

(i) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

for the year ended March 31, 2021

#### Note 41: Employee Benefits (contd.)

- (ii) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- (iii) If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The New York LLC's participation in the Plans for the year ended December 31, 2020 and 2019 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). The most recent Pension Protection Act (PPA) zone status available is for the Plans' year-end at December 31, 2020 and 2019.

The zone status is based on information that the New York LLC received from the Plans and is certified by the actuaries of the Plans. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's contributions to its respective Plans did not exceed more than 5% of the total contributions to the Plans by all participating employers. The following is a summary of the Plans to which the New York LLC make contributions for the benefit of their employees covered by the collective bargaining agreements.

Plans	Pension Protection Act FIN Number Plan Zone Status			FIP/RP Status	Contribution by the Company for the year ended		
rians	EIN Number	Number	2020	2019	Pending/ - Implemented	December 31, 2020 US \$	December 31, 2019 US \$
New York LLC							
Pension Fund (i)	13-1764242	001	Green	Green	Yes	1,859,270	4,046,529
Health Benefits Fund (ii)	13-6126923	501	NA	NA	Yes	7,569,220	7,954,067
Prepaid Legal Services Fund (iii)	13-3418414	508	NA	NA	Yes	54,253	76,968
Total - New York LLC						9,482,743	12,077,564

- (i) New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund
- (ii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund
- (iii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund

#### **Defined Contribution 401(k) Plans**

United Overseas Holding Inc. and its LLC's, wholly owned subsidiaries in the United States of America, have defined contribution plans for the benefit of their eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plans require employer contributions of 3% of each eligible participant's plan compensation for each year. The employer may also make a profit sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined. The employer contributions charged to the Company's and the Subsidiaries' operations for the years ended March 31, 2021 and 2020 are as follows:

(US \$)

		(00 4)
	March 31, 2021	March 31, 2020
San Francisco LLC	40,586	110,987
New York LLC	95,073	188,498
Company	20,718	31,950
Total Employer Contributions	156,377	331,435



for the year ended March 31, 2021

Note 41: Employee Benefits (contd.)

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

#### (i) Funded:

- Provident Fund
- · Post Retirement Gratuity
- Pension to Employees Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

#### (ii) Unfunded:

- Post Retirement Gratuity
- Pension to Executive Directors and Employees Post retirement minimum guaranteed pension scheme for select existing and retired executive directors and certain categories of employees, which is unfunded.
- Post Employment Medical Benefits to qualifying employees

#### (c) Provident Fund:

The Company operates Provident Fund Scheme through a trust - 'The Indian Hotels Company Limited Employees Provident Fund' ('the Plan'), set up by the Company and for certain categories contributions are made to State Plan.

The Plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at March 31, 2021 and March 31, 2020.

The details of fund and plan asset position are given below:

(₹ crores)

		, ,
	March 31, 2021	March 31, 2020
Plan Assets as at period end	687.57	634.96
Present Value of Funded Obligation at period end	687.57	634.96
Amount recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

(₹ crores)

	March 31, 2021	March 31, 2020
Guaranteed Rate of Return	8.50%	8.50%
Discounted Rate for remaining term to Maturity of Investment	6.80%	6.55%
Expected Rate of Return on Investment	8.70%	8.61%

The Company contributed ₹ 11.80 crores and ₹ 13.15 crores towards provident fund during the year ended March 31, 2021 and March 31, 2020 respectively and the same has been recognised in the statement of profit and loss.

In light of the Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement.

for the year ended March 31, 2021

#### Note 41: Employee Benefits (contd.)

#### (d) Pension Scheme for Employees:

The Group has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

# (e) The above defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

#### a. Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has a relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the Fund.

#### b. Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

#### c. Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### d. Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

#### (f) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2021:-

#### (i) Amount to be recognised in Balance Sheet and movement in net liability

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Present Value of Funded Obligations	226.38	-	-	-	8.08
Present value of Funded Obligations	231.97	-	-	-	8.26
Present Value of Unfunded Obligations	2.43	7.30	3.30	18.44	-
Present Value of Unfunded Obligations	2.32	7.35	3.62	18.58	-
Fair Value of Plan Assets	(219.69)	-	-	-	(11.18)
	(201.82)	-	-	-	(10.73)
Amount not recognised due to asset limit	-	-	-	-	1.05
	-	-	-	-	0.84
Net (Asset) / Liability	9.12	7.30	3.30	18.44	(2.05)
	32.47	7.35	3.62	18.58	(1.63)

for the year ended March 31, 2021

#### Note 41: Employee Benefits (contd.)

#### (ii) Expenses recognised in the Statement of Profit & Loss

				(₹ crores)
Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
13.50	0.11	0.20	-	0.17
12.21	0.09	0.15	-	0.15
-	-	-	-	-
1.59	0.47	0.24	1.20	(0.11)
1.00	0.49	0.19	1.21	(0.12)
15.09	0.58	0.44	1.20	0.06
13.21	0.58	0.34	1.21	0.03
	13.50 12.21 - - 1.59 1.00	Employment   Medical Benefits   Unfunded	Gratuity Funded         Employment Medical Benefits Unfunded         Pension Top-up Unfunded           13.50         0.11         0.20           12.21         0.09         0.15           -         -         -           1.59         0.47         0.24           1.00         0.49         0.19           15.09         0.58         0.44	Funded   Employment   Top-up   Unfunded   Top-up   Unfunded   Un

#### (iii) Expenses recognised in Other Comprehensive Income (OCI)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Remeasurements during the period due to:					
Changes in financial assumptions	(2.21)	(0.11)	(0.06)	(0.25)	(0.09)
	12.45	0.62	0.37	1.47	0.54
Changes in demographic assumptions	-	-	-	-	-
	0.04	-	-	-	-
Experience adjustments	(6.18)	(0.31)	0.18	0.10	(0.19)
	5.39	(0.07)	0.66	0.41	(0.40)
Actual return on plan assets less interest on	(28.42)	-	-	-	(0.24)
plan assets	0.23	-	-	-	(0.18)
Adjustment to recognise the effect of asset	-	-	-	-	0.16
ceiling	-	-	-	-	0.02
Expenses recognised	(36.81)	(0.42)	0.12	(0.15)	(0.36)
_	18.08	0.55	1.03	1.88	(0.02)

for the year ended March 31, 2021

Note 41: Employee Benefits (contd.)

#### (iv) Reconciliation of Defined Benefit Obligation

(₹ crores)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Defined Benefit Obligation	234.29	7.35	3.62	18.58	8.26
	207.93	6.61	2.65	16.62	7.91
Current Service Cost	13.50	0.11	0.20	-	0.17
	12.21	0.09	0.15	-	0.15
Past Service Cost	-	-	-	-	-
	-	-	-	-	-
Interest Cost	14.05	0.47	0.24	1.20	0.53
	14.31	0.49	0.19	1.21	0.56
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	(2.21)	(0.11)	(0.06)	(0.25)	(0.09)
	12.45	0.62	0.37	1.47	0.54
Changes in demographic assumptions	-	-	-	-	-
	0.04	-	-	-	-
Experience adjustments	(6.18)	(0.31)	0.18	0.10	(0.19)
	5.39	(0.07)	0.66	0.41	(0.40)
Benefits Paid	(24.67)	(0.21)	(0.88)	(1.19)	(0.60)
	(19.97)	(0.39)	(0.40)	(1.13)	(0.50)
Liabilities assumed	0.02	-	-	-	-
	1.93	-	-	-	-
Closing Defined Benefit Obligation	228.81	7.30	3.30	18.44	8.08
	234.29	7.35	3.62	18.58	8.26

#### (v) Reconciliation of Fair Value of Plan Assets

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Fair Value of Plan Assets	201.82		-	-	10.73
	186.19	-	-	-	10.15
Interest on Plan Assets	12.46	-	-	-	0.74
	13.31	-	-	-	0.74
Remeasurements due to:					
Actual return on plan assets less interest on	28.42	-	-	-	0.23
plan assets	(0.23)	-	-	-	0.18
Contribution by Employer	1.65	0.21	0.88	1.19	0.13
	20.87	0.39	0.40	1.13	0.16
Benefits Paid	(24.67)	(0.21)	(0.88)	(1.19)	(0.60)
	(19.97)	(0.39)	(0.40)	(1.13)	(0.50)
Assets acquired	_	-	-	-	-
	1.66	-	-	-	-
Closing Fair Value of Plan Assets	219.69		_	_	11.23
_	201.82		-	-	10.73
Expected Employer's contribution/ outflow	17.00		_		-
next year	17.10				-

for the year ended March 31, 2021

#### Note 41: Employee Benefits (contd.)

#### (vi) Actuarial Assumptions

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.) in %	6.80%	6.80%	6.80%	6.80%	6.80%
	6.65%	6.65%	6.65%	6.65%	6.65%
Salary Escalation Rate (p.a.) in %	4.00-5.00%	-	4.00%	-	-
	4.00-5.00%	-	4.00%	-	-
Pension Escalation Rate (p.a.) in %	-	-	-	4.00%	-
	-	-	-	4.00%	-
Annual increase in healthcare costs (p.a.) in %	-	6.00%	-	-	-
	-	6.00%	-	-	-
Mortality Table *					
Mortality table in service(LIC)	Table 1	Table 1	Table 1	NA	NA
	Table 1	Table 1	Table 1	NA	NA
Mortality table in retirement(LIC)	NA	Table 2	Table 2	Table 2	Table 2
	NA	Table 2	Table 2	Table 2	Table 2

<sup>\*</sup> Table 1 – Indian Assured Lives Mortality (2012-14) Ult table

Table 2 – UK Published S1PA Mortality rate

#### (vii) Disaggregation of Plan Assets (Managed by an Insurance Company)

#### a) Gratuity Funded

(₹ crores)

		March 31, 2021				March 31, 2020			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%	
Government Debt Instruments	93.96	-	93.96	43%	94.60	-	94.60	47%	
Other Debt Instruments	52.31	0.09	52.40	24%	41.19	0.09	41.28	20%	
Property	-	-	-	-	-	-	-	-	
Other Equity Instruments	33.01	-	33.01	15%	30.53	-	30.53	15%	
Insurer managed funds	-	24.46	24.46	11%	-	22.70	22.70	11%	
Others	12.80	3.07	15.86	7%	0.62	12.10	12.72	6%	
Total	192.07	27.62	219.69	100%	166.94	34.89	201.83	100%	

#### b) Pension Staff Funded

	'	March 31	l, 2021		March 31, 2020				
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%	
Government Debt Instruments	4.72	-	4.72	42%	4.82	-	4.82	45%	
Other Debt Instruments	3.60	-	3.60	32%	4.72	-	4.72	44%	
Other Equity Instruments	0.21	-	0.21	2%	0.21	-	0.21	2%	
Others	-	2.65	0.98	24%	-	0.98	0.98	9%	
Total	8.53	2.65	11.18	100%	9.75	0.97	10.73	100%	

for the year ended March 31, 2021

Note 41: Employee Benefits (contd.)

#### (viii) Sensitivity Analysis (for each defined benefit plan)

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		Grati	uity		Pension Top up				
	March 3	1, 2021	March 3	31, 2020	March	31, 2021	March	March 31, 2020	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Salary Escalation rate	
Impact of increase in 50 bps on DBO	(3.08)	3.33	(3.08)	3.32	(6.08)	-	(5.87)	-	
Impact of decrease in 50 bps on DBO	3.27	(3.16)	3.27	(3.15)	6.65	-	6.41	-	
Impact of life expectancy 1 year decrease	-	-	-	-	-	(1.90)	-	(1.93)	
Impact of life expectancy 1 year Increase			_			1.82		1.85	

(%)

		Pension Staff Funded							
		March 31, 2021		1	March 31, 2020				
	Discount	Life	Pension rate	Discount	Life	Pension rate			
	rate	Expectancy	rension rate	rate	Expectancy	Pension rate			
Impact of increase in 50 bps on DBO	(3.58)	-	-	(3.74)	_	-			
Impact of decrease in 50 bps on DBO	3.85	-	-	4.01	-	-			

(%)

		Post- Em	ployment Medic	al Benefits Unfo	unded		
		March 31, 2021		March 31, 2020			
	Discount	Life	Health	Discount	Life	Health	
	rate	Expectancy	care Cost	rate	Expectancy	care Cost	
Impact of increase in 50 bps on DBO	(4.68)	-	-	(4.85)	-	-	
Impact of decrease in 50 bps on DBO	5.10	-	-	5.29	-	-	
Impact of life expectancy 1 year decrease	-	(3.61)	-	-	(3.52)	-	
Impact of life expectancy 1 year Increase	-	3.43	-	-	3.35	-	
Defined benefit obligation on healthcare costs rate minus 100 bps	-	-	(4.45)	-	-	(4.61)	
Defined benefit obligation on healthcare costs rate plus 100 bps	-	-	5.23	-	-	5.44	

(%)

	Pension Director Unfunded							
•		March 31, 2021		March 31, 2020				
-	Discount	Life	Health	Discount	Life	Health		
	rate	Expectancy	care Cost	rate	Expectancy	care Cost		
Impact of increase in 50 bps on DBO	(4.37)	-	-	(4.54)	-	-		
Impact of decrease in 50 bps on DBO	4.72	-	-	4.93	-	-		
Impact of life expectancy 1 year decrease	-	(4.19)	-	-	(4.02)	-		
Impact of life expectancy 1 year Increase	-	4.04	-	-	3.88	-		
Defined benefit obligation on pension increase rate minus 100 bps	-	-	(8.70)	-	-	(9.03)		
Defined benefit obligation on pension increase rate plus 100 bps	-	-	10.02	-	-	10.45		

#### (ix) Movement in Asset Ceiling

(₹ crores)

	March 31, 2021	March 31, 2020
Opening Value of asset ceiling	0.84	0.76
Interest on Opening balance of asset ceiling	0.05	0.06
Remeasurement due to:		
change in Surplus/(deficit)	0.16	0.02
Closing value of asset ceiling	1.05	0.84

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

for the year ended March 31, 2021

#### Note 41: Employee Benefits (contd.)

#### (x) Expected future benefit payments:

(₹ crores)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Within one year	48.11	0.46	-	1.26	0.77
	45.89	0.43	-	1.21	0.71
Between one and five years	88.91	2.06	2.11	5.34	3.03
	98.02	1.99	3.06	5.17	2.87
After five years	251.70	14.85	2.09	33.60	11.54
	248.48	15.18	1.83	34.70	12.11
Weighted average duration of the Defined	6.43	9.77	12.85	9.08	7.05
Benefit Obligation (in years)	6.39	10.13	12.33	9.46	7.36

Due to the restrictions in the type of investments that can be held by the gratuity and pension fund as per the prevalent regulations, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

#### **Note 42: Other Regulatory Matters**

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to the period prior to 1998. Arising out of such disclosures, the Company received show cause notices and the Company had replied to the notices. Prior to 2018, the Company has received adjudication cum demand of ₹ 10.89 crores on certain matters which has been disputed by the Company. This has been disclosed as Contingent Liability. The Company has filed appeal against the adjudication cum demand, and the appeal is pending. During the financial year 2018-19, the Company received adjudication cum demand aggregating ₹ 1.12 crores on three other matters being contested. The Company has filed appeals against these adjudication cum demand orders and the same are pending. For the balance Show Cause Notices, adjudication proceedings are pending.

#### **Note 43: Related Party Disclosures**

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

#### i. Company having significant influence

Tata Sons Private Ltd. (including its subsidiaries and joint ventures)

#### ii. Associates and Joint Ventures

The names of all the associates and joint ventures are given in Note 36 (c)

#### iii. Key Management Personnel

Key managerial personnel comprise the whole-time directors of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Following are the Key Management Personnel:

Relation

Puneet Chhatwal

Managing Director & CEO

#### iv. Post Employment benefit plans

The Indian Hotels Company Ltd. Employees Provident Fund

The Indian Hotels Company Ltd. Superannuation Scheme

The Indian Hotels Employees Gratuity Trust

Taj Residency Employees Provident fund Trust (Bangalore unit)

Piem Hotel Employees Gratuity Trust

Taj Residency Hotel Employees Gratuity Trust

for the year ended March 31, 2021

Note 43: Related Party Disclosures (contd.)

## (b) The details of related party transactions during the year ended March 31, 2021 and March 31, 2020 are as follows:

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
Interest expense	4.76	-		-
·	1.53	-	0.94	-
Interest income	_	_	2.11	-
	-	-	2.03	-
Dividend Paid	23.59	-	0.10	_
	22.61	-	0.10	-
Dividend income	4.50	-	1.52	-
	4.60	-	6.40	-
Operating/ License Fees expenses	-	-	-	-
	0.21	-	-	-
Operating fees income	11.68	-	20.20	-
	12.73	-	55.20	-
Purchase of goods and services	52.18	-	2.04	-
	72.02	-	2.60	-
Sale of goods and services	24.19	-	1.53	-
	56.28	-	1.01	-
Purchase of shares	6.60	-	4.99	-
	-	-	2.99	-
Sale of shares	-	-	-	-
	-	-	29.79	-
Deputed staff reimbursements	0.04	-	8.10	-
	-	-	9.52	-
Deputed staff out	0.98	-	22.73	-
	0.23	-	30.80	-
Other cost reimbursements	0.05	-	0.26	-
	0.60	-	0.78	-
Loyalty expense (Net of redemption credit)	-	-	0.40	-
	0.07	-	5.15	-
Contribution to funds	-	-	-	17.63
	-	-	-	49.09
Inter Corporate Deposit ("ICD") Raised	30.00	-	-	-
	55.00	-	23.00	-
ICD Repaid	15.00	-	-	-
	15.00	-	35.00	-
ICD Placed	-	-	1.11	-
	-	-	3.55	-
ICD Encashed	-	-	0.30	-
	-		3.00	-
Remuneration paid / payable	-	7.23	-	-
(Refer Footnote (ii) & (iii))	-	14.57	-	-



for the year ended March 31, 2021

Note 43: Related Party Disclosures (contd.)

(₹ crores)

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
Trade receivables (Refer Note 14)	6.35	-	33.51	-
	10.00	-	34.52	-
Trade payables (Refer Note 20)	8.84	-	1.30	-
	17.56	-	2.00	-
Other Receivable/ (Other Payable)	0.57	-	14.91	-
(Refer Note 10 and 21)	0.74	-	80.73	-
Interest Receivable	-	-	0.02	-
(Refer Note 10)	-	-	0.49	-
Interest Payable	0.06	-	-	-
(Refer Note 21)	0.08	-	-	-
Loan Receivable	-	-	12.75	-
(Refer Note 9)	-	-	23.24	-
Allowance for doubtful loan	-	-	3.17	-
(Refer Note 9)	-	-	3.17	-
Option Deposit	71.10	-	-	-
(Refer Note 21)	71.10	-	-	-
Deposits Payable	55.05	-	-	-
(Refer Note 19)	40.05	-	-	-
Deposits Receivable	0.08	-	10.98	-
(Refer Note 10)	0.08	-	-	-

<sup>\*</sup> Including its subsidiaries and joint ventures

#### Footnotes:

<sup>#</sup> Including its subsidiaries

Figures in italics are of the previous periods.

Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company's liability to all its employees.

<sup>(</sup>iii) The remuneration paid/ payable to Managing Director & CEO for the years ended March 31, 2021 and March 31, 2020 is ₹ 7.23 crores and ₹ 14.57 crores, respectively. For the year ended March 31, 2021, remuneration includes ₹ 3.24 crores of incentive remuneration, being part of minimum remuneration, which is accrued based on recommendation by the Nomination and Remuneration Committee. The total managerial remuneration for the financial year (amounting to ₹7.23 crores) exceed the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by ₹ 5.91 crores. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual general Meeting.

<sup>(</sup>iv) From time to time key management personnel of the group including directors of entities, which they have control or significant influence, may purchase services from the group, those purchase are on the same terms and conditions as those entered into with other group employees or customers.

for the year ended March 31, 2021

Interest Payable

**Puneet Chhatwal** 

Deposit outstanding

**Remuneration to Key Management Personnel** 

#### Note 43: Related Party Disclosures (contd.)

#### (c) Statement of Material Transactions

		(₹ crores)
	March 31, 2021	March 31, 2020
Company having substantial interest and its subsidiaries and joint ventures		
Tata Sons Private Limited		
Dividend income	4.50	4.50
Dividend paid	22.65	21.66
Trade payables	-	4.09
Sale of goods and services	3.46	6.65
Other cost reimbursements	0.04	0.57
Deposits Receivable	-	0.08
Tata SIA Airlines Limited		
Sale of goods and services	4.49	19.60
Tata AIG General Insurance Company Limited		
Purchase of goods and services	17.99	9.90
Tata Realty and Infrastructure Limited		
Option Deposit	71.10	71.10
Tata Zambia Limited		
Operating / Licence fees expense	-	0.21
Tata Consultancy Services Limited		
Operating fees income	10.75	-
Purchase of goods and services	24.34	56.86
Sale of goods and services	10.30	17.10
Trade receivables	1.89	3.57
Trade payables	6.54	9.57
Tata Communications Ltd.		
Trade Payables	1.17	2.39
Tata International Limited		
Interest expense	0.65	-
ICD Raised	15.00	-
Interest Payable	0.06	-
Deposit outstanding	15.00	-
Purchase of shares	6.60	-
Taj Air Limited		
Interest expense	4.10	1.53
ICD Raised	15.00	55.00
ICD Repaid	15.00	15.00

0.08

40.00

14.57

40.00

7.23



for the year ended March 31, 2021

Note 43: Related Party Disclosures (contd.)

(	₹	cr	or	es

		(\ crores)
	March 31, 2021	March 31, 2020
Associates		
Oriental Hotels Ltd.		
Operating fees income	9.80	23.91
Deputed staff reimbursement	3.48	4.11
Deputed staff out	11.06	14.68
Loyalty expense (Net of redemption credit)	0.36	3.24
Other cost reimbursements	0.07	0.32
Trade receivables	9.70	8.37
Trade Payables	1.79	1.79
Other Receivable / (Payable)	4.83	-
Dividend Income	1.25	3.28
Taida Trading & Industries Ltd.		
Interest income	0.63	0.58
Interest receivable	0.02	0.45
ICD Placed	1.11	0.55
Loan Receivable	7.70	6.59
Allowance for doubtful loan	3.17	3.17
Joint Ventures		
Taj GVK Hotels & Resorts Ltd.		
Operating fees income	4.41	12.65
Deputed staff reimbursement	2.73	3.56
	5.22	8.42
Deputed staff out		
Other cost reimbursements Trade Receivables	0.12	0.29
Other Receivable / (Payable)	15.72 5.70	11.04
Taj Kerala Hotels & Resorts Ltd.		
Deputed staff reimbursement	0.91	-
Other Receivable / (Payable)	3.92	-
Loyalty expense (Net of redemption credit)	0.05	-
Purchase of shares	4.99	-
Taj Karnataka Hotels & Resorts Ltd.		
Interest income	0.48	0.48
ICD Encashed	0.30	-
Other Receivable / (Payable)	0.07	-
Loan Receivable	5.05	5.35
Loyalty expense (Net of redemption credit)	0.06	-
Taj SATS Air Catering Ltd.		
Interest expense	-	0.94
Sale of shares	<u>-</u>	29.79
ICD Raised	<u>-</u>	23.00
ICD Encashed	<u>-</u>	35.00
Other Receivable / (Payable)	-	(0.89)
Taj Safaris Ltd.		
Other Receivable / (Payable)	0.13	-
Purchase of Shares	-	2.99
ICP Encashed	-	3.00
ICD Placed	-	3.00

for the year ended March 31, 2021

Note 43: Related Party Disclosures (contd.)

(₹ crores)

		(( 010103)
	March 31, 2021	March 31, 2020
Kaveri Retreat & Resorts Limited		
Other receivable/(Other payable)	(0.35)	(0.50)
TAL Hotels & Resorts Ltd.		
Dividend income	-	2.03
Interest income	1.00	0.96
Operating fees income	-	7.14
Other cost reimbursements	0.04	-
Other receivable/(Other payable)	-	(0.27)
Loan Receivable	10.98	11.30
Loyalty expense (Net of redemption credit)	0.07	1.38
IHMS Hotels (SA)(Pty) Ltd.		
Trade Receivable	-	5.87
Other Receivable	-	75.56
Post-employment benefits plans		
Contribution to superannuation fund	4.65	4.89
Contribution to provident fund	11.80	23.45
Contribution to Gratuity Fund	<u> </u>	19.75

#### **Note 44: Segment Information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director and Chief Executive Officer of the Company who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker. From the internal organisation of the Group's activities and consistent with the internal reporting provided to the chief operating decision-maker and after considering the nature of its services, the ultimate customer availing those services and the methods used by it to provide those services, "Hotel Services" has been identified to be the Group's sole operating segment. Hotel Services include "Revenue from Operations" including Management and Operating Fees where hotels are not owned or leased by the Group. The organisation is largely managed separately by property based on centrally driven policies and the results and cash flows of the period, financial position as of each reporting date aggregated for the assessment by the Managing Director and Chief Executive Officer. The Group's management reporting and controlling systems principally use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under Ind AS. As the Group is engaged in a single operating segment, segment information that has been tabulated below is Group-wide:

(₹ crores) Revenue from Hotel Services by Non-current assets (see footnote below) location of operations Country March 31, 2021 March 31, 2020 March 31, 2020 March 31, 2021 India 1,430.19 3,394.06 5,793.52 5,982.76 U.S.A. 96.82 665.63 1,050.16 1,118.33 U.K. 42.42 403.45 1,236.13 1,163.40 Other Overseas locations 5.73 432.29 0.02 **Total** 1,575.16 4.463.14 8,512.10 8,264.51

Footnote: Non-current assets exclude financial assets, deferred tax assets and goodwill.

No single customer contributes more than 10% or more of the Group's total revenue for the years ended March 31, 2021 and March 31, 2020.



for the year ended March 31, 2021

Note 45: Additional Information as Required under Schedule III to the Companies Act, 2013, of Enterprises consolidated as Subsidiary / Associates / Joint Ventures

	Net asse total assets r liabili	ninus total	Share in pro	fit or loss	Share in c comprehensiv		Share in total comprehensive income	
Name of the entity of the Group	As % of consolidated net assets	₹crores	As % of consolidated profit or loss	₹crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹crores
Parent								
The Indian Hotels Company Ltd.	92.71%	3,970.57	(72.87)%	(524.78)	86.98%	209.06	(65.81)%	(315.72)
Subsidiaries								
Indian								
Piem Hotels Ltd.	13.35%	571.83	(9.55)%	(68.76)	10.80%	25.95	(8.92)%	(42.81)
Benares Hotels Ltd.	1.69%	72.23	(0.73)%	(5.23)	0.05%	0.13	(1.06)%	(5.10)
United Hotels Ltd.	0.43%	18.35	(0.77)%	(5.51)	0.17%	0.42	(1.06)%	(5.09)
Roots Corporation Ltd.	3.39%	145.36	(6.86)%	(49.38)	0.05%	0.13	(10.27)%	(49.25)
Inditravel Ltd.	0.12%	4.98	(0.11)%	(0.76)	0.01%	0.03	(0.15)%	(0.73)
Taj Trade & Transport Company Ltd.	0.17%	7.08	(0.55)%	(3.97)	0.01%	0.02	(0.82)%	(3.95)
KTC Hotels Ltd.	0.07%	2.87	0.03%	0.19	-	-	0.04%	0.19
Northern India Hotels Ltd.	0.78%	33.32	0.34%	2.42	-	-	0.50%	2.42
Taj Enterprises Ltd.	0.13%	5.67	(0.22)%	(1.59)	-	-	(0.33)%	(1.59)
Skydeck Properties and Developers Private Ltd.	10.50%	449.58	0.02%	0.12	-	-	0.03%	0.12
Sheena Investments Private Ltd.	0.07%	2.91	0.01%	0.08	-	-	0.02%	0.08
ELEL Hotels and Investments Ltd.	12.97%	555.55	(1.96)%	(14.15)	-	-	(2.95)%	(14.15)
Luthria and Lalchandani Hotel and Properties Private Ltd.	-	(0.04)	-	-	-	-	-	-
Ideal Ice & Cold Storage Company Ltd.	-	(0.01)	-	-	-	-	-	-
Foreign								
United Overseas Holdings Inc.	10.97%	470.00	(33.55)%	(241.60)	_	_	(50.36)%	(241.60)
St. James Court Hotel Ltd.	14.93%	639.54	(9.34)%	(67.27)	-	-	(14.02)%	(67.27)
Taj International Hotels Ltd.	0.04%	1.58	(1.08)%	(7.77)	-	-	(1.62)%	(7.77)
Taj International Hotels (H.K.) Ltd.	3.08%	131.96	0.33%	2.37	-	-	0.49%	2.37
Piem International (HK) Ltd.	3.62%	155.25	(3.07)%	(22.08)	-	-	(4.60)%	(22.08)
IHOCO BV.	51.63%	2,211.15	(38.96)%	(280.55)	-	-	(58.48)%	(280.55)
IHMS Hotels (SA) Proprietary Ltd. (Refer Footenote ii)	1.89%	80.76	(0.04)%	(0.30)	-	-	(0.06)%	(0.30)
Good Hope Palace Hotels Proprietary Limited	2.37%	101.55	4.85%	34.93	-	-	7.28%	34.93
Non-controlling interests in all subsidiaries		634.57		75.52		(26.91)		48.61

for the year ended March 31, 2021

Note 45: Additional Information as Required under Schedule III to the Companies Act, 2013, of Enterprises consolidated as Subsidiary / Associates / Joint Ventures (contd.)

	Net asse total assets r liabili	ninus total	Share in prof	fit or loss	Share in other comprehensive income		Share in total comprehensive income	
Name of the entity of the Group	As % of consolidated net assets	₹ crores	As % of consolidated profit or loss	₹crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores
Associates (Investment as per the								
equity method)								
Indian								
Oriental Hotels Ltd.	4.91%	210.40	(3.53)%	(25.42)	(0.02)%	(0.04)	(5.31)%	(25.46)
Taj Madurai Ltd	0.12%	4.95	0.02%	0.11	0.45%	1.07	0.25%	1.18
Taida Trading & Industries Ltd (Refer Footnote i)	-	-	-	-	-	-	-	-
Foreign								
Lanka Island Resorts Ltd.	0.70%	29.90	(0.40)%	(2.89)	(0.03)%	(0.07)	(0.62)%	(2.96)
TAL Lanka Hotels Plc	0.03%	1.25	(1.39)%	(10.02)	(0.07)%	(0.18)	(2.13)%	(10.20)
Bjets Pte Ltd. (Refer Footnote i)	-	-	-	-	-	-	-	-
Joint Ventures (Investment as per the equity method)								
Indian								
Taj GVK Hotels and Resorts Ltd.	2.70%	115.66	(1.03)%	(7.41)	(0.06)%	(0.14)	(1.57)%	(7.55)
Taj Kerala Hotels and Resorts Ltd.	0.34%	14.72	(0.60)%	(4.30)	0.03%	0.08	(0.88)%	(4.22)
Taj SATS Air Catering Ltd.	0.98%	41.78	(4.24)%	(30.51)	0.97%	2.34	(5.87)%	(28.17)
Taj Karnataka Hotels and Resorts Ltd.	(0.03)%	(1.45)	0.01%	0.10	_	_	0.02%	0.10
Taj Safaris Ltd.	0.21%	9.13	0.01%	0.05	0.01%	0.03	0.02%	0.08
Kaveri Retreat & Resorts Ltd	1.06%	45.24	0.24%	1.75	-	-	0.36%	1.75
Zarrenstar Hospitality Private Ltd	-	-	-	-	-	-	-	-
Foreign								
IHMS Hotels (SA)(Pty) Ltd. (Refer Footnote ii)	-	-	(0.52)%	(3.77)	-	-	(0.79)%	(3.77)
TAL Hotels & Resorts Ltd.	2.46%	105.35	(2.66)%	(19.12)	(0.07)%	(0.17)	(4.02)%	(19.29)
Consolidation Adjustments / Eliminations	(153.18)%	(6,560.53)	77.68%	559.39	11.90%	28.61	122.56%	588.00
TOTAL	100.00%	4,283.01	100.00%	(720.11)	100.00%	240.36	100.00%	(479.75)

#### Footnotes:

#### Note 46: Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'.

	March 31, 2021	March 31, 2020
Profit/(Loss) after tax (owner's share) – (₹ crores)	(720.11)	354.42
Weighted average number of Equity Shares	118,92,58,445	118,92,58,445
Earnings Per Share - Basic and Diluted - (₹)	(6.05)	2.98
Face Value per Equity Share (₹)	1	1

i) The carrying value of these investments in Associates has been reported as Nil, as the Group's share of losses exceeds the cost of investments.

ii) IHMS Hotels (SA)(Pty) Ltd. has been accounted as Joint venture till june 30, 2020. Persuant to it becoming a subsidiary on July 1, 2020, it has been accounted as a subsidiary from the date of acquisition.



for the year ended March 31, 2021

#### Note 47: Going Concern

#### **Negative working capital:**

As at the year end, the group's current liabilities have exceeded its current assets by ₹ 1,794.18 crores primarily on account of current maturities of long term borrowings aggregating ₹ 1,166.48 crores and liabilities on account of derivative and other contracts aggregating to ₹ 319 crores falling due within 12 months following the balance sheet date. The Group has secured additional financing for the next 12 months to prevent disruption of the operating cash flows and enable the Group meet its debts and obligations as they fall due. Accordingly, the financial statements of the Group are prepared on a going concern basis.

#### Impact of COVID – 19

The Group and its associates and joint ventures faces significant uncertainties due to COVID-19 which have impacted the operations of these entities adversely starting from the month of March 2020 onwards. Management of the individual entities has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate financing requirements.

Subsequent to the reporting date, the group has undrawn lines of credit aggregating ₹ 980.33 crores. In addition, the group continues to engage with the banks and financial institutions and evaluating options to raise money for future operation needs. Also refer note 2 (e) Estimation uncertainty due to COVID-19.

Based on aforesaid assessment, management believes that as per estimates made conservatively, the group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as at March 31, 2021.

#### **Note 48: Government Grants**

#### a) Government grants for the purpose of supporting businesses during the Covid 19 pandemic:

i. Corona Virus Job Retention Scheme in the United Kingdom (UK):

St James Court Limited (SJCL) and Taj International Hotels Limited (TIHL), subsidiaries of the Group in UK, have received grants of ₹ 35.50 crores (£ 3.67 million) and ₹ 9.67 crores (£ 1.00 million) under the Government's furlough scheme during the year. These grants are given for specified staff over a specified period of time during which they are not permitted to work for the company due to the pandemic. The grant is not repayable provided the conditions of grant have been met. The Group believes it has met all the required conditions. The amounts reimbursed to the companies for the furloughed staff are netted off against the company's payroll cost.

#### ii. Business Rates Relief Scheme (UK):

Under this scheme, property taxes were levied at nil rate for the eligible business. St James Court Limited received benefits under the Business Rates holiday from the government, amounting to ₹ 27.67 crores (£2.86 million) for FY 2020-21.

#### iii. Employee Retention Card Scheme in the United States of America (USA):

United Overseas Holding Inc. (UOH), wholly owned subsidiary, availed benefits under the furlough scheme given by the Federal government under the COVID 19 stimulus package which allows businesses to take credit of the wages paid to employees on furlough and not working. UOH has accrued ₹ 22.72 crores (\$ 3.07 million) for the scheme. The amounts reimbursed to the companies for the furloughed staff are netted off against the company's payroll cost.



for the year ended March 31, 2021

Note 48: Government Grants (contd.)

#### b) Revenue grant under the Assam Industrial Policy

The Company had invested in a Greenfield Project in Guwahati, Assam which is eligible as "Mega Project" under the Industrial and Investment Policy of Assam, 2014 and is entitled to apply for the revenue grant under the Assam Industrial Policy. During the year, on receipt of the requisite eligibility certificate from the regulatory authority, the Company accrued income of ₹ 12.69 crores towards reimbursement of taxes for the past years & ₹ 0.45 crore for the current financial year which has been recognised in "Other Operating Income". This grant is expected to be received by the Company once the verification of claims/ scrutiny & assessment of the previous year's taxes is completed by the said department. (Refer Note 32 (d))

#### Note 49: Dividends

Dividends paid during the year ended March 31, 2021 out of Retained Earning was ₹ 0.50 per equity share for the year ended March 31, 2020, aggregating to ₹ 59.46 crores.

The dividends declared by the Company are based on the profits available for distribution as reported in the standalone financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2021, retained earnings not transferred to reserves available for distribution was ₹ 250.64 crores.

On April 30, 2021, the Board of Directors of the Company have proposed a final dividend of  $\mathfrak{T}$  0.40 per share in respect of the year ended March 31, 2021, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of  $\mathfrak{T}$  47.57 crores.

As per our report of even date as attached

For and on behalf of the Board

For **B S R & Co. LLP** Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

Tarun Kinger

Partner Membership No. 105003

Mumbai, April 30, 2021

N. Chandrasekaran

Chairman DIN: 00121863

Nasser Munjee

Director DIN: 00010180

Giridhar Sanjeevi

Executive Vice President & Chief Financial Officer

**Puneet Chhatwal** 

Managing Director & CEO DIN: 07624616

**Beejal Desai** 

Senior Vice President - Corporate Affairs & Company Secretary (Group)

## IHCL |

Form AOC -

(Pursuant to first provison to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014) Statement Containing Salient Features of the Financial Statement of Subsidiaries/ Associate Companies / Joint Ventures

Part "A": Subsidiaries

										Profit/	1000	713000		
Sr. No	Name of Subsidiary Company	subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest- ments	Total Income	(Loss) before	for	Loss) after taxation	Proposed Dividend	Effective shareholding
				₹crores	₹ crores	₹crores	₹crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	%
	Indian													
Т	Piem Hotels Ltd.	March 13, 1968	INR	3.81	575.61	798.97	219.55	156.20	154.01	(96.21)	(27.45)	(68.76)	1	51.57%
7	Benares Hotels Ltd.	November 03, 1971	INR	1.30	70.93	90.89	18.66	•	24.81	(6.97)	(1.74)	(5.23)	1	51.68%
3	United Hotels Ltd.	November 07, 1950	INR	8.40	9.92	38.62	20.27	1.81	15.95	(7.33)	(1.82)	(5.51)	1	22.00%
4	Roots Corporation Ltd.	December 24, 2003	INR	94.03	51.33	687.54	542.18	1	134.86	(49.38)	•	(49.38)	1	63.74%
2	Inditravel Ltd.	February 19, 1981	INR	0.72	15.43	16.69	0.54	7.00	0.21	(0.86)	(0.10)	(0.76)	1	78.88%
9	Taj Trade & Transport Co Ltd.	November 02, 1977	INR	3.47	5.48	16.70	7.75	4.77	3.94	(3.97)	1	(3.97)	ı	73.03%
7	KTC Hotels Ltd.	December 22, 1984	INR	09.0	2.27	99.5	2.79	1	0.35	0.25	90.0	0.19	1	100.00%
∞	Northern India Hotels Ltd.	August 18, 1971	INR	0.44	32.88	33.54	0.22	0.10	3.55	3.23	0.81	2.42	1	48.56%
6	Taj Enterprises Ltd.	July 18, 1979	INR	0.50	5.17	7.37	1.70	0.07	3.10	(2.05)	(0.46)	(1.59)	1	93.40%
10	Skydeck Properties and Developers Private Ltd.	May 13, 1998	INR	893.03	(443.46)	529.48	79.91	528.61	1.28	0.16	0.04	0.12	1	100.00%
11	Sheena Investments Private Ltd.	February 12, 1990	INR	1.00	1.91	2.94	0.03	0.40	0.13	0.11	0.03	0.08	ı	100.00%
12	ELEL Hotels and Investments Ltd.	July 09, 1979	INR	2.82	552.72	614.21	58.67	0.32	0.19	(14.15)	1	(14.15)	1	85.72%
13	Luthria and Lalchandani Hotel and Properties Private Ltd.	February 18, 2008	INR	0.01	(0.05)	0.01	0.05	1	1	1	1	1	1	87.15%
14	Ideal Ice & Cold Storage Company Ltd.	March 19, 2021	N R	0.98	(1.78)	0.04	0.84	•	•	1	1	1	1	100.00%
	Foreign													
15	United Overseas Holdings Inc.	August 24, 2015	USD	1,501.83	(1,031.83)	1,083.87	613.87	1	103.42	(241.51)	0.09	(241.60)		100.00%
16		February 17, 2000	GBP	570.25	69.28	1,298.58	659.05	1	43.20	(76.23)	(8.96)	(67.27)	1	72.25%
17	Taj International Hotels Ltd.	July 5, 1995	GBP	1	1.58	36.71	35.13	1	12.54	(9.23)	(1.46)	(7.77)	1	100.00%
18	Taj International Hotels (H.K.) Ltd.	December 02, 1980	OSD	1,683.14	(1,551.18)	132.04	0.08	1	2.47	2.37	1	2.37	1	100.00%
19	Piem International (HK) Ltd.	September 08, 1994	OSD	58.54	176.12	234.73	0.07	232.64	0.01	(0.10)	1	(0.10)	1	51.57%
20		December 18, 1997	OSD	193.07	1,719.86	1,914.23	1.30	1,887.32	4.84	(279.44)	1.11	(280.55)	1	100.00%
21	IHMS Hotels (SA) (Proprietary) Ltd. (Refer note (iii))	July 1, 2020	ZAR	85.70	(4.94)	80.76	1	•	1	(0.30)	1	(0:30)	1	100.00%
22	Good Hope Palace Hotels Proprietary Ltd. (Refer note (iii))	July 1, 2020	ZAR	147.81	(343.77)	150.95	346.91	'	31.29	34.93	1	34.93	'	100.00%
Foot	Footnotes:													

The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2021

Names of subsidiaries which are yet to commence operations - None

During the year, Group has acquired entire stake in IHMS Hotels (SA) (Proprietary) Ltd ("IHMS SA") consequently IHMS SA along with its subsidiary has become a wholly owned subsidiaries.

Exchange rates as at 31.03.2021: 1 USD = ₹ 73.18; 1 GBP = ₹ 100.88; 1 ZAR = ₹ 4.94 Average exchange rate for the year (for Profit & Loss items): 1 USD = ₹ 74.0228; 1 GBP = ₹ 96.7392; 1 ZAR = ₹ 4.5412 

Part "B": Associates and Joint Ventures

Sr. No.			deider ac check				040140441,440			201441111111111111111111111111111111111	Reason
	Name of Associates/ Joint Ventures	Latest Audited Balance sheet date	the Associate or Joint Venture was associated or acquired	No. of shares (Refer Note vi)	Amount of Investment	Extent of Holding	shareholding shareholding as per latest audited Balance Sheet	Considered in Consolidation (to the extent of Group's effective shareholding)	Not Considered in Consolidation	of how there is significant influence	why the associate/ joint venture is not consolidated
-	ndian				₹ crores	%	₹ crores	₹ crores	₹ crores		
10 5	Oriental Hotels Ltd. (Refer note (vii))	March 31, 2021	September 18, 1970	66,166,530	122.19	35.67%	160.74	(25.42)	ı	Note (iii)	'
2 Tē	Taj Madurai Ltd	March 31, 2021	March 16, 1990	912,000	0.95	26.00%	4.90	0.11	1	Note (iii)	1
3 TS	Taida Trading & Industries Ltd (Refer note (v))	March 31, 2021	July 09, 1959	65,992	0.62	34.78%	1	1	ı	Note (iii)	1
Ĺ	Foreign										
4 Lã	Lanka Island Resorts Ltd.	March 31, 2021	May 26, 1995	19,965,525	38.15	24.66%	8.18	(2.89)	ı	Note (iii)	1
	TAL Lanka Hotels Plc	March 31, 2021	June 14, 1980	34,375,640	18.72	24.62%	1.93	(10.02)	1	Note (iii)	1
6 B	Bjets Pte Ltd. (Refer note (v))	December 31, 2020	November 28, 2007	20,000,000	102.59	45.69%	1	1	1	Note (iii)	1
=	Indian										
7 Ta	Taj GVK Hotels and Resorts Ltd.	December 31, 2020	February 02, 1995	16,000,400	40.34	25.52%	94.95	(7.41)	1	Note (iv)	1
8 T	Taj Kerala Hotels and Resorts Ltd.	March 31, 2021	May 07, 1991	14,151,664	20.66	28.78%	12.96	(4.30)	1	Note (iv)	1
9 Ts	Taj SATS Air Catering Ltd.	March 31, 2021	August 28, 2001	8,874,000	61.82	51.00%	117.31	(30.51)	1		
10 Ta	Faj Karnataka Hotels and Resorts Ltd.	March 31, 2021	February 15, 1995	1,398,740	1.40	44.27%	(1.49)	0.10		Note (iv)	1
11 Ta	Taj Safaris Ltd.	March 31, 2021	October 07, 2004	29,720,502	28.93	41.81%	6.99	0.05	1	Note (iv)	1
12 K	Kaveri Retreat & Resorts Ltd	March 31, 2021	October 25, 2005	13,176,467	44.80	20.00%	35.74	1.75	1	Note (iv)	ı
13 Zi	Zarrenstar Hospitality Private Ltd (Refer note (i))	March 31, 2021	February 05, 2020	П	1	20.00%				Note (iv)	1
ű	Foreign										
14 H (F	IHMS Hotels (SA) (Proprietary) Ltd. (Refer note (viii))	March 31, 2021	June 07, 2006	86,739,958	1	20.00%	1	(3.77)	ı	Note (iv)	1
15 T/	TAL Hotels & Resorts Ltd.	March 31, 2021	March 16, 2001	4,946,282	38.03	27.49%	92.73	(19.12)		Note (iv)	'
Notes:	: Names of Associates/ Inint Vanture which are vet to commence onerations . Zarrenstar	ture which are vet to	commence oneration	s - Zarrenstar		For and on	For and on behalf of the Board	ard			
	Hospitality Private Ltd.					N Chandracokan	acredos		Dinoot Chhatical	-	
	Names of Associates/Joint Venture which have been liquidated or sold during the ye There is significant influence due to percentage(%) of share holding (more than 20%)	which have been liquid: percentage(%) of share	ated or sold during the year - Nil holding (more than 20%).	rear - Nil 5).		Chairman DIN: 00121863	863		Managing Director & CEO DIN: 07624616	or & CEO	
2 3	These are joint ventures. The carrying value of these investments in Associates has been renorted as Nil as the Groun's share	ents in Associates has be	en reported as Nil as the	e Groun's share	ē						
	of losses exceeds the cost of investments.	ments.	-			Executive Vice Pre	Executive Vice President &		Nasser Munjee Director		
(i) (ii)	Number of shares includes shares held directly by Parent or through its subsidiaries. This includes 22,34,860 number of shares held in the form of Global Depository Receipts (GDR).	neld directly by Parent or shares held in the form c	r through its subsidiaries of Global Depository Rec	s. eipts (GDR).		Chief Financial Officer	cial Officer		DIN: 00010180		
(iii)	During the year, Group has acquired entire stake in IHMS Hotels (SA) (Proprietary) Ltd ("IHMS SA") consequently IHMS SA along with its subsidiary has become a wholly owned subsidiaries.	d entire stake in IHMS H	otels (SA) (Proprietary) I a wholly owned subsidi	Ltd ("IHMS SA") aries.		Beejal Desai	:				
× ×	Exchange rates as at 31.03.2021: 1 ISD = ₹ 73.18.11KR = ₹ 0.3643·17AR = ₹ 4.94	7 AR = ₹ 4 94				Corporate A	Corporate Affairs & Company	γ۱			
×	Average exchange rate for the year (for Profit & Loss items): 1 USD = ₹ 74.0228: 1 LKR = ₹ 0.3901: 1 ZAR = ₹ 4.5412	(for Profit & Loss items)				Secretary (Group)	Group)				

## IHCL I

# **Consolidated Financial Statistics**

			Capital Accounts	ccounts						Rev	Revenue Accounts	s					
Year	Share Capital	Reserves and Surplus (Other Equity)	Borrowings	Gross Block	Net Block	Invest- ments	Gross Revenue	Expenditure (including Interest)	Deprecia- tion	Profit/ (Loss) before Tax	Tax Expenses	Net Profit/ (Loss) for the year @	Other Compre- hensive Income @	Total Compre- hensive t Income @	Net Transfer to General Reserves	Earning Per Share (Basic) *	Earning Per Share Diluted)*
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹crores	₹crores	₹crores	₹crores	₹crores	₹crores	₹ crores	₹ crores	₹ crores	in₹	in
2001-02	45.12	981.09	1,436.65	1,934.43	1,538.47	404.47	826.97	825.41	78.85	30.99	17.67	21.80			10.60	4.83	4.83
2002-03	45.12	1,023.08	1,374.91	2,002.40	1,569.72	390.22	894.74	887.51	75.65	26.96	18.03	28.07			5.95	6.22	6.22
2003-04	45.12	1,025.40	2,074.97	2,158.55	1,646.08	432.12	1,039.76	1,004.41	87.83	80.51	28.34	71.99			6.07	15.96	15.47
2004-05	¶ 50.25	1,269.92	1,969.33	2,950.18	2,263.48	457.06	1,337.94	1,198.53	111.73	139.67	60.23	128.50			11.00	25.55	22.47
2005-06	¶ 58.41	1,873.73	1,500.95	3,160.73	2,334.34	581.93	1,874.73	1,570.19	127.35	314.07	90.35	248.74			20.00	42.58	42.41
2006-07	▲ 60.29	2,036.33	2,055.14	4,416.09	3,382.08	514.27	2,601.13	2,076.87	160.67	532.55	196.52	370.31			35.00	6.14	6.14
2007-08	60.29	2,188.83	3,466.83	4,646.45	3,514.37	1,541.94	3,012.62	2,416.84	167.62	560.52	246.98	354.98			38.00	5.43	5.43
2008-09	Ω 72.34	3,105.55	4,646.88	5,376.11	4,072.03	2,407.68	2,756.63	2,615.91	188.53	158.51	155.77	12.46			35.09	0.15	0.15
2009-10	# 72.35	2,352.80	4,460.69	5,814.15	4,373.49	1,905.42	2,562.53	2,659.71	218.54	(33.69)	84.71	(136.88)			18.94	(1.99)	(1.99)
2010-11	& 75.95	2,570.13	4,243.01	6,120.25	4,529.51	2,505.81	2,932.20	2,920.9	227.89	23.23	92.10	(87.26)			16.67	(1.19)	(1.19)
2011-12	$\alpha$ 75.61	2,893.72	3,803.28	7,276.94	5,216.09	1,903.90	3,514.90	3,365.81	255.07	147.57	121.75	3.06			26.75	0.04	0.04
2012-13	\$ 80.75	2,898.53	3,817.64	7,736.01	5,382.94	1,563.30	3,803.52	3,664.88	288.42	(291.79)	98.96	(430.24)			5.28	(5.40)	(5.40)
2013-14	80.75	2,555.71	4,252.01	8,357.90	5,634.70	1,427.21	4,125.94	3,983.26	308.13	(412.16)	110.95	(553.85)			3.45	(98.9)	(98.9)
2014-15	80.75	2,146.47	5,074.48	8,693.44	5,820.74	1,586.90	4,287.35	4,166.92	291.29	(232.48)	114.60	(378.10)			1.65	(4.68)	(4.68)
2015-16	∓98.93	2,481.32	4,526.09	6,475.09	6,187.97	1,515.24	4,122.78	3,846.45	284.82	(91.17)	90.63	(231.08)	45.54	(185.54)	1	(2.34)	(2.34)
2016-17	98.93	2,418.76	3,382.98	5,792.33	5,259.83	1,243.71	4,075.51	3,734.78	299.37	30.58	113.74	(63.20)	34.70	(28.50)	,	(0.60)	(09:0)
2017-18	Ω 118.93	4,062.17	2,427.43	6,415.82	5,597.11	1,511.42	4,165.28	3,702.24	301.20	184.29	121.06	100.87	117.25	218.12	1	0.91	0.91
2018-19	118.93	4,229.07	2,325.98	6,980.35	5,838.78	1,335.14	4,595.38	3,872.40	327.85	401.71	157.12	286.82	(59.81)	227.01	,	2.41	2.41
2019-20	118.93	4,237.88	2,602.07	8,993.94	7,444.27	1,426.59	4,595.56	3,836.73	404.24	395.54	44.77	354.42	(9.82)	344.60	130.58	2.98	2.98
2020-21	118.93	3,529.51	3,632.84	9,874.51	7,826.73	1,483.17	1,739.88	2,339.74	409.63	(849.54)	(155.33)	(720.11)	240.36	(479.75)	32.39	(6.05)	(6.05)

Convension of foreign currency bonds into share capital.

Split of Shares of face value ₹10/- each to share of Face value ₹1/- each

After Right issue of Shares in the Ratio of 1:5

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Issue of Equity Shares, being warrants exercised pursuant to Rights Issue of Equity shares

Allotment of Shares on Preferential basis to Promoters

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Reduction due to Equity Shares owned by entities prior to their becoming subsidiaries

Conversion of Warrants into Equity Shares on exercise of warrants

After conversion of 18,18,01,228 Compulsorily Convertible Debentures into Equity Shares at a premium of ₹ 54 per share

Attributable to owners of the company

Earning Per Share is after extraordinary item

## **Notice**

Notice is hereby given that the Hundred and Twentieth (120<sup>th</sup>) Annual General Meeting of The Indian Hotels Company Limited will be held on Tuesday, June 22, 2021, at 3.00 p.m. IST through Video Conferencing / Other Audio Visual Means to transact the following business:

#### **ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Financial Statements of the Company for Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.
- To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for Financial Year ended March 31, 2021, together with the Report of the Auditors thereon.
- 3. To declare a dividend on Equity Shares for FY 2020-21.
- To appoint a Director in place of Mr. Puneet Chhatwal (DIN: 07624616) who retires by rotation and, being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

 Approval and ratification for payment of Minimum Remuneration to Mr. Puneet Chhatwal (DIN: 07624616), Managing Director & Chief Executive Officer for FY 2020-21

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and in furtherance of the Ordinary Resolution passed by the Members at the Annual General Meeting of the Company held on July 19, 2018, the Members do hereby ratify and confirm the remuneration of ₹ 7,22,69,867 paid/payable to Mr. Puneet Chhatwal (DIN: 07624616), Managing Director and Chief Executive Officer for FY 2020-21 as Minimum Remuneration as per the terms of his appointment and remuneration as contained in his employment contract including in particular an amount of ₹ 5,90,26,777 paid / payable to

him for FY 2020-21 being the amount in excess of the limits prescribed under the provisions of Section 197 read with Schedule V to the Act in view of no profits for FY 2020-21 and to waive recovery of the above mentioned sum from him, to the extent it exceeds the statutory limit laid down under the Act and also approve the consequential retention thereof by him;

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof, be and is hereby, authorised to take such steps as may be necessary - statutory, contractual or otherwise, in relation to the above, to settle all matters arising out of and incidental thereto, to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

 Approval for payment of Minimum Remuneration in case of no profits / inadequate profits to Mr. Puneet Chhatwal (DIN: 07624616), Managing Director & Chief Executive Officer from April 1, 2021 upto the remainder of his current term i.e. November 5, 2022

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and in furtherance of the Ordinary Resolution passed by the Members at the Annual General Meeting of the Company held on July 19, 2018, the Members do hereby accord their approval to pay the Minimum Remuneration to Mr. Puneet Chhatwal (DIN: 07624616), Managing Director & Chief Executive Officer as per the terms of his appointment and remuneration as contained in his employment contract for the period April 1, 2021 upto the remainder of his current term i.e. November 5, 2022 in case of no profits /inadequate profits for FY 2021-22 and FY 2022-23;

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof, be and is hereby, authorised to take such steps as may be necessary - statutory,



contractual or otherwise, in relation to the above, to settle all matters arising out of and incidental thereto, to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

#### 7. **Payment of Remuneration to Non-Executive Directors**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution: -

"RESOLVED THAT pursuant to the provisions of Section 197, 149 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory amendment, modification or re-enactment thereof for the time being in force), the rules, regulations, directions, and notifications issued/ framed thereunder and Schedule V thereto, read with the Articles of Association of the Company, and basis the recommendation of the Nomination and Remuneration Committee at its meeting held on April 28, 2021, and approval by the Board of Directors of the Company at its meeting held on April 30, 2021, consent of the Members be and is hereby accorded for payment of Remuneration to the Non-Executive Directors (including Independent Directors) of the Company in case of no profits / inadequate profits in accordance with the limits prescribed under Schedule V to the Act and the same be paid to and distributed amongst the said Non-Executice Directors (including Independent Directors) of the Company in such amounts or proportions and in such manner as may be directed by the Board of Directors of the Company for the three Financial Years 2020-21, 2021-22 and 2022-23"

#### **NOTES:**

In view of the outbreak of COVID-19 pandemic and its continuation in the current year, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 ('Act') and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January

- 13, 2021 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, read with the MCA Circulars, SEBI Circulars and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the AGM of the Company is being held through VC/OAVM on Tuesday, June 22, 2021 at 3.00 p.m. (IST). The deemed venue for the 120<sup>th</sup> AGM will be Mandlik House, Mandlik Road, Colaba, Mumbai 400 001.
- 2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
- Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 120<sup>th</sup> AGM through VC/OAVM facility. Corporate Members and Institutional Investors intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC or OAVM or to vote

#### Notice

through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutiniser by e-mail at <a href="kkdlegal@gmail.com">kkdlegal@gmail.com</a> with a copy marked to <a href="evoting@nsdl.co.in">evoting@nsdl.co.in</a>.

- 4. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 6. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 5 to 7 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
- 7. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 7 of the Notice are annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director seeking re-appointment at this AGM is also annexed. Requisite declaration has been received from the Director for seeking re-appointment.
- 8. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited's ('NSDL') e-Voting website at <a href="www.evoting.nsdl.com">www.evoting.nsdl.com</a>. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.
- 9. In line with the MCA Circulars dated May 5, 2020 and January 13, 2021 and SEBI Circulars dated May 12, 2020 and January 15, 2021, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice convening the 120<sup>th</sup> AGM

has been uploaded on the website of the Company at <a href="https://www.ihcltata.com/AGM/2021/AGM-FY2021/">https://www.ihcltata.com/AGM/2021/AGM-FY2021/</a> and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at <a href="https://www.bseindia.com">www.bseindia.com</a> and <a href="https://www.bseindia.com">www.nseindia.com</a> respectively. AGM Notice is also available on the website of NSDL at <a href="https://www.evoting.nsdl.com">www.evoting.nsdl.com</a>.

#### 10. Book Closure and Dividend:

The Company has fixed Tuesday, June 15, 2021 as the 'Record Date' for determining entitlement of Members to final dividend for Financial Year ended March 31, 2021, if approved at the AGM. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, June 16, 2021 to Tuesday, June 22, 2021; (both days inclusive). The dividend of ₹ 0.40 per equity share of ₹ 1 each (40%), if declared at the AGM, will be paid subject to deduction of tax at source ('TDS') on or after Tuesday, June 29, 2021 as under:

- (a) To all the Beneficial Owners as at the end of the day on Tuesday, June 15, 2021 as per the list of beneficial owners to be furnished by the NSDL and Central Depository Services (India) Limited ('CDSL') in respect of the shares held in electronic form; and
- (b) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Tuesday, June 15, 2021.
- 11. At the 116<sup>th</sup> AGM held on August 21, 2017, the Members approved appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 121<sup>st</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 120<sup>th</sup> AGM.

- 12. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct income tax from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, Permanent Account Number ('PAN'), Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company / its RTA by sending documents at its e-mail ID ihcldivtax@linkintime.co.in or update the same by visiting the link : https://linkintime. co.in/formsreg/submission-of-form-15g-15h.html on or before Tuesday, June 8, 2021 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/ documents on the tax determination / deduction shall be considered post 11:59 PM (IST) of Tuesday, June 8, 2021. For the detailed process, please click here: https://www.ihcltata.com/AGM/2021/TDS/.
- 13. Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means, are requested to follow the below instructions and send the details latest by Tuesday, June 8, 2021:

#### Physical Holding

- 1) Visit the link <a href="https://linkintime.co.in/emailreg/">https://linkintime.co.in/emailreg/</a> email register.html under Bank Registration - fill in the following details relating to bank account in which the dividend is to be
  - Name of Bank;
  - (ii) Bank Account Number and
  - (iii) 11 digit IFSC Code;
- 2) upload a self-attested scanned copy of the PAN
- 3) upload a self-attested scanned copy of any document (such as AADHAR Card, Passport) in support of the address of the Member as registered with the Company;
- 4) upload a self-attested scanned copy of cancelled cheque leaf bearing the name of the Member or first holder, in case shares are held jointly

- Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/ addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs. Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.
- 15. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members upon normalization of postal services and other activities.
- 16. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed Companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact Company's Registrars and Transfer Agent, Link Intime India Private Limited ('RTA') at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> for assistance in this regard. Members may also refer to Frequently Asked Questions ('FAQs') on the Company's website https://www.ihcltata.com/investors/.
- 17. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are

#### Notice

requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on <a href="https://www.iepf.gov.in">www.iepf.gov.in</a>. The Members / Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details, please refer to corporate governance report which is a part of this Annual Report.

- 18. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> in case the shares are held in physical form, quoting your folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
- 19. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. The said form can be downloaded from the Company's website at <a href="http://www.ihcltata.com/investors/">http://www.ihcltata.com/investors/</a> (under 'Investor Relations' section). Members are requested to submit the said form to their DP in case the shares are held by them in electronic form and to the RTA at <a href="rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> in case the shares are held in physical form, quoting your folio no.
- 20. The format of the Register of Members prescribed by the MCA under the Act requires the Company/RTA to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is available on the Company's website under the section 'Investor Relations'. Members holding shares in physical form are requested to submit the filled in form to the Company at <a href="investorrelations@tajhotels.com">investorrelations@tajhotels.com</a> or to the RTA in physical mode, after restoring normalcy or in electronic mode at <a href="rmt.helpdesk@linkintime.co.in">rmt.helpdesk@linkintime.co.in</a>, as per instructions mentioned in the form. Members

- holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.
- 21. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- 22. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
- 23. Documents for inspection will be available electronically, without any fee, from the date of circulation of the Notice of AGM up to the date of AGM. Members seeking to inspect such documents can send an e-mail to <u>investorrelations@tajhotels.com</u> stating their DP/Client ID or Folio Nos.
- 24. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
- 25. Process for registering email addresses to receive this Notice of AGM and Annual Report electronically and cast votes electronically:
  - (i) Registration of email addresses with Link In-time Private Limited: The Company has made special arrangements with the RTA for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/ DPs are required to provide the same to the RTA on or before 5:00 p.m. IST on Tuesday, June 8, 2021.



Process to be followed for registration of e-mail address is as follows:

- Visit the link: <a href="https://linkintime.co.in/emailreg/">https://linkintime.co.in/emailreg/</a> email\_register.html
- b) Select the Company name viz. The Indian Hotels Company Limited;
- c) Enter the DP ID & Client ID / Physical Folio Number and PAN number. In the event the PAN details are not available on record for Physical Folio, Member to enter one of the Share Certificate numbers;
- d) Upload a self-attested copy of PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation;
- e) Enter your e-mail address and mobile number;
- The system will then confirm the e-mail address for receiving this AGM Notice.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for FY 2020-21 along with the e-Voting user ID and password. In case of any queries, Members may write to rnt.helpdesk@ <u>linkintime.co.in</u> or <u>evoting@nsdl.co.in</u>.

- Registration of e-mail address permanently with Company/DP: Members are requested to register their e-mail address with their concerned DPs, in respect of electronic holding and with the RTA, in respect of physical holding, by writing to them at rnt.helpdesk@linkintime.co.in. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs / RTA to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.
- (iii) Alternatively, those Shareholders who have not registered their email addresses are required to send an email request to evoting@nsdl.co.in along with the following documents for procuring user id and password for e-Voting for the resolutions set out in this Notice:
  - In case shares are held in **physical mode**, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, selfattested scanned copy of Aadhar Card.

- In case shares are held in **demat mode**, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### 26. Process and manner for Members opting for e-Voting is as under:-

- Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.
- Members of the Company holding shares either in physical form or in electronic form as on the cutoff date of Tuesday, June 15, 2021 may cast their vote by remote e-Voting. The remote e-Voting period commences on Friday, June 18, 2021 at 9.00 a.m. (IST) and ends on **Monday, June 21, 2021** at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it

subsequently. The voting rights of the Members (for voting through remote e-Voting before the AGM and remote e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Tuesday, June 15, 2021.

- III. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the member has already cast the vote through remote e-Voting.
- IV. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e. Tuesday, June 15, 2021 may obtain the User ID and password by sending a request at evoting@nsdl.co.in.
- V. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
- VI. The Scrutinizer will submit his report to the Chairman or to any other person authorised by the Chairman after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes casted through remote e-Voting), not later than

48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the stock exchanges on which the Company's shares are listed, NSDL, and RTA and will also be displayed on the Company's website at <a href="https://www.ihcltata.com/investors/">https://www.ihcltata.com/investors/</a>.

# VII. The instructions for members for attending the AGM through VC/OAVM are as under:

- The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned below for 'Access to NSDL e-Voting system'. The link for VC/OAVM will be available in 'Member login' where the EVEN of Company will be displayed. After successful login, the Members will be able to see the link of 'VC/ OAVM link' placed under the tab 'Join Annual General Meeting' against the name of the Company. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM through a live webcast of the meeting and submit votes on announcement by the Chairman.
- ii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iii. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at this AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's e-mail address at investorrelations@tajhotels.com



- before 3.00 p.m. (IST) on Friday, June 18, 2021. Such queries will be appropriately responded by the Company.
- Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investorrelations@tajhotels. com between Wednesday, June 16, 2021
- (9:00 a.m. IST) and Friday, June 18, 2021 (5:00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or call on toll free nos. :-1800 1020 990 and 1800 22 44 30 or contact Mr. Amit Vishal, Senior Manager - NSDL at amitv@nsdl.co.in or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in.

#### VIII. The instructions for e-voting before / during the AGM are as under:

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below: Step 1: Access to NSDL e-Voting system at <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>

#### Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of the Circular issued by the Securities Exchange Board of India dated 9th December 2020, in relation to e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

#### Type of shareholders Login Method Individual 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Shareholders holding securities in demat Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After mode with NSDL. successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl. com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Individual Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made Shareholders holding available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. securities in demat

of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.

the respective ESP i.e. NSDL where the e-Voting is in progress.

Registration/EasiRegistration

2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links

3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/

4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for

mode with CDSL

#### Notice

Type of shareholders	Login Method
Individual	You can also login using the login credentials of your demat account through your Depository Participant registered
Shareholders	with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting
(holding securities	option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see
in demat mode)	e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will
login through	be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual
their depository	meeting & voting during the meeting.
participants	

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:-

Login Method	Helpdesk details
Individual	Members facing any technical issue
Shareholders holding	in login can contact NSDL helpdesk by
securities in demat	sending a request at evoting@nsdl.co.in
mode with NSDL	or call at toll free no.: 1800 1020 990 and
	1800 224 430
Individual	Members facing any technical
Shareholders	issue in login can contact CDSL
holding securities in	helpdesk by sending a request at
demat mode with	helpdesk.evoting@cdslindia.com
CDSL	or contact at 022-23058738 or
	022-23058542-43

- B) Log-in method for e-Voting for the Members other than Individual Members holding securities in Demat mode and Members holding securities in physical mode
  - Visit the e-Voting website of NSDL. Open web browser by typing the following: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.
  - 2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
  - 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

4. Your User ID details are given below:

i.e.	nner of holding shares Demat (NSDL or CDSL) Physical	Your User ID is:
i)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
ii)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12************************************
iii)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if Folio Number is 001*** and EVEN is 116038 then user ID is 116038001***

- 5. Your password details are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - iii) How to retrieve your 'initial password'?

If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and



open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
  - 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
  - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL
- After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
- Now, you will have to click on 'Login' button.
- After you click on the 'Login' button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join the AGM on NSDL e-Voting system.

#### How to cast your vote electronically and join the AGM on NSDL e-Voting system?

i. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.

- Select 'EVEN' of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join General Meeting'.
- iii. Now you are ready for e-Voting as the Voting page opens.
- iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- Upon confirmation, the message 'Vote cast successfully' ٧. will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### Instructions for e-Voting during the AGM are as under:

- The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/ OAVM.
- Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

#### **General Guidelines for Members**

- Institutional/ Corporate Shareholders (i.e. other than individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to kkdlegal@gmail. **com**, with a copy marked to **evoting@nsdl.co.in**.
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you

- will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on <a href="https://www.evoting.nsdl.com">www.evoting.nsdl.com</a> to reset the password.
- iii. In case of any queries /grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available in the download section of <a href="www.evoting.nsdl.com">www.evoting.nsdl.com</a> or call on the toll-free numbers: 1800 1020 990 /1800 224 430 or send a request at <a href="evoting@nsdl.co.in">evoting@nsdl.co.in</a>. In case of any grievances connected with facility for e-Voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: <a href="evoting@nsdl.co.in">evoting@nsdl.co.in</a>.

By Order of the Board of Directors

## Beejal Desai

Senior Vice President Corporate Affairs & Company Secretary (Group)

F.C.S No.: 3320

Mumbai, April 30, 2021

## **Registered Office:**

Mandlik House, Mandlik Road, Mumbai 400 001.

CIN: L74999MH1902PLC000183

Tel.: 022 66395515 Fax: 022 22027442

Email: investorrelations@tajhotels.com

Website: www.ihcltata.com



## **EXPLANATORY STATEMENT**

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 5 to 7 of the accompanying Notice dated April 30, 2021.

## Item Nos. 5 & 6

Members had approved, at the 117<sup>th</sup> Annual General Meeting held on July 19, 2018, the appointment of Mr. Puneet Chhatwal, by way of Ordinary Resolution, as the Managing Director & CEO ('Mr. Chhatwal' or 'MD') of the Company for a tenure of five years commencing from November 6, 2017 up to November 5, 2022 including the terms of his remuneration as summarised below:

## Remuneration:

## A) Basic Salary:

Current Basic Salary of ₹ 13.50 lakhs per month; Upto a maximum of ₹ 22 lakhs per month. The annual increments will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee ('NRC') and will be performance-based and take into account the Company's performance as well, within the said maximum amount.

## Benefits, Perquisites & Allowances:

Details of Benefits, Perquisites and Allowances are as follows:

- (a) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.
- (b) Special Allowance at 85% of Basic Salary per annum.
- (c) Hospitalisation, Transport, Telecommunication and other facilities as under:
  - Hospitalisation and major medical expenses incurred for self and family
  - · Car with driver provided, maintained by the Company for official and personal use as per Rules of the Company

- Telecommunication facilities including broadband, internet and mobile as per Rules of the Company
- Housing loan as per Rules of the Company.
- (d) Other perquisites and allowances given below subject to a maximum of 55% of basic salary per annum. This includes:

•	Medical allowance,	8.33%
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- Leave Travel Concession/Allowance, 8.33%
- Other Allowances, 33.34%
- Personal Accident Insurance @ actuals, as applicable for the Members of the Executive Committee Level of the Company & Annual club membership/joining fees for one club, both subject to a cap of 5%.
- (e) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the Rules of the Company. In case of no contribution to the Superannuation Fund, the same would be payable as an allowance as per the Rules of the Company.
- Transfer and relocation expenses as per the terms of Agreement entered into between the Company and Mr. Chhatwal.

## Commission:

In addition to the Salary, Benefits, Perquisites and Allowances, Mr. Chhatwal would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular Financial Year, as may be determined by the Board, subject to overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD & CEO will be based on his performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board and Members.

Addendum to Remuneration Agreement dated March 26, 2018, added the following para at the end of the above clause:

"Mr. Chhatwal's commission amount is linked to his Cost to Company. His commission will be equal to total of basic salary + allowances."

## D) Incentive Remuneration:

Such Incentive Remuneration not exceeding 200% of salary to be paid annually at the discretion of the Board, based on certain performance criteria and such other parameters as may be considered appropriate from time to time. Incentive Remuneration would be payable only when the Company cannot pay Commission.

## E) Additional Performance Bonus:

To be paid at the end of 2, 4 and 5 years based on measurable improvement criteria set out by the Board as detailed in the Agreement entered into between the Company and Mr. Chhatwal.

Plan Period: Five years

- (a) First payout at the end of FY 2019-20 which shall include the prorated payout for the period worked in 2017-18
- (b) Second payout at the end of FY 2021-22
- (c) Final Payout at the end of FY 2022-23

## Plan:

The plan is linked to

- (a) EBITDA growth Year on Year,
- (b) The strategic plan targets 'Aspiration 2022'
  - Turnover (₹ crores),
  - PAT (₹ crores) and
  - Return on Equity (%)

EBITDA growth has a weightage of 40% and 'Aspiration 2022' targets have the remaining 60% weightage, with equal weightage to Turnover, PAT and Return on Equity.

## F) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any Financial Year during the currency of the tenure of Mr. Chhatwal, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above, subject to further approvals as required under Schedule V to the Act, or any modification(s) thereto.

The above remuneration approved at the time of his appointment was commensurate with the remuneration of expatriates appointed at CEO/MD level of similar sized multinationals taking into consideration the responsibilities shouldered by him, was based on his past remuneration and was subjected to a comparison of the CEO remuneration in the Global Hospitality Industry as per survey conducted by Aon Hewitt CEO Market pricing report for the Global hospitality Industry, 2017 covering 11 Global hospitality majors.

Mr. Chhatwal being a German national and non-resident of India, his appointment along with appropriate disclosure of his terms of remuneration was approved by the Central Government. Payment of remuneration to Mr. Chhatwal for the period from November 6, 2017 to March 31, 2020 was well within the statutory limits/limits approved by the Members, the details of which can be referred at Point No. II (b) of 'The statement containing additional information as required under Schedule V to the Act' under the head 'Past Remuneration'.

Whilst the COVID-19 pandemic took a heavy toll on lives, it had an adverse impact on economies across the world. One of the worst hit sectors was hospitality. The pandemic brought the sector to a standstill with record-low single digit occupancies in April 2020 during the nation-wide lockdown in India. The outbreak of the COVID-19 pandemic and the measures adopted by the health authorities to mitigate its spread have impacted our economy and the Company's operations, such as travel restrictions, lockdown and quarantine measures. These measures required the Company to temporarily shut down its operations for few months during FY 2020. This has negatively impacted the Company's financial performance during the year under review and also its liquidity position. The pace of easing of lockdown, demand from customers and availability of raw materials also had an impact on the Company's performance in FY 2020-21.

Despite multiple innovations, interventions and initiatives on the part of the industry to stimulate demand and grow revenues, HVS Anarock estimated that the sector closed the year 2020 with an occupancy of around 33 – 36%, reflecting a decline of 31 - 33 percentage points compared to 2019. To tackle the falling demand and occupancies, hotels across India were forced to reduce their tariffs significantly to attract business, thus, pulling down RevPAR to around



₹ 1,500 - ₹ 1,800 in 2020, reflecting a decline of 57-59%. HVS Anarock estimates that the Indian hospitality sector (including organised, unorganised, and semi-organised segments) has incurred a total revenue loss of approximately ₹ 90,000 crores in 2020 on account of the pandemic.

While the hotels are re-opening gradually and large-scale vaccination is expected to bring normalcy to the Company's operations and revenue in due course, there are uncertainties including those associated with new vaccines and the new strains of the COVID-19 virus which is more than ever virulent. Hence, the spill over effects of the pandemic could be felt for the next few years as well. Considering the ongoing second wave and stringent lockdown measures being implemented once again by the Government, the Company may have inadequate profits for FY 2021-22 and FY 2022-23 as well, hence member's approval is also being sought for the said period too.

In view of the aforesaid situation and no profits as computed under Section 198 of the Act for Managerial Remuneration for FY 2020-21 and the anticipated losses in the subsequent years, the approval of the Members is now being sought for:

- ratifying the payment of Minimum Remuneration to Mr. Puneet Chhatwal, Managing Director & Chief Executive Officer due to losses for FY 2020-21 and the consequent waiver of recovery of the Minimum Remuneration that is in excess of the prescribed limit as contained in proposed resolution.
- payment of Minimum Remuneration to Mr. Puneet Chhatwal (DIN: 07624616), Managing Director & Chief Executive Officer in case of no profits inadequate profits from April 1, 2021 upto the remainder of his current term i.e. November 5, 2022 as contained in proposed resolution of this Notice.
- In respect of Item No. 5 of the Notice dealing with the payment of Minimum Remuneration to Mr. Chhatwal for FY 2020-21, it is stated that:
- The Company recorded a loss for FY 2020-21 of ₹ 524.78 crores on a standalone basis. The Company incurred a loss of ₹ 503.80 crores for FY 2020-21 as calculated under Section 198 of the Act for the payment of Managerial Remuneration as per the provisions of Section 197 read with Schedule V to the Act and the rules thereunder. For details on relevant profits under

the Act please refer to point no. I (d) of 'The statement containing additional information as required under Schedule V to the Act' under the head 'General Information'.

- 2. Pursuant to the provisions of Section 197 read with Schedule V to the Act, in respect of the payment of managerial remuneration in case of no profits / inadequate profits as calculated under Section 198 of the Act, the Company may pay such remuneration over the ceiling limit as specified in Schedule V, provided the Members' approval by way of a Special Resolution has been taken for payment of Minimum Remuneration for a period not exceeding three years, compliance of disclosure requirements and other conditions stated therein.
- 3. Any sums paid in excess of the said statutory limit become refundable to the Company and until such sums become refundable, they are held in trust for the Company by the director, unless the Company waives recovery of the said amount by way of a Special Resolution passed by the Members. At the time of recommending and approving the terms of remuneration of Mr. Chhatwal, the COVID-19 pandemic and its adverse impact on the Company's profitability were not anticipated and therefore no Special Resolution was passed for the appointment of Mr. Chhatwal.

It may be noted that as per the terms of the agreement with Mr. Chhatwal, the following Incentive Remuneration ('IR') would be paid to Mr. Chhatwal in place of Commission as part of Minimum Remuneration in the years the Company has no profits / inadequate profits as approved by the Board based on the recommendations of the NRC. The IR of the previous year which has been accrued in the books of accounts would be due and paid to Mr. Chhatwal post approval of the Members.

- IR for FY 2020-21: ₹ 3.24 crores (@ 200% of Basic Salary) is due and payable post approval of members.
- The following is the calculation for payment of remuneration to Mr. Chhatwal in view of no profits for FY 2020-21:
  - (a) Mr. Chhatwal's Remuneration for FY 2020-21: ₹ 7.23 crores
  - (b) Maximum limit prescribed under Schedule V on his remuneration: ₹ 1.32 crores#

- (c) Incentive Remuneration FY 2020-21 recommended by NRC and Board but not paid, being in excess of prescribed limits (subject to members' approval): ₹ 3.24 crores
- (d) Excess Paid beyond prescribed Schedule V limit: ₹ 2.67 crores
- (e) Total Excess Paid / Payable beyond prescribed Schedule V limit: ₹ 5.91 crores

# The maximum limit prescribed is calculated based on the Effective Capital of ₹ 1493.09 crores as per Schedule V to the Act.

- B. In respect of Item No. 6 of the Notice dealing with the payment of Minimum Remuneration to Mr. Chhatwal in case of no profits / inadequate profits for FY 2021-22, and FY 2022-23 it is stated that:
- 5. The unprecedented weak trends witnessed on account of COVID-19 pandemic in FY 2020-21 is expected to continue in FY 2021-22 and FY 2022-23. While the overall performance of the hoteliering industry remained subdued in FY 2020-21, we expect a gradual recovery from H2 FY 2021-22 on the backdrop of large vaccination drives, pent-up travel demand, increase in domestic tourism, opening of International borders and overall interventions from the Government.
- 6. Members attention is being drawn to the Management Discussion and Analysis section for the various steps being taken to mitigate risks and improve performance. Considering the current economic scenario wherein the Company may have a situation of inadequate profits or no profits as calculated under Section 198 of the Act, the Board of Directors at its Meeting held on April 30, 2021 felt it prudent to approach the Members of the Company seeking their approval by way of Special Resolution for payment of minimum remuneration to Mr. Chhatwal from April 1, 2021 upto the remainder of his term in the event of no profits / inadequate profits.

# THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V TO THE ACT

- I. General Information
- a. Nature of Industry:

The Company is engaged in the business of hoteliering.

b. Date or expected date of commencement of commercial production:

The Company was incorporated on April 1, 1902. The Company had since then commenced its business.

- c. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- d. Financial Performance based on given indicators:

			(₹	/ crores)
Particulars	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
Revenue from Operations (Gross)	1133.15	2743.47	2780.41	2583.95
Profit/(Loss) for the year	(524.78)	401.41	263.70	147.77
Profit/(Loss) under Section 198	(503.80)	385.36	498.92	379.07

Note: Above amounts are extracted from financial statements of the Company on standalone basis.

It may be noticed from the above table that there is significant reduction in the Company's operating performance and financial results in FY 2020-21, primarily due to COVID-19 which has impacted the hospitality sector adversely as most of the hotels were shut down in the first six months of the year due to lockdown imposed by the Government. The Company has posted EBITDA of ₹ 13.62 crores in FY 2020-21 as compared to ₹ 895.47 crores in FY 2019-20 on standalone basis.

e. Foreign Investment or collaborations, if any:

Details of Foreign Investments as at March 31, 2021

	Face Value	No of shares	₹ crores
Taj International Hotels (H.K.) Ltd.	US \$ 1	2300,00,000	1,111.98
IHOCO BV	US \$ 1	263,82,855	2,390.41
BJETS Pte Ltd., Singapore	US \$ 1	200,00,000	102.59

- II. Information about the Appointee
- a. Background details:

Aged 57, Mr. Puneet Chhatwal is the Managing Director and CEO of Indian Hotels Company Limited ('IHCL') with



effect from November 6, 2017. He holds an MBA in International Hospitality from Institut De Management Hotelier International (IMHI) (Cornell-Essec) France. He has also completed his Advanced Management Program from INSEAD at Fountainbleau, France and Singapore and also holds a degree from the Institute of Hotel Management, New Delhi.

Mr. Chhatwal is a Hospitality industry veteran, with an experience of over three decades. Before joining IHCL he was the Chief Executive Officer of Deutsche Hospitality / Steigenberger Hotels AG. In his association with Steigenberger Hotels AG, the group witnessed a growth of more than 50% in portfolio along with increased presence in gateway destinations. During Mr. Chhatwal's tenure, the hotel was accredited amongst Germany's Superbrands (among top 50 brands) and was the winner of 2016 Grand Prix for the most progressive Company at Worldwide hospitality Awards in Paris besides being chosen as the Best Employer and Service Champion for 5 years in a row.

He is perceived as a recognised team builder focusing on relationships, people and teams. He is credited with having a detailed understanding of board function in minority and sliver equity partnerships, joint ventures or other partnerships. He was successful in completing over 500 contracts in the last 25 years in Europe, Middle East, Africa and Asia. Mr. Chhatwal has launched and re-launched various consumer brands (hospitality) and umbrella brand (B2B).

## Past remuneration:

(₹/ Lakhs)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19	From November 6, 2017 to March 31, 2018
Salary	162.00	162.00	148.20	59.69
Perquisites & Allowances (Includes payment in lieu of Superannuation)	217.26	367.21	312.66	105.05
Commission, Additional Performance Bonus & Incentive Remuneration	324.00 ^	908.21	650.49	265.98
Retirals	19.44	19.44	17.78	7.16
Total Remuneration under Schedule V	722.70*	1456.86	1129.13	437.88
Less: Permissible Limit Payable by a Company with inadequate profits	132.43	NA	NA	NA
Waiver of Excess Remuneration Paid / Payable	590.27	NA	NA	NA
Profit/(Loss) as per Section 198	(503.80)	385.36	498.92	379.07

## Notes:

## Job profile and his suitability:

Mr. Chhatwal is the CEO and MD of the Company since November 6, 2017 and is entrusted with the overall responsibility of IHCL's operations in India and International markets. At IHCL, Mr. Chhatwal envisioned ASPIRATION 2022, a comprehensive strategic framework with the key objective of becoming the most iconic and profitable hospitality Company in South Asia. This pivotal programme was based on the three-pronged strategy of Re-structuring, Re-engineering, and Re-imagining the Company's portfolio whilst maximising stakeholder value and providing a clear roadmap for profitable growth. Mr. Chhatwal was instrumental in sharpening the organisation's focus on financial performance and EBITDA margin enhancement as well as stimulating the growth in portfolio in an asset smart model.

Mr. Chhatwal provides IHCL with profound knowledge in hoteliering and cultural transformation by filling in critical gaps, on-boarding the right talent and creating a culture of performance in the organisation. Under Aspiration 2022, he has re-imagined IHCL's brand architecture in order to unlock the power of all brands, focus on enabling growth as well as create value for the entire stakeholder ecosystem. This move has helped Taj to be recognised as the nation's strongest brand by Brand Finance 2020. Mr. Chhatwal is responsible for steering the profitable growth of the organisation as it continues to be positioned as a strong India based

<sup>&#</sup>x27;Incentive Remuneration for FY 2020-21 recommended by NRC and Board (subject to Members' approval) but not paid.

<sup>\*</sup>The remuneration for FY 2020-21 marks a 50% reduction as compared to the previous year.

hospitality ecosystem with strategic presence in select overseas destinations.

During COVID-19, Mr. Chhatwal's leadership helped IHCL navigate through the challenging time with the launch of R.E.S.E.T 2020. Some major steps taken by the Company under Mr. Chhatwal's leadership during Aspiration to Execution and R.E.S.E.T 2020 are summarised in point no. b under the heading 'Other Information' given below. The Board is of the view that Mr. Chhatwal's experience and expertise in the global hospitality sector, is greatly beneficial to the Company and the remuneration payable to him is commensurate with his qualifications and experience.

## d. Remuneration proposed:

In monetary terms the Minimum Remuneration for the 3 years' period is given hereunder:

			(₹/ crores)
Particulars	FY 2020-21	FY 2021-22 (Estimated)	FY 2022-23 (Estimated)
April to Nov 5, 2022 (Estimated)			
Salary	1.62	1.78	1.18
Perquisites and Allowances	2.18	3.61	2.36
Incentive Remuneration	3.24	3.56	2.35
Retirals	0.19	0.21	0.14
Total Remuneration	7.23	9.16	6.03

## Notes:

Increments, Perquisites and Allowances are based on assumption of positive business outlook in the second half of FY 2021-22 and subject to recommendation by the NRC and approval of the Board of Directors.

e. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

The following table benchmarks Mr. Chhatwal's remuneration with respect to CEOs of 8 global hospitality sector companies each of whom have an annual revenue higher than IHCL\*. The typical company in the peer set has an annual revenue which is 3-4 times higher than the annual revenue of IHCL.

These companies are headquartered overseas, and the remuneration data in the table is in US dollars.

This benchmark data has been provided by Aon, an independent global compensation consultant.

					All figures in USD
10th Percentile	25th Percentile	50th Percentile	75th Percentile	90th Percentile	Pay-Mix Fixed: STI: LTI
5,008,990	6,210,953	12,069,581	16,449,119	25,342,795	7:11:82

<sup>\*</sup> As per IHCL's Integrated Annual Report 2019-20, IHCL's consolidated annual revenue for FY 2019-20 is ₹ 4,596 Cr or \$622.85 million. (1 USD= 73.79 INR)

f. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Except for drawing remuneration in his professional capacity, there is no other pecuniary relationship with the Company or with the managerial personnel of the Company.

## g. Recognition and Awards:

Mr. Chhatwal has won awards including the prestigious Carlson Fellowship and was rated as one of Europe's 20

extraordinary minds in Sales, Marketing and Technology - HSMAI European Awards 2014. He was also the First Alumni included in the ESSEC-IMHI Hall of Honor 2014. The other achievements of the Company are laid out at page no. 28 of this Annual Report.

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## III. Other Information

## a. Reasons of loss or inadequate profits:

Members are requested to refer to point no. A and B above in the Explanatory Statement providing reasons for weak financial performance.



## Steps taken or proposed to be taken for improvement:

## • Execution of Aspiration 2022:

IHCL defined its aspiration to be the most iconic and profitable hospitality Company in South Asia. The Company not only sought to further reinforce the iconic status of its brands and products but also set sight on improving the financial performance significantly. This was articulated as a target of 800 bps in margin expansion in five years. But the Company did not ignore growth, instead stimulating it with a target of 15 new hotels to be added to its portfolio every year across brands, eventually resulting in a 50-50 owned vs managed portfolio. The strategy was cascaded across the organisation to align all associates on these overarching objectives.

## Strategic Initiatives:

- Re-imagining Brandscape to make the twin transition of shifting from a hotels only business to a hospitality ecosystem and from a branded house to a house of brands under the corporate aegis of IHCL.
- Re-structuring Portfolio through scaling up in the number of hotels (15 new signings p.a.), simplification of holding structure to eliminate non-value adding activities as well as sell non-core assets like residential apartments and non-core land parcels which could further release capital and unlock future growth.
- Re-engineering Financial Performance to achieve the 800 bps EBITDA margin expansion.
- Through regular strategy and culture meets among the senior leadership team, the Company fostered a culture of collaboration, performance and success as One IHCL. This culture has been referred to as Tajness with the core values being defined as 'T'rust, 'A'wareness and 'J'oy (in short TAJ).

## Results of Aspiration 2022:

 Focused execution of Aspiration 2022 helped the Company turn around its financial performance after six years of losses and in just over two years of Aspiration 2022, IHCL demonstrated consistent improvement in profitability and achieved close to 700 bps EBITDA margin expansion as against its stated target of 800 bps margin expansion by 2022/23.

- With improvement in financial performance, the net debt to EBITDA ratio also improved significantly from 6.47 in March 2016 to 1.74 in March 2020.
- In just over two years from the launch of Aspiration 2022, IHCL added around 50 new hotels to its portfolio thus reaching a key milestone of 200 hotels in its portfolio across brands by March 2020. IHCL's portfolio today stands at 217 hotels with 52 in pipeline.
- IHCL's most iconic brand Taj was rated as India's Strongest Brand by Brand Finance in 2020.

## • R.E.S.E.T 2020:

- · During the pandemic, under Mr. Chhatwal's leadership, IHCL was able to quickly course correct and launch its revamped strategy aptly named R.E.S.E.T 2020 to press the RESET button and not only survive the crisis but also revive and thrive in the post pandemic times. IHCL employed a concept called 'Stragility' to quickly execute its R.E.S.E.T 2020 strategy with necessary agility to reap results.
- Multiple Revenue initiatives have been executed as a part of R.E.S.E.T 2020 to grow hotel occupancies through focused marketing campaigns like 4D and to explore new alternate avenues for growth (e.g. Qmin, Hospitality @ Home, 7Rivers etc).
- Amid crisis, the Excellence in safety of our guests and employees has been our top-most priority and the Company has taken several measures to ensure their well-being under the aegis of Tajness A Commitment Restrengthened. Guest safety protocols and processes including appropriate sanitisation and social distancing were put in place. IHCL leveraged technology to introduce contact-less service experiences for our guests during the pandemic (I-ZEST).
- The Company took all necessary measures to optimise Spends and rationalise resources across hotel operations and corporate overheads.
- The Company further discussed with all its lessors and secured waivers or deferments of lease rentals during the lockdown period. This Effective asset management helped the organisation release much needed cash through waiver of lease rentals and monetisation of non-core assets.

- Thrift and financial prudence measures have also included deferral of Capex & Renovations unless absolutely required and raising liquidity levels to sail through the crisis of the pandemic.
- IHCL, with its 117+ years of legacy and unbeatable brand equity, continues to be in a position of strength to overcome this crisis and capture future growth opportunities in an optimal manner and is presently drafting the path to resurgence post COVID-19: From RESET 2020 to ROUTE 2025.

## Expected increase in productivity and profits in measurable terms:

The Company is focused on implementing various strategic initiatives aimed at stimulating revenue growth, re-enforcing operational excellence and continuing the optimisation in fixed costs in order to emerge stronger post COVID-19. Though the hospitality industry has been one of the most adversely impacted industries globally, in anticipation of revival of the global economy in general and the Indian economy in particular, the aforesaid steps taken / to be taken by the Company as mentioned in point no. b of 'Other Information' is expected to significantly improve the Company's performance and profitability in the coming years.

According to Section (II)(B)(ii) of Schedule V to the Act, the Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor.

Taking into consideration the above and the terms of appointment and remuneration (including payment of Minimum Remuneration) of Mr. Chhatwal and based on the recommendations of the NRC, the Board of Directors at its meeting held on April 30, 2021, accorded its approval to the said proposals.

Electronic copies of the Agreement executed by the Company with Mr. Chhatwal setting out the terms and conditions of his appointment, and other relevant documents pertaining to these resolutions would be available for inspection by the Members. Please refer to the note given in the Notice on inspection of documents.

The Board commends the Special Resolutions at Item No. 5 and 6 of the accompanying Notice for payment of

Minimum Remuneration to Mr. Chhatwal for approval by the Members of the Company.

Except for Mr. Chhatwal and/or his relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolutions.

## Item No. 7

The Members of the Company had at their meeting held on June 20, 2019 approved payment of commission not exceeding one percent of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 ('the Act') to the Non-Executive Directors of the Company and such payments would be made in respect of the profits of the Company for each year commencing on or after April 1<sup>st</sup> as directed by the Board of Directors of the Company.

Recently, on March 18, 2021, the Ministry of Corporate Affairs has notified the amendments to Sections 149(9) and 197(3) of the Act by the Companies (Amendment) Act, 2020 to enable Companies faced with no profits or inadequate profits to pay certain fixed remuneration to their Non-Executive Directors ('NEDs') and Independent Directors ('IDs'), in accordance with the provisions of Schedule V to the Act. To give effect to the amendments made to Sections 149(9) and 197(3), a concurrent amendment was also made to Schedule V to the Act through Notification No. S.O. 1256(E), issued by the Ministry of Corporate Affairs on March 18, 2021. This notification has prescribed the limits of the remuneration payable to NEDs and IDs, in the event of no profits or inadequate profits. Under Item (A) of Section II of Part II of Schedule V to the Act, in the event of no profits or inadequate profits NEDs and IDs can receive remuneration in accordance with the limits prescribed therein, which are based on the 'effective capital' of the Company. The following limits have been prescribed for the remuneration payable to NEDs and IDs:

Where the effective capital is (in ₹):	Limits for yearly remuneration payable to NEDs and IDs (in ₹).
Negative or less than 5 crores.	12 Lakhs
5 crores and above but less than 100 crores.	17 Lakhs
100 crores and above but less than 250 crores.	24 Lakhs
250 crores and above.	24 Lakhs plus 0.01% of the effective capital in excess of 250 crores.

The remuneration in accordance with the above limits can be paid upon satisfaction of the following conditions:

- Payment of remuneration is approved by a resolution passed by the Board and, in the case of a Company covered under sub-section (1) of Section 178, also by the NRC;
- (ii) The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, has been obtained by the Company before obtaining the approval of the shareholders in the general meeting;
- (iii) Payment of remuneration is approved by the shareholders by way of an Ordinary Resolution.

The outbreak of the COVID-19 pandemic had confronted the hospitality industry with an unprecedented challenge. Strategies to flatten the COVID-19 curve such as community lockdowns, social distancing, stay-at-home orders, travel and mobility restrictions had resulted in prolonged closure of many hospitality businesses. This had resulted in low occupancies / shutdowns of IHCL hotels Pan India, negatively impacting the financial performance of the Company and its liquidity.

Consequently, the Company has incurred a loss as computed under Section 197 read with 198 of the Act and cannot pay commission to the Non-Executive Directors in such a scenario as per the Members' Resolution dated June 20, 2019.

However, under the current legal framework, post the amendments notified by the Ministry of Corporate Affairs on March 18, 2021, the Company may now pay a fixed remuneration to its NEDs and IDs to incentivise them for their time, contribution, rich experience and critical guidance provided at Board Meetings.

In view of the valuable services being rendered by the NEDs and IDs to the Company, as recommended by the NRC, the Board of Directors at their meeting held on April 30, 2021 approved payment of remuneration to the NEDs and IDs of the Company in accordance with the limits provided under Schedule V to the Act in case of no profits or inadequate profits for the three Financial Years 2020-21, 2021-22 and 2022-23. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board of Directors and shall be in addition to the fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

## THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V TO THE ACT

For details regarding point no. I pertaining to General Information and point no. III pertaining to Other Information, as provided in Schedule V to the Act, the Members may refer to the details provided above in the explanatory statement to Item Nos. 5 & 6

Details regarding information about the appointee as provided in Schedule V to the Act are as under:

Particulars	ivir. Nasser iviunjee	Ms. Vibha Paul Rishi""	Ms. Hema Ravichandar"	Mr. V. Anantharaman"	Mr. Venu Srinivasan <sup>®</sup>	Mr. Mehernosh Kapadia
Background Details, Job Profile and Suitability	The details for each of the	The details for each of these Directors can be found on the website of the company at <a href="https://www.ihcltata.com/investors/">https://www.ihcltata.com/investors/</a> . The details for each of these Directors can be found on the website of the company at <a href="https://www.ihcltata.com/investors/">https://www.ihcltata.com/investors/</a> .	the website of the company a	t https://www.ihcltata.com	/investors/	
Past Remuneration (₹)						
FY 20:	41,80,000	43,30,000	42,10,000	36,80,000	30,30,000	41,80,000
FY 19:	NA	47,40,000	NA	NA	15,30,000	*00,000
FY 18:	NA	44,70,000	NA	NA	NA	3,46,80,903**
Remuneration Proposed	Upto ₹ 42 Lakhs	Upto ₹ 42 Lakhs	Upto ₹ 42 Lakhs	Upto ₹ 42 Lakhs	Upto ₹ 39 Lakhs	Upto ₹39 Lakhs
Comparative remuneration The rem profile with respect to industry, industry size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	The remuneration ha industry	en considered by the NRC and	the Board of Directors of the	Company and is in line with	the remuneration being drawr	s been considered by the NRC and the Board of Directors of the Company and is in line with the remuneration being drawn by similar positions in the hotel
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	The Non-Executive Direct reimbursement of out of	The Non-Executive Directors do not have any pecuniary relationship with the Company reimbursement of out of pocket expenses received by them for attending the meetings.	relationship with the Compar hem for attending the meetin	yy except to the extent of Sit	The Non-Executive Directors do not have any pecuniary relationship with the Company except to the extent of Sitting Fees, Commission or Remuneration, as applicable, and reimbursement of out of pocket expenses received by them for attending the meetings.	uneration, as applicable, and
Necognition and Rewards	Mr. Munjee was adjudged best Independent Director by the Asian centre for Corporate Governance and Sustainability. He was also awarded the Indian Business Leader of the year 2014 by Horasis in Switzerland.	ouo None	Ms. Ravichandar has won several awards and accolades including three "HR Professional of the Year" awards, listings amnoigs the "25 Most Powerful Women in India", "25 Hottest Young Executives of the Year" and "Successful Women Professionals in IT". She was also conferred with the "Outstanding HR Professional of the Year" by the National HRD Network. She has held positions in industry bodies, including on the National Executive Board of NHRDN. She has also served on several award juries.	e N	In recognition of his contribution to the contribution to manufacturing, R&D, technology and quality excellence, Mr. Srinivasan was conferred with 'Doctor of Science' by the University of Warwick, UK in the year 2004 and by The Indian Institute of Technology, Kharagpur, in the year 2009, Kharagpur, in the year 2009, Kharagpur, in the year 2012 by the Asian Network of Quality, the apex body for quality in Asia which covers 18 countries including Japan, China, India, Korea and Thailand.  For his contribution to Leadership and Management, he was conferred with IRD Tata conferred with IRD Tata Corporate Leadership Award by the All India Management Association in the year 2005, and the Jamsetji Tata Lifetime Achievement award by the Indian Society for Quality in the year 2004.	None rich war ver and de r

Director for the pro-rata period from April 1, 2018 to May 22, 2018. \*\* Amount received as Salary and Performance Linked Bonus for FY 19, Mr. Kapar # Appointed w.e.f August 5, 2019

"Re-appointed w.e.f August 5, 2019

"Re-appointed w.e.f. September 10, 2019

@Appointed w.e.f August 10, 2018



## Calculation of Effective Capital based on date of appointment and maximum pay-out as per Schedule V to the Act for each Non-Executive Director for FY 2020-21, 2021-22 and 2022-23 is as under:

Particulars	Mr. Nasser Munjee	Ms. Vibha Paul Rishi	Ms. Hema Ravichandar	Mr. V. Anantharaman	Mr. Venu Srinivasan	Mr. Mehernosh Kapadia
Date of Appointment	August 5, 2019	September 10, 2019	August 5, 2019	August 5, 2019	August 10, 2018	August 10, 2018
Effective Capital based on date of appointment (in ₹ crs)	2007.05	2007.05	2007.05	2007.05	1758.95	1758.95
Base amount as per effective capital	0.24	0.24	0.24	0.24	0.24	0.24
Plus 0.01% of the effective capital in excess of ₹ 250 crores	0.18	0.18	0.18	0.18	0.15	0.15
Maximum Payout for each financial year (in ₹ crs)	0.42	0.42	0.42	0.42	0.39	0.39

Note: As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving remuneration from the Company

The Board commends the Ordinary Resolution at Item No. 7 of the accompanying Notice for approval by the Members of the Company.

Other than the concerned Non-Executive Directors of the Company and their relatives, none of the other Directors and KMP of the Company or their respective relatives, are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice.

By Order of the Board of Directors

Beejal Desai

Senior Vice President Corporate Affairs & Company Secretary (Group)

F.C.S No.: 3320

Mumbai, April 30, 2021

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# DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING OF THE COMPANY

(Pursuant to the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings)

Name of Director	Mr. Puneet Chhatwal		
DIN	07624616		
Designation	Managing Director & Chief Executive Officer (MD & CEO)		
Age 57			
Date of Birth	April 16, 1964		
Date of First Appointment	November 6, 2017		
Experience & Expertise in specific functional areas/ brief resume	Mr. Chhatwal is a Hospitality industry veteran, with an experience of over three decades. He was previously the Chief Executive Officer of Deutsche Hospitality/ Steigenberger Hotels AG. He has been in senior International leadership roles for almost 20 years. He is perceived as a recognised team builder focusing on relationships, people and teams. He is credited with having a detailed understanding of board function in minority and sliver equity partnerships, joint ventures or other partnerships.  Mr. Chhatwal has won several awards including the prestigious Carlson Fellowship and was rated as one of Europe's 20 extraordinary minds in Sales, Marketing and Technology – HSMAI European Awards 2014. He was also the First Alumni included in the ESSEC-IMHI Hall of Honor 2014.  During Mr. Chhatwal's tenure, Steigenberger Hotels AG was accredited amongst Germany's Superbrands (among top 50 brands) and was the winner of 2016 Grand Prix for the most progressive Company at Worldwide Hospitality Awards in Paris besides being chosen as the Best Employer and Service Champion for five years in a row.		
Qualifications	MBA in Hospitality from ESSEC, Paris     Advanced Management Program from INSEAD		
Terms and Conditions of appointment / re-appointment	Appointed as the MD & CEO w.e.f. November 6, 2017 for a period of five years.		
Details of Remuneration sought to be paid	Details provided in the Explanatory Statement of Item Nos. 5 and 6 at point no. II d in the Statement containing Additional Information as required under Schedule V to the Act		
Remuneration last drawn	Details provided in the Explanatory Statement of Item Nos. 5 and 6 at point no. II b in the Statement containing Additional Information as required under Schedule V to the Act		
Details of shares held in the Company	NIL		
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any other Director / Key Managerial Personnel of the Company.		



Directorships in other public limited companies	Listed Companies
	Taj GVK Hotels & Resorts Limited
	Oriental Hotels Limited
	Benares Hotels Limited
	Unlisted public Companies
	Piem Hotels Limited
	Taj SATS Air Catering Limited
	ELEL Hotels & Investments Limited
	Roots Corporation Limited
	The Indo German Chamber of Commerce
	Others
	IHM – Aurangabad
	St. James' Court Hotel Limited
	Good Hope Palace Hotels Proprietary Limited
	IHMS Hotels (SA) Proprietary Limited
Membership/ Chairpersonship of Committees	Audit Committee
in other public limited companies	Member
	Taj GVK Hotels & Resorts Limited
	Nomination and Remuneration Committee
	Member
	Piem Hotels Limited
	Taj GVK Hotels & Resorts Limited
	Oriental Hotels Limited
	Taj SATS Air Catering Limited

For other details such as number of meetings of the board attended during the year, remuneration drawn and terms and conditions of re-appointment in respect of above director, please refer to the corporate governance report forming a part of the Annual Report.

# Notes

# Notes



# /Concept, content and design at AICL (hello@aicl.in)

## THE INDIAN HOTELS COMPANY LIMITED

MANDLIK HOUSE, MANDLIK ROAD, MUMBAI - 400001

A TATA Enterprise

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