

Contents

MESSAGE FROM THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER	04
TRACING OUR MILESTONES.....	06
IMPRINTS IN TIME.....	07
THE WORLD OF TAJ	10
> OUR BRANDS.....	12
> UNIQUE EXPERIENCES WITH TAJ.....	14
> TREASURED MOMENTS	16
> MEMORABLE FEATS	19
REINVIGORATING THE TAJ	20
> POISED FOR THE FUTURE	22
> NEW OFFERINGS & PROMOTIONS.....	26
LIVING OUR VALUES	29
> CUSTODIAN OF ART, CULTURE AND HERITAGE	30
> RALLYING FOR GROWTH	32
> PEOPLE – OUR GREATEST ASSET	34
> STRENGTHENING OUR ENVIRONMENT COMMITMENT	38
> FOSTERING A SAFE WORK CULTURE.....	42
> INVESTING IN A BETTER TOMORROW.....	44
ASSURANCE STATEMENT	48
GRI / UNGC / NVG-SEE CONTENT INDEX	50



**“ONE'S DESTINATION IS NEVER A PLACE
BUT A NEW WAY OF SEEING THINGS.”**

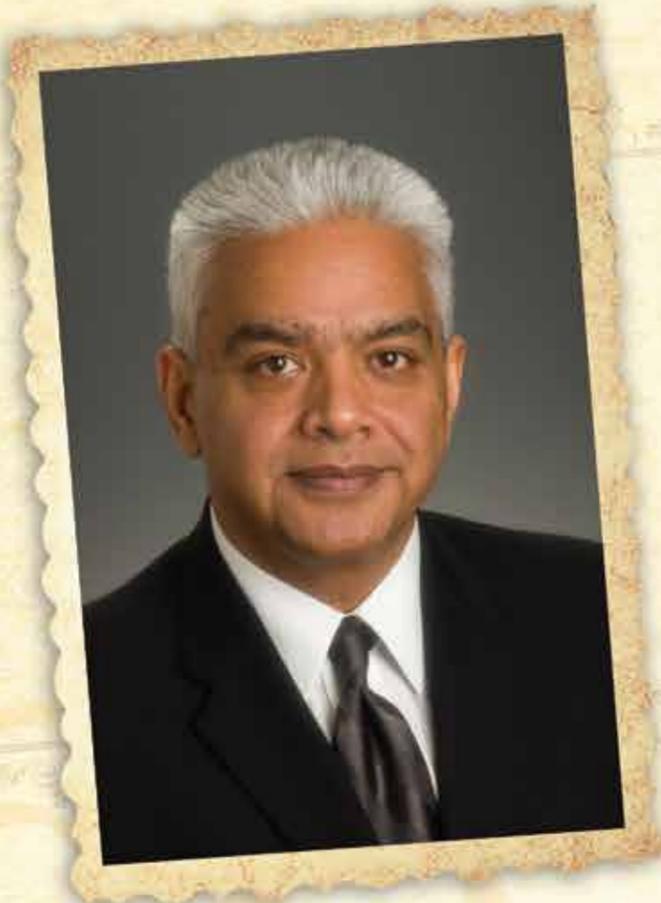
- Henry Miller

This report is an endeavour to share our story by piecing together highlights from different phases of our journey. We invite you to read our story from the lens of how we, at the Taj Hotels, Resorts and Palaces interface with our stakeholders within and beyond our fences.

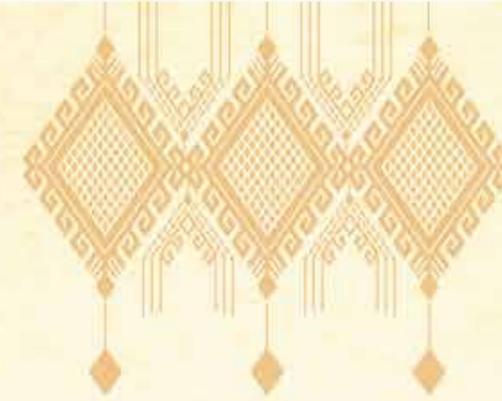
Spanning world-renowned landmarks, modern business hotels, idyllic beach and hill resorts, authentic palaces and rustic safari lodges, each Taj hotel reinterprets the tradition of hospitality in a refreshingly modern yet sustainable way. The local culture, heritage, community and environment of each place have been intrinsically woven with Taj's legendary service, to create unique stories and perspectives for our guests, allowing them to explore and engage with each destination in a more meaningful manner. This philosophy has helped us in co-creating value for all our stakeholders.

Often going beyond business as usual, we strive to continuously reinvent our standards to create a wealth of experiences. Our approach not only amplifies the timeless luxury which has become the hallmark of Taj, but also helps us preserve each destination for the future.

Read our story...



“While we grow from strength to strength, managing our impact on the natural environment and our contribution to the betterment of local communities is not only seen as a responsibility, but also a driver for brand differentiation.”



Dear Stakeholders,

On behalf of all the members of the Taj family, I am happy to present “Destinations”, the 12th Corporate Sustainability Report of the Indian Hotels Company Limited (IHCL). This report is in line with our commitment to communicate our progress based on the ten principles of the United Nations Global Compact, and adheres to the GRI G3.1 reporting framework. It outlines our environmental, social and economic performance for the year 2014-2015.

Value generation for an organisation is no longer limited to the financial dimension. Being in the hospitality business, we at the Taj understand that we share the natural, social and cultural capital of the areas which we cohabit. We continue to invest in harmonising our operations with the long-term sustainability needs of the Destinations where we operate.

Over the past few years, the tourism industry has proven to be strong, resilient and a fundamental contributor to the global economic recovery by contributing nearly 10% to the world’s GDP and creating more than 2 million new jobs. This includes jobs created in the organised as well as the unorganised sectors. In the coming few years, economic recovery is expected to spur demand in the Indian market. We are gearing up for this and are looking at increasing our operational footprint with multiple new properties in the pipeline over the next few years. This will enable us to enhance our contribution to the countries where we operate from.

My team and I continue to work towards reinvigorating ‘Tajness’ in our corporate culture, while we unfold the next level of growth. This year has been one of organisational change for us and we have focused our energies towards restructuring the way we do our business. We are ushering in more operational efficiency by re-engineering our operations, rationalising our costs and decentralising our business model to drive profitability and growth. We have increased our revenue by more than 6% and cut down our net losses by close to 86% over the previous year.

While we grow from strength to strength, managing our impact on the natural environment and our contribution to the betterment of local communities is not only seen as a responsibility, but also a driver for brand differentiation. Working from a number of eco-sensitive areas, we strive to minimise our environmental footprint. We achieve this through a series of conscious steps involving waste minimisation, energy efficiency and water conservation. Internal awareness and environmental initiatives are driven through our internal programme ‘Environment Awareness and Renewal at Taj Hotels’ (EARTH). We invest in renewable energy sources across a number of our hotels. We have implemented a system of monitoring and certifying the environmental performance of our hotels in collaboration with world renowned tourism and hospitality industry centric certification agency – EarthCheck™. We are happy to share that 11 of our hotels have achieved the EarthCheck™ Gold Certification and 73 hotels have retained their silver certification. We believe in preserving the ecosystems where we function as they add to the uniqueness of the experiences that we offer at our hotels. We are in the midst of instituting a process for mapping the biodiversity in our spheres of influence to ensure that we reduce our impact even further and contribute to its preservation. We continue to disclose our carbon footprint and our climate change agenda via the Carbon Disclosure Project (CDP).

We are progressively developing an organisational culture for our workforce driven by learning, operational agility and Tata Group philosophy. We continue to focus on the overall development of our talent pool through programmes aimed at their personal and professional growth, characterised by mutual respect. The safety and well-being of our guests and associates is of foremost importance and our teams continue to invest in developing a safe work culture.

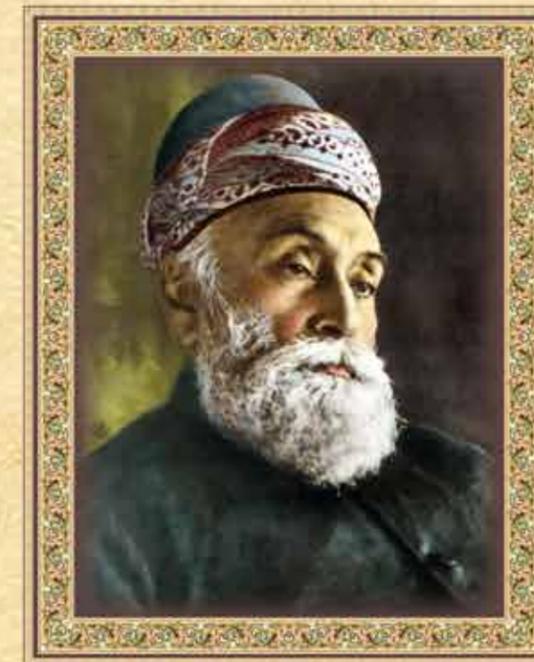
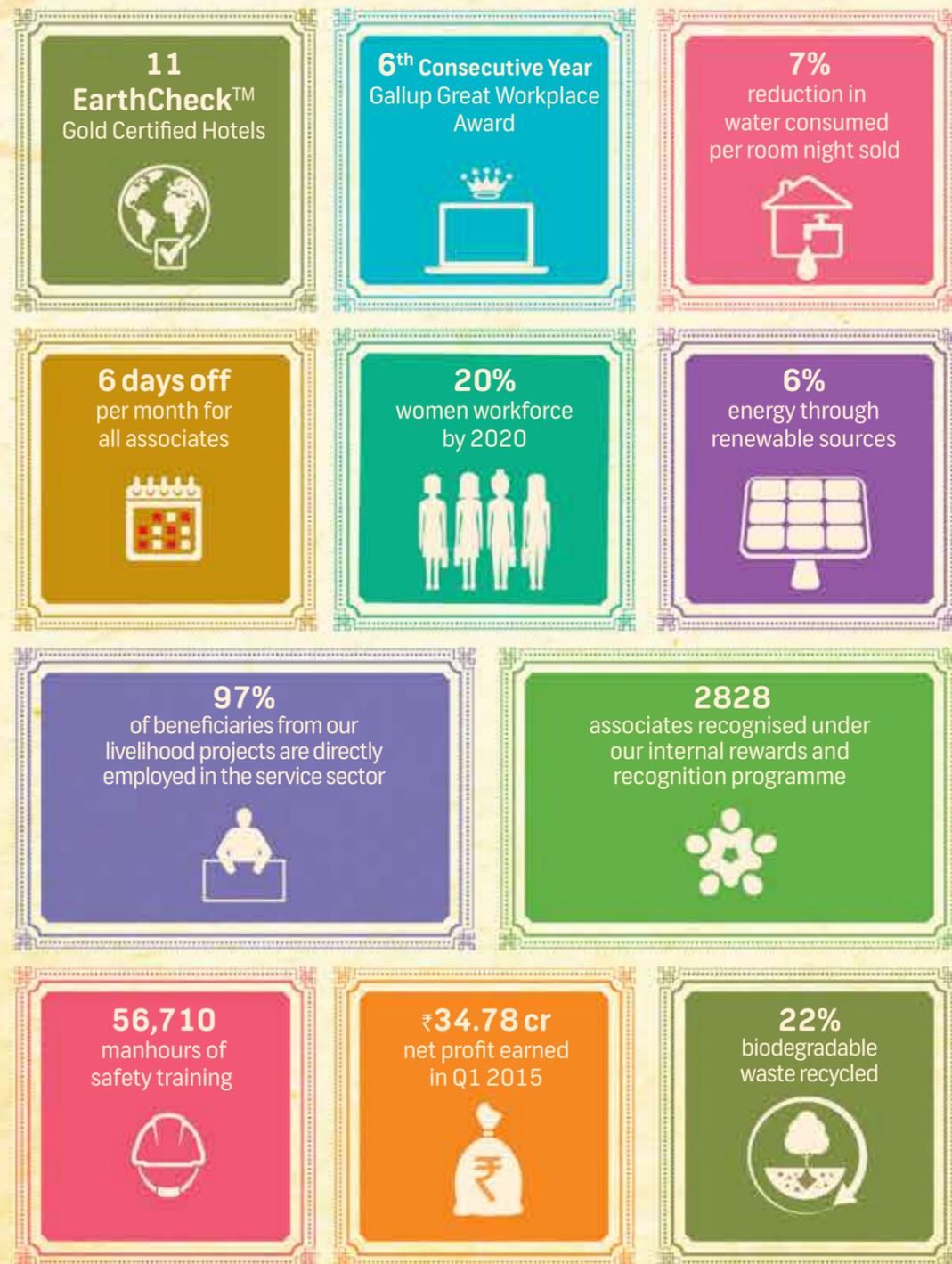
It is our firm belief that we must contribute to the betterment of neighbouring communities and societies in which we operate. We have placed a huge impetus on skilling school dropout, underprivileged youth in identified geographies. It is also our endeavour to promote local arts and crafts through our various brand platforms. We collaborate with a number of partners including Corporate Foundations/Trusts, Government and development agencies to ensure that our programmes are not only impactful, but also sustainable. This year, we have also invested significant efforts in improving hygiene and cleanliness in our neighbourhoods.

Going forward, we plan to develop measurable non-financial goals and drive operational integration of our social and environmental objectives. We aim to do this by outlining targets towards conservation of biodiversity, energy, water & waste management, progressive labour practices, workforce diversity and CSR.

I hope this report is insightful and informative. We look forward to your feedback, support and participation as we go along in this journey of contributing to the societies in which we operate.

Rakesh Sarna
Managing Director & Chief Executive Officer
Indian Hotels Company Limited

Tracing our Milestones

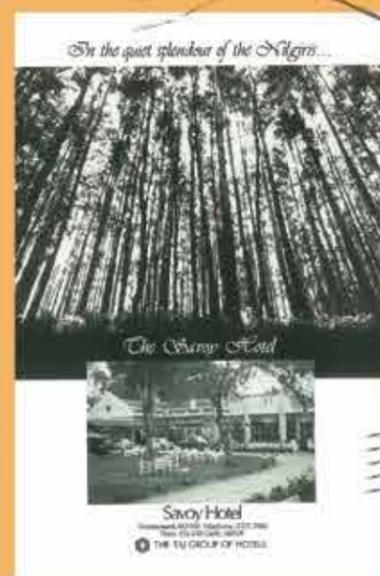
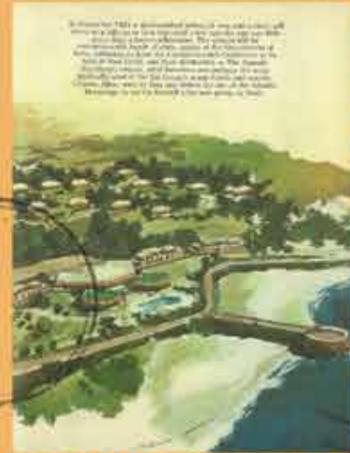


IMPRINTS IN TIME

We do not claim to be more unselfish, more generous or more philanthropic than other people. But we think we started on sound and straightforward business principles, considering the interests of the stakeholders our own.

- Jamsetji N. Tata

Imprints In Time



We trace our journey back to 1868, when our visionary founder, Mr. Jamsetji N Tata, laid the foundation of the Tata Group. Nurtured under his fine legacy, the Indian Hotels Company Limited (IHCL) opened its first property, The Taj Mahal Palace Hotel in Bombay in 1903 with the foresight to usher in tourism for the growth and development of the nation. From one hotel in Mumbai, our portfolio today comprises 130 hotels in 79 locations across India, with a global presence in Maldives, Malaysia, UK, USA, Bhutan, Sri Lanka, Africa and the Middle East.

Our remarkable journey spanning over the century has seen the Taj evolve as an icon of Indian hospitality and luxury, and is recognised as one of Asia's largest and finest hotel companies today. We hope to carry forward this legacy of trust and integrity, as we continue to uphold our quintessential Indian hospitality in destinations where we operate.





THE WORLD OF TAJ

*All boundaries are conventions,
waiting to be transcended.*
- David Mitchell



Maps not to scale.

Our Brands



Leveraging our enterprising spirit, we have consciously designed our portfolio to cater to a variety of customers through our different brands. From luxury to adventure, whether it is for the smart traveller or for the leisure seeker, we have weaved in exclusive traits of the local environment into our brand offerings to give our guests a true sense of the destination's history, culture, community and hinterland in the most authentic yet refreshing manner, for a unique and memorable experience.

Unique Experiences With Taj

We continue to weave experiences that are innovative, unique and infuse a sense of heritage and character into our products and services. Whether it is feeding stingrays or helping to save Olive Ridley turtles; enjoying spa therapies with authentic ayurvedic ingredients or relishing active health foods; going on nature trails or enjoying a game of polo, our hotels offer unique motifs and experiences that are deeply ingrained in the milieu, culture and values of the land and its people.

Coral Regeneration Experience at Vivanta by Taj - Coral Reef, Maldives



Breakfast By The Sea at Vivanta by Taj - Rebak Island, Langkawi



Homam at Vivanta By Taj - Bekal

Never Ending "I Do" at Vivanta by Taj - Surajkund, NCR



Handmade Products Offered By Taj Khazana



High Tea at The St James Court, London



Outdoor Bonfire at Taj Tashi Thimphu, Bhutan



Language of luxury



Luxurious Experiences at The Taj

Rejuvenating Experience At Jiva Spa



Carriage Ride at Nadesar Palace, Varanasi



Exotic Bartending at The Gateway Hotel, Bangalore



Indoor Pool at The Gateway Hotel, Kolkata



Treasured Moments

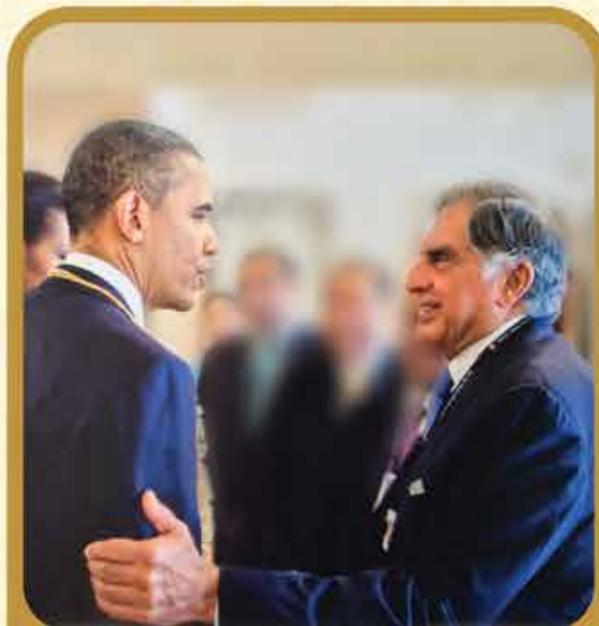
Historically, our hotels have played host to the world's eminent leaders, celebrities and royalties. We have also been part of a number of significant events and milestones that have shaped Indian and world history.



Canadian High Commissioner at Jai Mahal Palace, Jaipur



Hon'ble RBI Governor Raghuram Rajan at Taj Exotica, Goa



US President Barack Obama is greeted by Ratan Tata



Ms. Dorothy Clark, Award Winning Author (MBE), stayed at the Vivanta by Taj, Bentota



Dorothy Clark's note



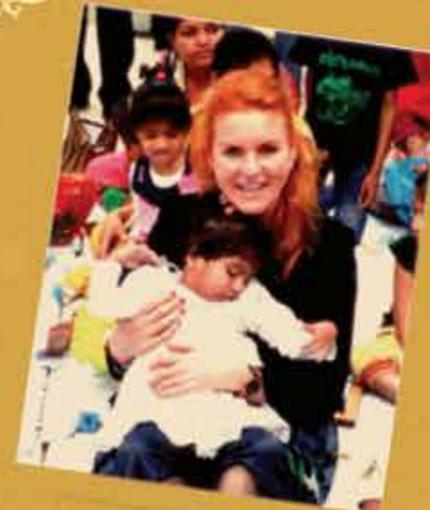
Hon'ble President of India Pranab Mukherjee at Taj Tashi, Bhutan



A Royal Affair

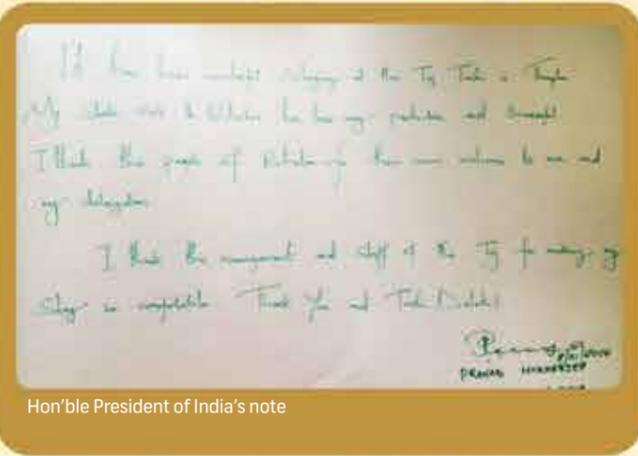
Ms. Sarah Ferguson, daughter-in-law of Queen Victoria, stayed at Umaid Bhawan Palace in March 2015. She stayed during the Jodhpur One World Retreat (JOWR), a biennial three-day fund raising gala in aid of the Indian Head Injury Foundation.

Yashmita from the Palace Services team personally ensured that every request of Ms Ferguson was attended to, including her wish to wear traditional Rajasthani attire. Ms. Ferguson was overwhelmed with the personalised and courteous services and on her return to the UK, sent Yashmita a note of appreciation.

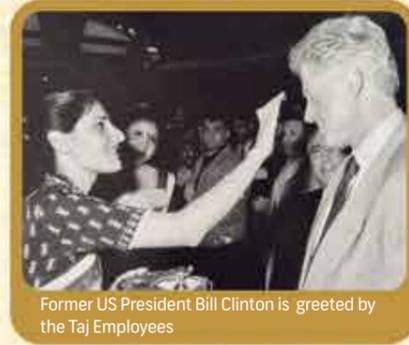


2015
Dearest Yashmita,
with so much
love and thank
you from the
bottom of my
heart for looking
after me so well!

Memorable Feats



Hon'ble President of India's note



Former US President Bill Clinton is greeted by the Taj Employees



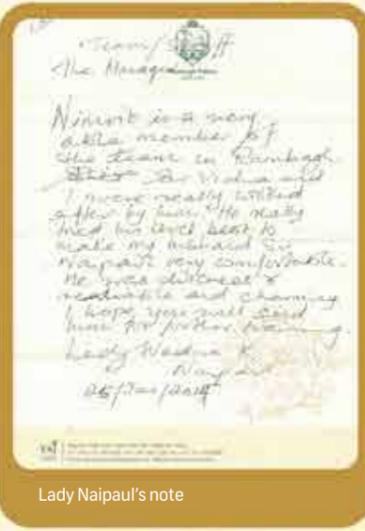
Japanese Delegation at Rambagh Palace, Jaipur



Hon'ble Prime Minister of India Narendra Modi at Taj Tashi, Bhutan



Sir V S Naipaul at Rambagh Palace, Jaipur



Lady Naipaul's note



Happenings at The Taj

Some of the eminent leaders hosted by our hotels in 2014-15 include:

- Prime Minister of India, Narendra Modi at The Taj Palace, New Delhi for Indo US CEO forum and at the FIPIC Summit at Rambagh Palace, Jaipur
- President of USA, Barack Obama at The Taj Palace, New Delhi for Indo US CEO forum
- President of the People's Republic of China, Xi Jinping at The Taj Palace, New Delhi
- Prime Minister of Australia, Tony Abbot at The Taj Mahal Palace, Mumbai
- H.R.H Princess Maha Chakri Sirindhorn of Thailand at Taj Bengal, Kolkata
- H.I.M Emperor Akihito and H.I.M Empress Michiko of Japan at Taj Coromandel, Chennai and The Taj Palace, New Delhi
- H.E. Joachim Gauck, President of the Federal Republic of Germany at The Taj West End, Bangalore and The Taj Mahal, New Delhi

As we continue to delight our guests, our incessant efforts lead to recognition and appreciation across India and internationally, year on year¹.



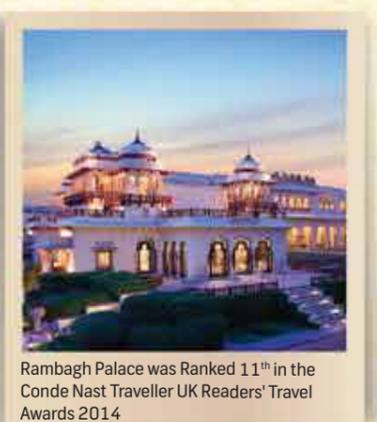
Ginger Hotels won Best Budget Hotel Chain in India by World Travel Brands



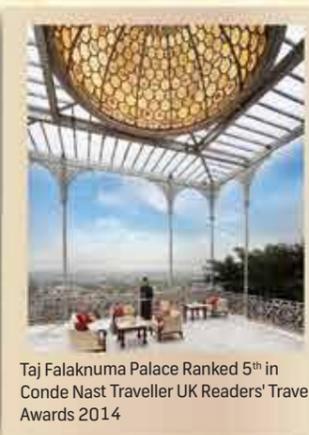
• Taj Hotels won the T+L India & South Asia's Best Hotel Group in India
• Taj Hotels won Business Traveller Awards' Best Business Hotel Group in India



Taj Lake Palace was Ranked 10th in T+L USA Top 100 World's Best Hotels List 2014



Rambagh Palace was Ranked 11th in the Conde Nast Traveller UK Readers' Travel Awards 2014



Taj Falaknuma Palace Ranked 5th in Conde Nast Traveller UK Readers' Travel Awards 2014



Jiva Grande Spa at Vivanta by Taj, Surajkund was awarded Best Hotel Spa at Geospa Asia Spa India Awards 2015



Taj SATS, Kolkata won the Best Caterer Award from Dragon Air for the 2nd consecutive year



REINVIGORATING THE TAJ

*One change makes way for the next
giving us the opportunity to grow.*

—Vivian Buchan



Poised for the Future

At Indian Hotels, CEO Sarna has a Room with Clear View

Expects co to turn profitable in 2 years helped by a top deck rejig and a plan to reduce debt

Our Bureau

Mumbai: Having charted a turnaround strategy involving an internal reorganisation, a debt reduction plan and a clear growth path in his eight-month tenure, Rakesh Sarna, CEO, Indian Hotels (IHCL), said the company will take at least two years to become profitable.

As part of a larger plan, Sarna has rejigged his top deck, sending out a clear message that he means business and results will follow. Under the reorganisation, the Taj Group is now geographically structured with three regional heads — Taj, Vivanta by Taj and Gateway — lead set-up.

"We have moved from brand-lead to brand-guided structure for flexibility and agility," said Sarna. The restructuring will also see the addition of a new role of chief revenue officer which will be filled by Chinmai Sharma, who will be joining the Taj from Starwood Capital Group in Paris. Sharma's role would be to drive digitisation, enhance customer experience and manage data analytics for the company.

For the new CEO of India's largest hotel company, the key will be to manage the huge debt of ₹3,286 crore (as of September, 2014) on the balance sheet that can stifle the company.

Sarna has launched a multi-pronged attack to pare the burgeoning debt: free more cash from Indian operations, plug losses from company's operations in

Multi-pronged Approach

CEO Rakesh Sarna's turnaround strategy for IHCL involves

Internal reorganisation Debt reduction plan

BRAND-GUIDED SETUP

Taj Group is now a geographically-structured with three regional heads

Co brings in Chinmai Sharma, from Starwood, as chief revenue officer

DEBT MANAGEMENT

₹3,286 Cr Debt as of Sept, 2014

Sarna's debt plan involves

Freeing more cash by improving ops

Plugging losses from US operations

Getting fair value from investments in Belmond (Orient Express Hotels)

SPEEDY GROWTH

17 Hotels that Taj Group has in its India pipeline

Sarna has beefed up the corporate development team, including the transactions division, for better reach

Taj needs more hotels. Contrary to popular belief, India is not an oversaturated market. Currently we may have overcapacity but that will change to under supply when economy starts doing better. We are getting ready for that.

RAKESH SARNA
CEO, Indian Hotels

the US and get fair value from the company's investments in Belmond — previously known as the Orient Express Hotels.

IHCL has been in the red since the past few years, owing to the losses incurred by the company's overseas operations due to the global economic downturn. Taj Group's three hotels in the US, including The Pierre in New York, posted a combined loss of ₹164.88 crore during FY14, according to its 2013-14 annual report.

Sarna will now be overseeing the US operations himself along with the team stationed there.

"We will re-engineer our operations, rationalise cost structure, tighten our day-to-day operations," said Sarna, who used to head Americas for Hyatt in his earlier job. Keeping all options open, Sarna said he could also look to "flip" some of the overseas assets, including the ones in the US, whereby the company can maintain its brand presence while unlocking some capital.

After Belmond's recent announcement of share buyback programme opened gates for the Taj Group to exit, Sarna said the company will encash its stake in

₹1,200-crore investment, but at the right price. "We are open to anything that does not result in diminishing value."

Apart from turning around the overseas properties, Sarna's turnaround agenda also includes bringing closure to undecided matters like the Mumbai's Sea Rock project and the legal tussle over company's marquee property Taj Mansingh in Delhi. "We will bring closure to these matters in a logical way," Sarna added.

On the growth front, the Taj Group has 17 hotels in the pipeline in India. To speed up growth, Sarna has beefed up the corporate development team, including the transactions division, for better reach. "Taj needs more hotels. Contrary to popular belief, India is not an oversaturated market. Currently we may have overcapacity but that will change to under supply when the economy starts doing better. We are getting ready for that," Sarna explained.

When asked whether the firm will opt for more-owned hotels or management contracts, a strategy that many hoteliers prefer these days, Sarna said, "Our strategy will not be asset-light or asset-heavy, but asset-right." So far, the Taj Group had been trying to position itself as a global hospitality company. However, Sarna has now set the focus on Group's 'Indianness'. "Taj is the rightful custodian of Indian hospitality, and it should be proud to be Indian. We will define what 'Tajness' is," said Sarna. "The aim is to be globally reputable, not globally present," he said.

THROUGH THE KEYHOLE

Indian Hotels lays out three-point turnaround plan

SHARAJ BAGGONKAR
Mumbai, 20 April

Rakesh Sarna, new managing director of Indian Hotels Company (IHC), on Monday outlined a three-point agenda for a turnaround in operations over two years.

The Tata group company is recalibrating its cash-cow US portfolio, where it has three operational properties. Fortunately for it, America's economy is gathering pace and its properties are witnessing occupancy beyond 70 per cent. However, due to oversupply in areas such as New York, where IHCL has The Pierre, room rates stay low.

"We need to see how to plug the current performance in the US. If we can plug that leaky bucket, that in itself is a huge injection of cash flowing into the company," Sarna said.

Second, the company wants to exit Belmond (formerly Orient-Express Hotels), where it holds 7.13 million class-A common shares, translating into a 6.9 per cent stake. IHC is the second-largest individual shareholder in Belmond and had made offers for an exit. Belmond has launched a \$75-million share repurchase programme to which IHC is open to participate,

if the offer per share is good, said Sarna.

He did not detail what would be a better price for the sale to happen. IHC paid an average of \$35 a share for its stake and the Belmond stock is trading under \$12.

IHC said it is open to selling its shares to not only the promoters of Belmond but to any other investor, too.

"We are open to anything that does not result in further diminution of value. Obviously, Belmond has a certain number in their mind for the repurchase programme. We might not be aligned with that number, so we may sit it out," he added, in his first formal interaction with the press.

Finally, IHC is keen to start the Sea Rock project at Bandra in this city. The company has secured 23 of the 24 permits it needs to begin work on the property. Due to a public interest suit, IHC is restrained

from starting any construction at the site, which adjoins its existing hotel, Taj Lands End. It hopes to begin construction this financial year.

Meanwhile, Sarna believes it will take at least two years for the company to return to profits, even as it tries to reduce debt.



"We need to see how to plug the current performance in the US. If we can plug that leaky bucket, that in itself is a huge injection of cash into the firm"

RAKESH SARNA
MD, Indian Hotels Company

Taj to bring global assets under one entity

Reeba Zachariah
@timesgroup.com

Mumbai: More than seven months after taking over the reins at Indian Hotels Company (IHCL), Rakesh Sarna has initiated a major restructuring exercise to revive the sagging fortunes of the 112-year-old Taj chain.

Sarna is reviewing Taj's portfolio, which could include exiting certain assets, bringing the chain's international investments under a single roof and enhancing operations through the newly created organizational structure as the 57-year-old American national looks to repair the lodging company's balance sheet.

India's largest hospitality chain reported a Rs 554-crore loss, the biggest in its history in FY14, primarily because of the reduction in value of its investment in British luxury chain, Belmond (formerly known as Orient-Express Hotels).



MD & CEO Rakesh Sarna's top priority is to cut Taj's huge debt pile of Rs 4,300 crore through a series of measures, including the sale of its interest in Belmond

ment in British luxury chain, Belmond (formerly known as Orient-Express Hotels).

Sarna, in his first interaction with journalists since taking over as Taj's boss last September, said that it would be a couple of years before the

chain comes out of the red. One of the highest-paid professional CEOs in the country, Sarna has identified three "buckets" — financial restruc-

ture, improving operations and adding more hotels — that will boost Taj's performance in the near future.

Sarna's top priority, however, is to cut Taj's huge debt pile of Rs 4,300 crore through a series of measures, including the

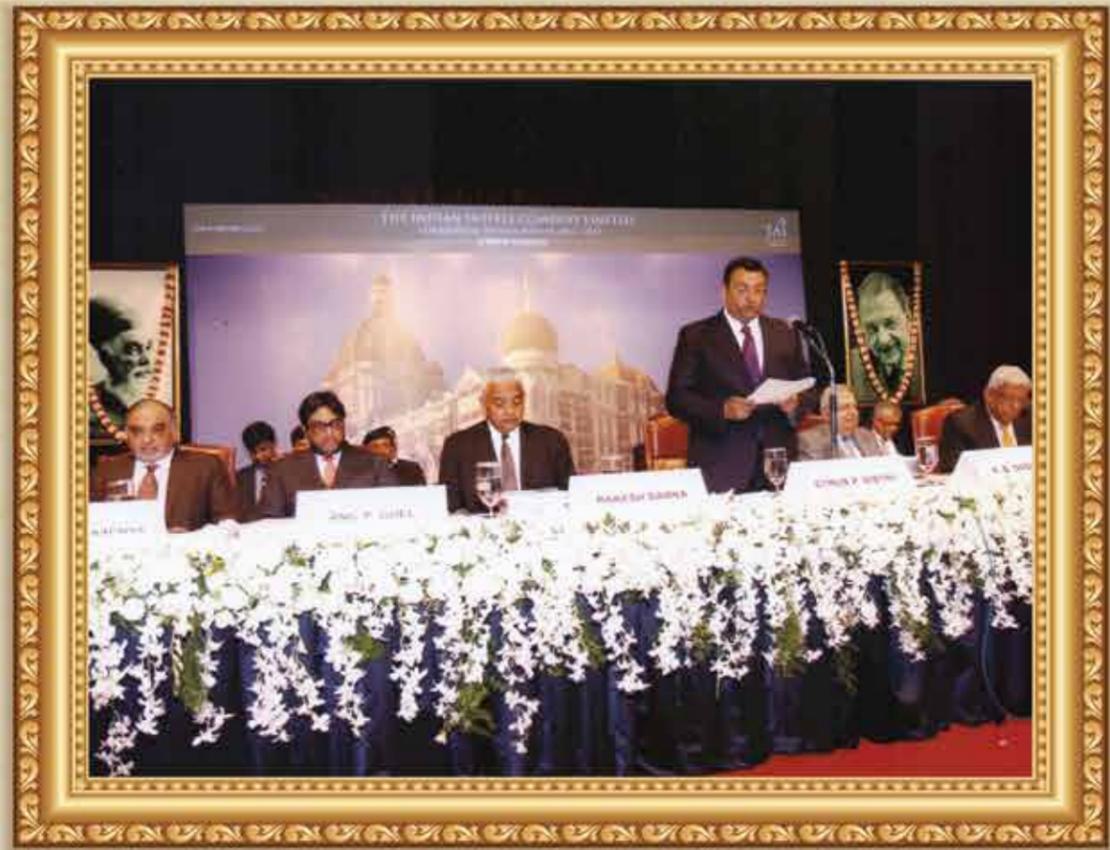
sale of its interest in Belmond. Taj's 6.9% stake in Belmond is currently worth \$86 million — a huge knock-down from its acquisition price of \$262 million.

The second expatriate MD at Taj said that the chain would be consolidating its overseas properties under a separate single entity. Taj has 16 properties outside India and 128 in the country. Sarna, who oversees the chain's US operations, said the company is recalibrating its US assets, which haven't been performing up to the mark. "We are looking to plug the losses in the US portfolio. If we plug that leaky bucket, it would make a difference to the company."

Taj is taking a re-look at its

portfolio of properties as it aspires to have an "asset-right" model instead of the hospitality sector's current trend of being asset-light, in which chains only manage properties and do not own them. Sarna said he also intends to soon bring a closure to the Sea Rock property matter, which has been embroiled in litigation and regulatory hurdles. Taj had bought the Sea Rock property in Mumbai for Rs 680 crore in 2009.

In a departure from Taj's decade-old organizational structure based on brands, Sarna has put in place a new setup with a focus on geographies, which he believes provides more flexibility and agility in the way the chain functions.



Being a Tata Group company, responsibility, transparency and accountability are the three pillars that govern the way we conduct our business. We have adopted corporate governance standards that drive our workforce and business partners to act ethically, as per the standards of the comprehensive Tata Code of Conduct (TCoC). We also strive to maintain good investor relations and endeavour to consistently deliver quality service.

The ownership of our business practices is vested in the hands of our Board of Directors. Our Board comprises Executive, Non-Executive as well as Independent Directors. Two thirds of our Board comprises Non-Executive Directors of which two are women Directors, with the Chairman being a Non-Executive Director.

BOARD OF DIRECTORS

Mr. Cyrus P. Mistry	Chairman; Promoter - Non Executive Director
Mr. Shapoor Mistry	Independent; Non Executive Director
Mr. Keki B.Dadiseth	Independent; Non Executive Director
Mr. Deepak Parekh	Independent; Non Executive Director
Mr. Nadir B.Godrej	Independent; Non Executive Director
Ms. Ireena Vittal	Independent; Non Executive Director
Ms. Vibha Paul Rishi	Independent; Non Executive Director
Mr. Gautam Banerjee	Independent; Non Executive Director
Mr. Rakesh Sarna	Managing Director & CEO
Mr. Anil P. Goel	Executive Director - Finance
Mr. Mehernosh S. Kapadia	Executive Director - Corporate Affairs



ETHICAL CONDUCT

The revised Tata Code of Conduct (TCoC) sets out expectations on ethical behaviour that are consistent with Tata Group's core purpose and values. We sensitise our associates, suppliers and vendors on the applicability of the code to support our value systems. We train all our associates on the Code through induction trainings as well as refresher sessions. Apart from the Tata Code of Conduct, we also have policies on Anti-Bribery, Health Safety and Environment, Code of Corporate Disclosure, and Policy for Prevention of Sexual Harassment². To enable our employees and stakeholders to raise ethical concerns, we have also put into place a Whistle Blower Policy.



POLICY - ADVOCACY

To bring about positive change, we engage with various policy makers and are members of key industry associations, some of which are as follows:

1. All India Association of Industries
2. All India Management Association
3. British Business Group
4. Experience India Society
5. Federation of Hotels & Restaurants Association of India
6. Pacific Asia Tourism Association
7. Indian Merchants Chamber
8. Indo-American Chamber of Commerce
9. Indo-Australian Chamber of Commerce
10. Indo-French Chamber of Commerce
11. Indo-German Chamber of Commerce
12. Indo-Japanese Association
13. The Indian Society of Advertisers
14. World Tourism Organisation
15. Forum for Women In Leadership, India
16. United Nations Global Compact Network - India

New Offerings and Promotions

As part of our efforts to engage guests in meaningful and diverse experiences, our branding and marketing teams create interesting canvas of packages and offerings. We have highlighted a few below. These experiences are retold on various travel platforms and build an experiential narrative.

VIVANTA SHORT FILM FESTIVAL
 Invite you to
LIVE SCREENINGS
 500+ Entries • 43 Countries • 10 Finalists • Cast your vote

At Sitara Studio, Chader West, Mumbai
 October 3-5, 2014, 2 pm - 5:30 pm
 Workshops | Master Classes | Discussions
 And watch winning films of the Indian Chapter

Catch live streaming on
www.vivanta.com
 For more details visit
www.vivantashortfilmfestival.com

Our Partners

VIVANTA TRIP TEASE

Stand up with
 Vivanta Trip Tease
 10 pm - 11 pm

What Party Squad Did
 11 pm - 12 am

Hosted by
 Vivanta by Taj Group, NCR

180 acres of adventure play
VIVANTA

Infographic detailing Vivanta Adventure Play features and benefits.

VIVANTA ADVENTURE PLAY
BACKPACKER DIARIES WITH MUDDY BOOTS

VIVANTA MOBILE APP
 ON IOS, BLACKBERRY & ANDROID

Daily Travels section featuring travel tips and offers.

Mint section featuring lifestyle and travel content.

GATEWAY REVOLUTIONS 3.0 - FOUR REVOLUTIONARY ARTISTS, FOUR ALL STAR ACTS, ONE AWESOME SEASON!

13 November 2014

13 November 2014 | 719 per hour including parking and taxes

WISH YOU WERE HERE.
 REVOLUTIONS CELEBRATES THE MUSIC OF PINK FLOYD

Vivanta Resort landscape poster showing a scenic view.

Vivanta Resort hammock poster showing a relaxing scene.

THE HINDU
 PROPERTY FILES - ACKNOWLEDGE
 Past perfect
 VISHNUPRIY

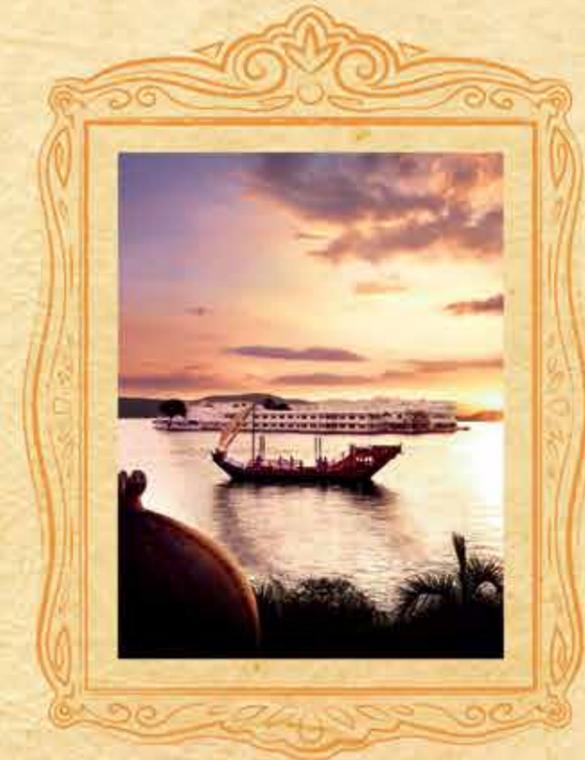
Vivanta Resort pool poster showing a swimming pool.

Vivanta Resort sunset poster showing a sunset over water.



As we continue to expand our operational footprint in India as well as in international markets, the last year has witnessed the launch of new Luxury, Vivanta and Gateway hotels in Dubai, Dwarka in New Delhi and Damdama Lake in Gurgaon respectively. We also launched two new Ginger hotels in Visakhapatnam and Katra in Jammu. Our Jiva Spa saw an increased footprint with new spa openings at Vivanta by Taj – Blue Diamond, Pune, Taj Coromandel, Chennai and Vivanta by Taj – Dwarka, New Delhi. This year also witnessed the rebirth of our Taj Innercircle programme with additional benefits and features.

Going forward, we plan to expand our footprint across geographies including Hinjewadi, Ajmer, Guwahati, Bangalore, Mumbai, Goa and Vapi. To know more, refer to our 2014-2015 Annual Report.



LIVING OUR VALUES

*The doors we open and close each day
decide the lives we live.*

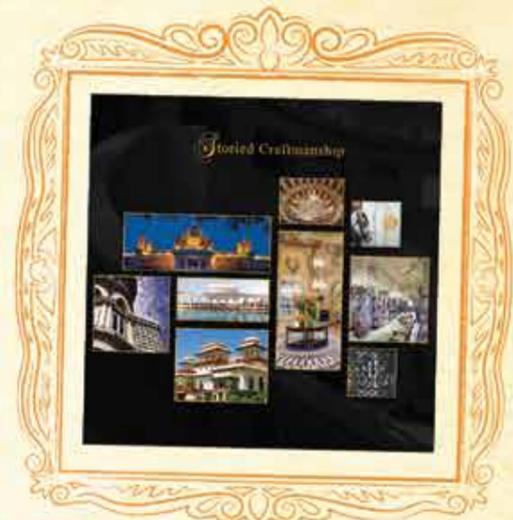
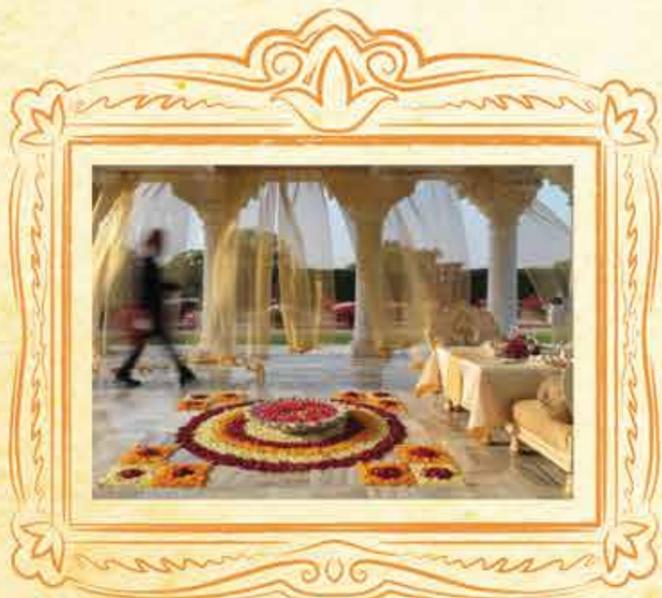
— Flora Whittemore

Custodian of Art, Culture and Heritage

For over a century, the Taj has been inextricably linked to preserving India's heritage, as well as providing a sustainable platform that preserves and promotes indigenous art and culture. Our hotels engage with local artisans and craftsmen, showcasing their wares and involving them in cultural shows on our premises.

We are globally recognised for being a custodian of original palaces from a bygone era, and our authentic restoration of these heritage structures is what sets us apart.

Over the years, we have meticulously pieced together a priceless collection of art, which includes world masterpieces by maestros from the past, contemporary talent, young and emerging artists, Indian folk artists among others. This veritable treasure trove adorns our hotels and is best relived through Heritage Walks conducted at our hotels³.



INITIATIVE TO PROMOTE TOURISM FOR CULTURAL DEVELOPMENT OF VARANASI

The Gateway Hotel, Ganges in Varanasi has joined hands with Ganga Seva Nidhi, an NGO for the upkeep and maintenance of select Ganga ghats and to help revive the cultural and traditional heritage of Varanasi.



Under this initiative, the Ganga Maha-Aarti is performed every evening at twilight. This hour long programme draws tourists from near and afar and forms part of the "Incredible India" campaign. The hotel also supports artisans making wooden toys and clay beads as well as Varanasi silk weavers.

Palace Restoration at Taj Falaknuma Palace, Hyderabad



Built in 1893, the Falaknuma Palace (which means 'Mirror of the Sky') was the residence of Nizam Mehboob Ali Khan. After ten years of sensitive restoration, we revived this glorious palace in 2010 by throwing open its doors to the world. This sixty room palace offers visitors a glimpse into the rich history and culture of Hyderabad and the imperial lifestyle of the Nizams who governed the legendary city.

Rallying for Growth

Sustainable growth is deep-rooted in our ethos. Our consistent efforts to integrate sustainability in all our activities help us co-create value across environmental, social, cultural and economic bottom lines hand-in-hand with our stakeholders.

Indian Hotels to double inventory

SWARAJ BAGGONKAR
Mumbai, 21 July

Indian Hotels Company, India's largest hotel company, run by the Tatas, will open 14 new properties in India and abroad this year. This will be twice the inventory the Mumbai-based company is set to open compared to last year, when it added seven new properties.

The new properties this year include Taj Airport Hotel, Bengaluru, Vivanta by Taj, Amritsar and Gateway Hotel, Corbett.

The list also includes nearly 400 rooms under the budget brand Ginger. The 296-room Taj Downtown, Dubai was opened in April this year.

This will push up IHCL's inventory to nearly 17,500 rooms with 145 properties, as compared to 15,751 rooms with 131 hotels at present, an increase of just over 10 per cent. ITC will remain the second largest hotel

operator in India.

"There are two Taj hotels at Santacruz, Mumbai and the other at BIAL, Bangalore which will open this year. Within the Vivanta by Taj portfolio, two new hotels are expected to open by the end of the year which include Guwahati and Amritsar. Two Gateway hotels at Hinjewadi, Pune and the other a resort at Corbett are likely to open this year as well. Additionally, The Gateway Hotel, Nashik will open its additional block of 78 keys later this year", said the company in its 114th annual report.

The company is aggressively trying to fend off a resilient competition including Hyatt, Marriott, Starwood and Intercontinental Hotels, who are making strong inroads into India.

Apart from this IHCL is keen to bring down its overall debt in order to reduce its interest burden.

Indian Hotels to Open 15 New Properties, Add 1,747 Rooms

Ready to take the plunge despite stiff competition from global chains

Divya.Sathyanarayanan
@timesgroup.com

Mumbai: Indian Hotels Company Ltd plans to open 15 new hotels and add nearly three times as many rooms to its portfolio in the current fiscal under its new chief executive Rakesh Sarma as it did last year. This will take the total count at the country's largest hotel chain, which owns the Taj Group of Hotels & Resorts, to 17,492 rooms across 146 properties under Taj, Vivanta by Taj, Gateway and Ginger brands.

Sarma took over the reins at IHCL in September last year. Executives privy to the plans

said the hotel chain will add 1,747 new rooms in 2015-16 in India and overseas, compared to 605 rooms last year. Of these, it has already opened 461 rooms in properties including the Taj, Dubai and Ginger hotels in Thane and Tirupati. The chain has signed management contracts for a Taj hotel with Bangalore International Airport Ltd and three Gateway hotels at Zirakpur, Dehradun and Wayanad.

Other hotels to open this year include Taj hotel at Santacruz, Mumbai, and at BIAL, Bengaluru; two Vivanta by Taj hotels at Guwahati and Amritsar; two Gateway hotels at Hinjewadi and Pune, and a resort at Jim Corbett National Park. Like its domestic peers, the Taj Group has faced stiff competition from global chains such as Starwood, Marriott and Hyatt which have been rapidly expanding in the country. "Many of these chains have announced their plans to establish hotels to take advantage of the demand supply imbalance. These entrants are expected to intensify the competitive environment," the company said in its 114th annual report. "During the year, the company continued to face a challenging environment, not just in the domestic market, but also across key global markets where in the company owns/operates hotels."

Moreover, competitiveness in global airfares has led to Indians taking more trips to destinations such as Europe, Southeast Asia and Australia, posing a risk to the domestic segment for leisure resorts, the report said.

The company's hotels in the US—The Pierre, Taj Boston and Taj Campton Place, San Francisco—have reported nearly the same turnover as they did last year. The group has also shifted to an asset-light model by choosing to grow through management contracts rather than build its own hotels to reduce debt.

Taj Group announces opening of Taj Dubai



OVERVIEW OF THE TOURISM INDUSTRY

The tourism industry, in recent times, has been increasing its contribution to the world economy. During the year 2015, the sector's contribution to global GDP is expected to grow by 3.7% and to employment by 2.6%.

International tourism receipts increased significantly in 2014 touching a record US\$1,245 billion (UNWTO world tourism barometer). An additional US\$ 221 billion was generated from international passenger transport, bringing total receipts to US\$ 1.5 trillion.

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

Leisure travel spending is expected to grow by 6.5% in 2015 to ₹5,859.3 billion and domestic travel spending is expected to grow by 7.0% in 2015 to ₹5,737.5 billion.

INCOME

The total income posted by IHCL⁴ for the year ended March 31, 2015 at ₹2,103.60 crores was higher than that of the previous year by 6%.

While room income was higher (3%) than the previous year due to improved ARR, Food & Beverage income increased by 5% over the previous year, aided by growth in restaurant sales and banqueting income.

EXPANSION

We continue to pursue expansion both in the domestic and international market, to achieve sustainable and profitable growth through optimisation of operational capacities vis-à-vis the occupancy trends. The inventory of the Taj Group of Hotels now stands at 130 hotels across 79 locations with 15,751 rooms, including Ginger hotels. We have five new hotels being launched in 2015-16.

Central warehouse and distribution at Taj Hotels



Started in 2013 with seven vendors, we currently have more than 700 Stock Keeping Units (SKU) of more than 40 centrally contracted vendors. This system aids in inventory reduction, effective space management and reduced lead time which has led to an overall cost reduction.

People – Our Greatest Asset

We believe that our success is intrinsically linked to the well-being and professional acumen of our people. We go to great lengths to ensure that our associates are empowered and motivated through a culture of organisational effectiveness. This is achieved through engagement, development and encouragement. During the year we provided a total of 0.28 million man-hours of training and development to our workforce⁵.

Total Headcount as on 31/03/2015

GENDER	AGE BAND	DIR & UNC	EXECUTIVES	STAFF	FTC'S	OTHERS*	TOTAL
	< 22	-	2	30	177	42	251
	22-29	-	326	462	599	63	1450
	30-39	-	321	328	112	-	761
	40-49	-	168	182	21	1	372
	More Than 50	-	99	163	8	2	272
Total			916	1165	917	108	3106
	< 22	-	-	84	540	192	816
	22-29	-	727	1790	3028	261	5806
	30-39	-	1161	2518	989	2	4670
	40-49	-	897	2051	233	1	3182
	More Than 50	5	562	1484	49	13	2113
Total		5	3347	7927	4839	469	16587
Grand Total		5	4263	9092	5756	577	19693

AGE GROUP WISE SPREAD

	Below 30	Above 30	Total
Female	1701	1405	3106
Male	6623	9964	16587
Total	8324	11369	19693

AVERAGE AGE GENDER WISE



Turnover Age wise

GENDER	AGE BAND	DIR & UNC	EXECUTIVES	STAFF	FTC'S	OTHERS	TOTAL
	<22	-	1	-	42	3	46
	22-29	-	67	65	347	4	483
	30-39	-	27	18	53	-	98
	40-49	-	1	3	4	-	8
	More Than 50	1	1	-	6	-	8
Total		1	97	86	452	7	643
	<22	-	-	-	82	14	96
	22-29	-	172	270	1501	48	1991
	30-39	-	127	162	353	2	644
	40-49	-	55	31	43	-	129
	More Than 50	-	8	13	14	-	35
Total		-	362	476	1993	64	2895
Grand Total		1	459	562	2445	71	3538

Turnover within same year (2014-15)

GENDER	AGE BAND	DIR & UNC	EXECUTIVES	STAFF	FTC'S	OTHERS	TOTAL
	<22	-	-	-	24	1	25
	22-29	-	4	10	115	1	130
	30-39	-	-	2	19	-	21
	40-49	-	-	-	2	-	2
Total		-	4	12	160	2	178
	<22	-	-	-	47	3	50
	22-29	-	16	42	431	5	494
	30-39	-	10	12	88	-	110
	40-49	-	5	-	9	-	14
	More Than 50	-	-	-	1	-	1
Total		-	31	54	576	8	669
Grand Total		-	35	66	736	10	847

Number of maternity leaves availed⁶

23

⁵ This year we migrated from manual consolidation to an online learning management system. This has led to under reporting of training data. We are working on stabilising the system and expect it to be more robust and accurate by 2017.

* Others comprise Apprentice, Trainees and Consultants.

⁶ All employees taking maternity leave returned to work excluding the ones having medical complications.

We invest in the career development of our people, equipping them with technical and behavioural skills, and also improving their awareness of our HSE policy and practices. During the year we have covered 140 identified senior leadership positions for a three-phased leadership development programme aimed at preparing them for a macro business perspective and higher level leadership roles. We were able to motivate this group of young managers to look at their roles in a completely new light.

We also educate our vendors, suppliers, and security teams among others on topics ranging from safety and security to health awareness and environmental preservation.



To enhance our workforce diversity, we have taken up a goal to employ at least 20% women workforce by the year 2020.

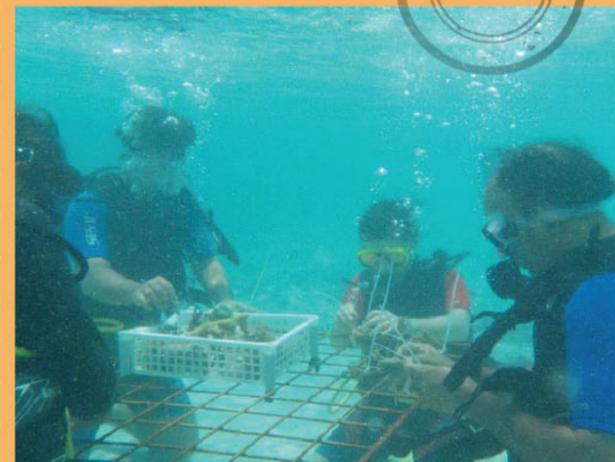
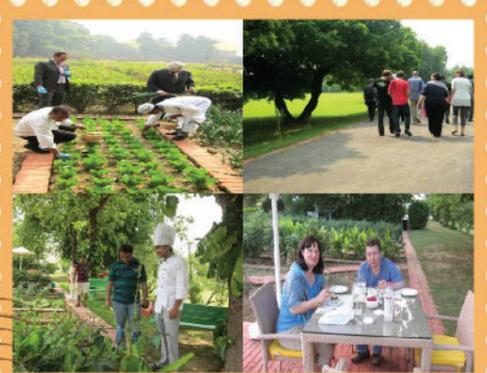
We have performance linked employee rewards programmes:

- The Special Thanks and Recognition Systems (STARS), is one of our most distinctive initiatives, which has been awarded the Hermes Award for the Most Innovative HR Initiative in Hospitality Industry. We have recognised 2828 associates under STARS in 2014-15.
- Continuing from where we started off last year, 'The Difference you Make at Taj' initiative has witnessed the exchange of 17450 appreciation notes. This initiative aims to bring about the spirit of fellowship and camaraderie amongst colleagues.

Strengthening Our Environmental Commitment



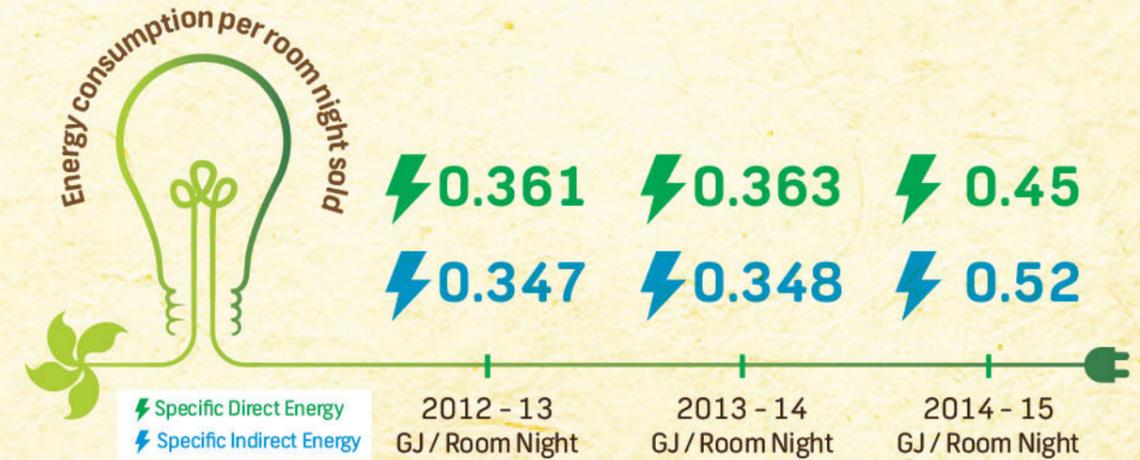
We are cognisant that our destinations' rich natural capital is not only important to us but also to local communities and other stakeholders living in the vicinity. Our business is intrinsically linked to the natural ecosystems and availability of natural resources required for our operations. Our initiatives represented below are inspired by our commitment to reduce our footprint.



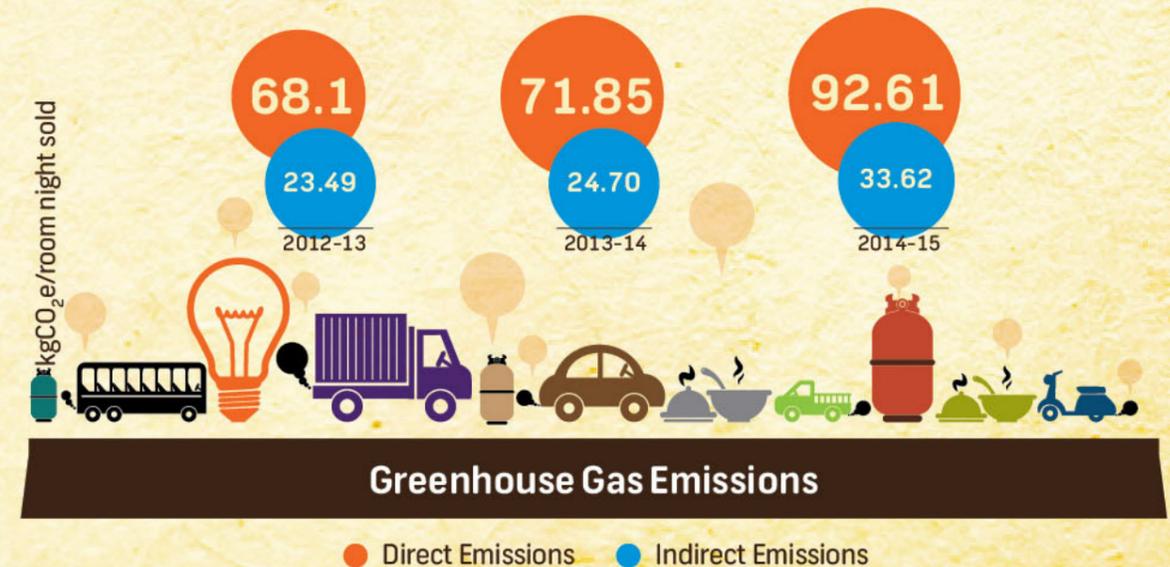
In 2014-2015, our direct energy consumption was 2073240 GJ and indirect energy consumption was 1794989 GJ*. In the last year, IHCL increased its operational footprint both in terms of number of hotels and room nights sold. There has been a 10% increase in the room nights sold with respect to last year with 131 hotels in 2014-15 and 125 in 2013-14. While our specific direct and indirect energy consumption has witnessed an increase, owing to the availability of power supply from state grids in a number of locations, we have been able to restrict the increase in GHG emissions by enhancing the use of cleaner fuel in our energy mix.

As part of our efforts to monitor and certify the environment performance of our hotel by world renowned tourism and hospitality industry certification agency, EarthCheck, 11 of our hotels have achieved EarthCheck gold certification and 73 hotels have retained their silver certification in the last year.

2014-15 (GJ)	SOUTH	NORTH	WEST	GINGER	TAJSATS	TOTAL
Direct Energy	1508531	292577	188944	11049	72140	2073240
Indirect Energy	1068955	330154	286068	47798	62014	1794989

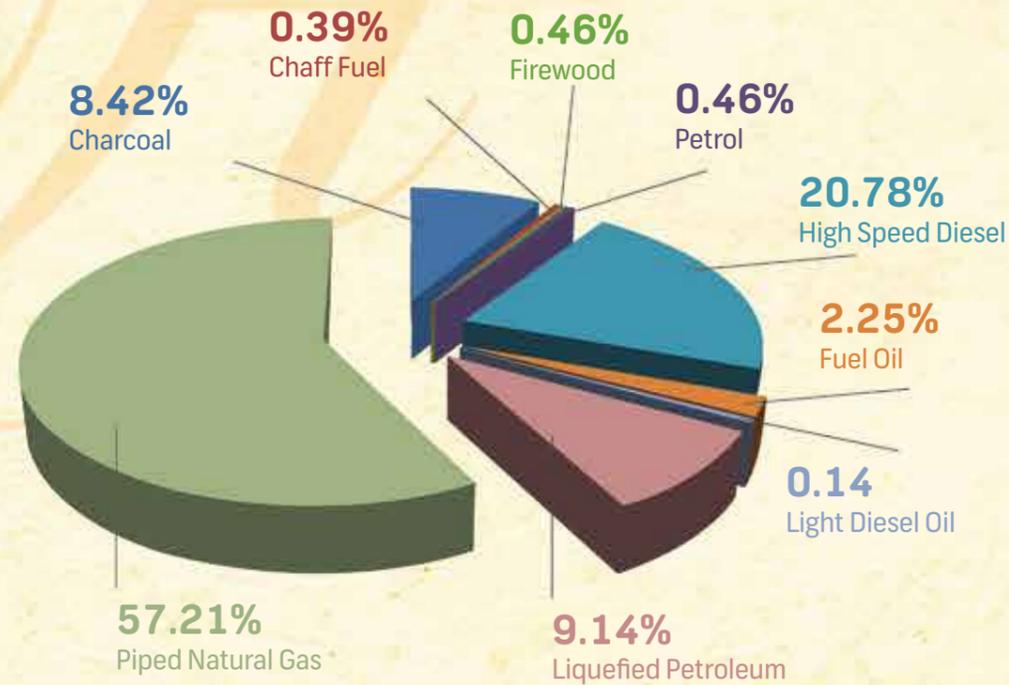


There has been a gradual shift from emission intensive fuels (Diesel, Coal, Petrol etc) to cleaner fuels (LPG, PNG, etc).

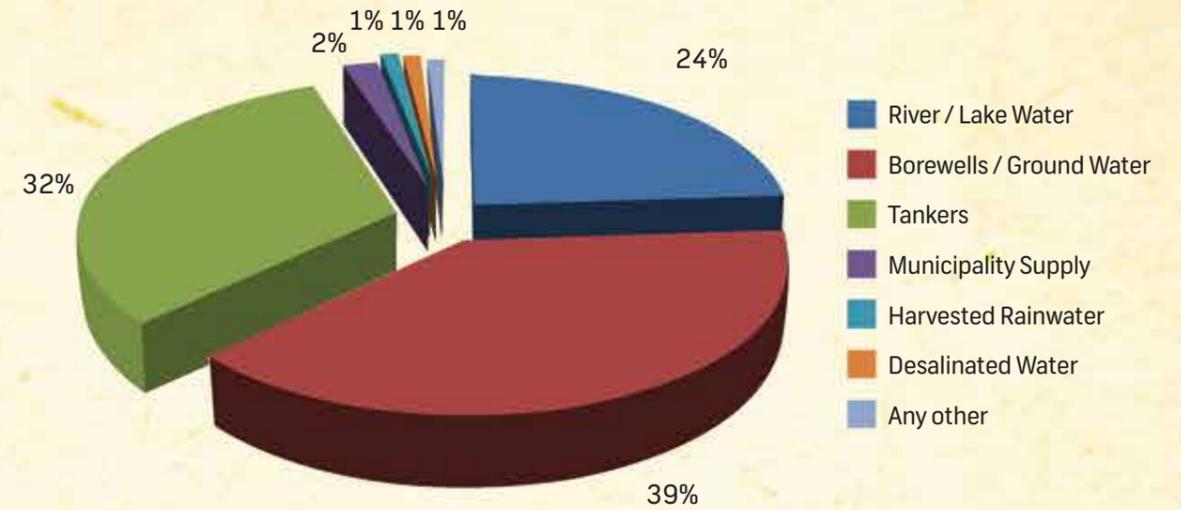


* We are in the process of enhancing data capturing mechanisms to make them more robust and accurate. We aim to automate our MIS for energy, water and waste management.

FUEL MIX (in GJ)

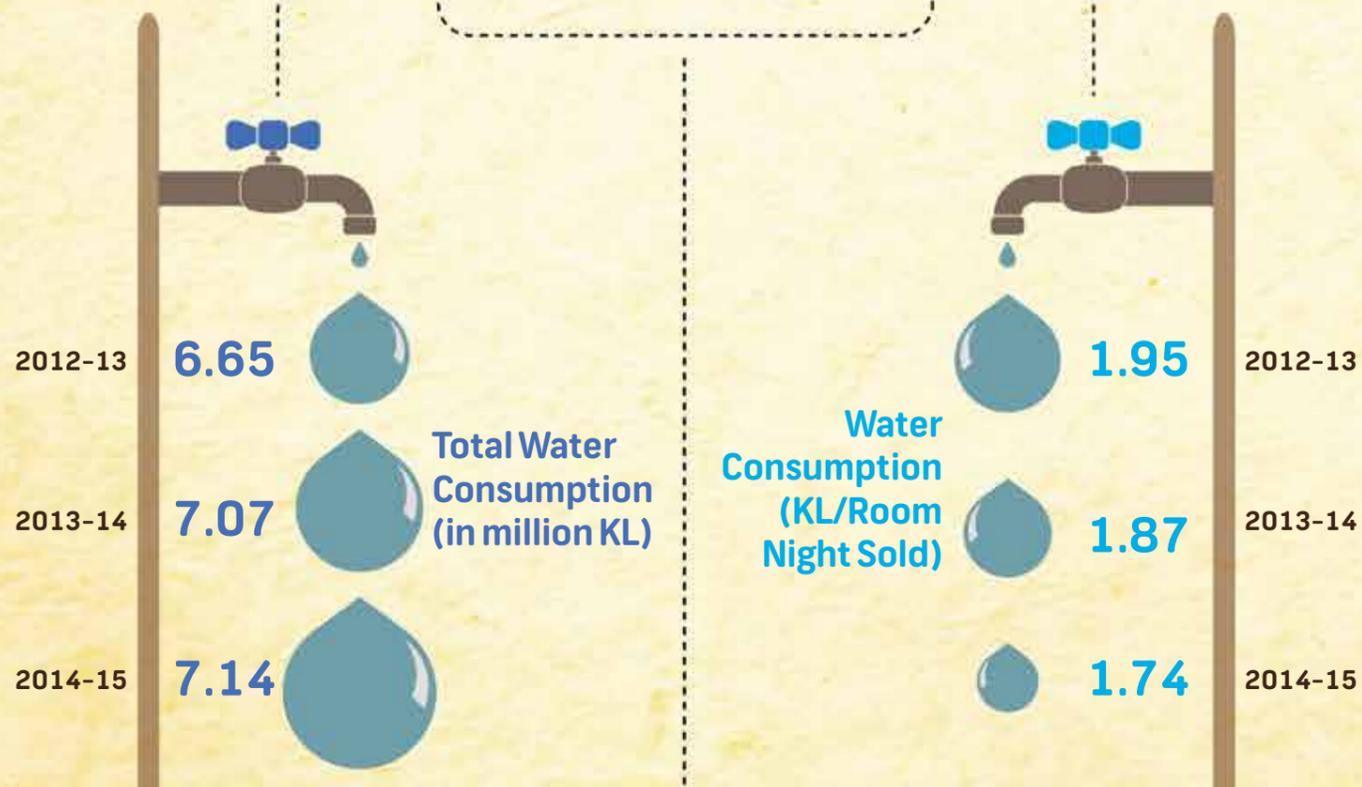


SOURCES OF FRESHWATER WITHDRAWAL



This year we recycled and reused close to 2.95 million m³ of water. This accounts for 41% of our total freshwater consumption. We enhanced our recycling percentage by 8% compared to last year.

Water Management



TOTAL WASTE

- Hazardous Waste
- Non Hazardous - non - Biodegradable
- Non Hazardous - Biodegradable (Composted)
- Non Hazardous - Biodegradable (Disposed)

Extending our philosophy

We continuously strive to incorporate sustainable practices in our operations with the aim of reducing our environmental impacts. This philosophy is also extended to the suppliers we engage with. For instance, our vendor for Jiva Spa products, 'Aura', has been certified by Global Organic Textile Standard (GOTS) for their natural and herbal dyeing process. Through its linen processing units, Aura ensures that the water it discharges, is purer than the water it withdraws. Furthermore, it also has a waste recycling plant where solid and liquid waste is recycled and used as manure for farming purposes.

Fostering a Safe Work Culture

Safety of our associates and guests forms an integral component of our operational strategy. We have defined systems and processes to ensure awareness and training, which are regularly monitored.

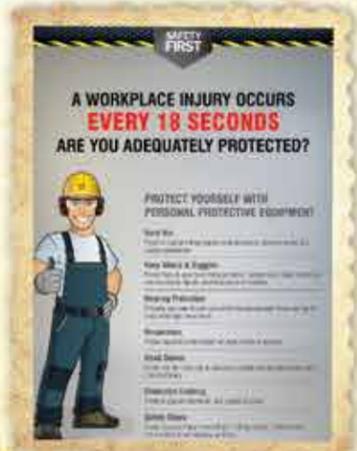
We diligently work on our commitment to safety in a three pronged manner by encompassing security, workplace safety and food safety. Our safety vision is guided by our Safety Policy, the Tata Code of Conduct and the Tata Health and Safety Policy. In addition, we also have in place a Vehicle Safety Policy. For easy understanding both our Safety Policy and Vehicle Safety Policy are bilingual.

The Senior Leadership Team emphasises zero tolerance for accidents and enforces corrective and preventive action through the apex-level Safety Council and hotel Safety Committees. We partner with Bureau Veritas (India) Ltd to conduct a detailed audit of hotel operations across all our brands. In an effort to embed safety as a core value, we celebrate 'Safety Week' from April 2nd to 9th each year.

Safety training is conducted at all hotels and includes training our permanent as well as contractual workforce. During the year, we provided a total of 56,710 Manhours of training on safety related aspects to our workforce.

Additionally, fire safety audits are also conducted for all hotels by external domain experts. We strive to continually improve the Food Safety Management System by training and optimising capacities of people, processes and technologies within the system and ensuring implementation of ISO 22000 Food Safety Management System, Codex Standards and other applicable internal & external management systems.

Maintaining high standards of hygiene at all our hotels is of paramount importance for us. For this purpose we have tied up with a reputed international agency Sealed Air to conduct hygiene audits twice a year.



SAFETY PERFORMANCE	
Lost time Injuries	475
Injury Rate (Per 100 workforce per annum)	1.82
Million Man hours worked	52.18
Near Miss reported	2175
Total Number of Safety training hours	56710
Medical Treatment Injuries (MTI)	1369



Investing in a Better Tomorrow

We are committed towards 'Giving Back to Society' with the aim to improve the quality of life of the communities we serve. Based on the Tata philosophy, we endeavour to facilitate livelihood opportunities and socio-cultural development in our areas of operations and for target communities.

Our CSR focus areas include: vocational skill development programmes, partnerships to preserve and promote indigenous heritage, culture, arts and handicrafts, disaster relief and rehabilitation programmes, and income-generation and livelihood enhancement programmes for the under privileged with a focus on Affirmative Action for Scheduled Caste and Scheduled Tribe communities.

We have a Board-level CSR Committee active since March 2014. We also have an internal cross-functional CSR think-tank, headed by our Senior Vice President of Human Resources. This Council has been empowered by our Board committee to implement our CSR agenda. 'Livelihoods' and 'Neighbourhoods' form the pillars of our community development programmes.

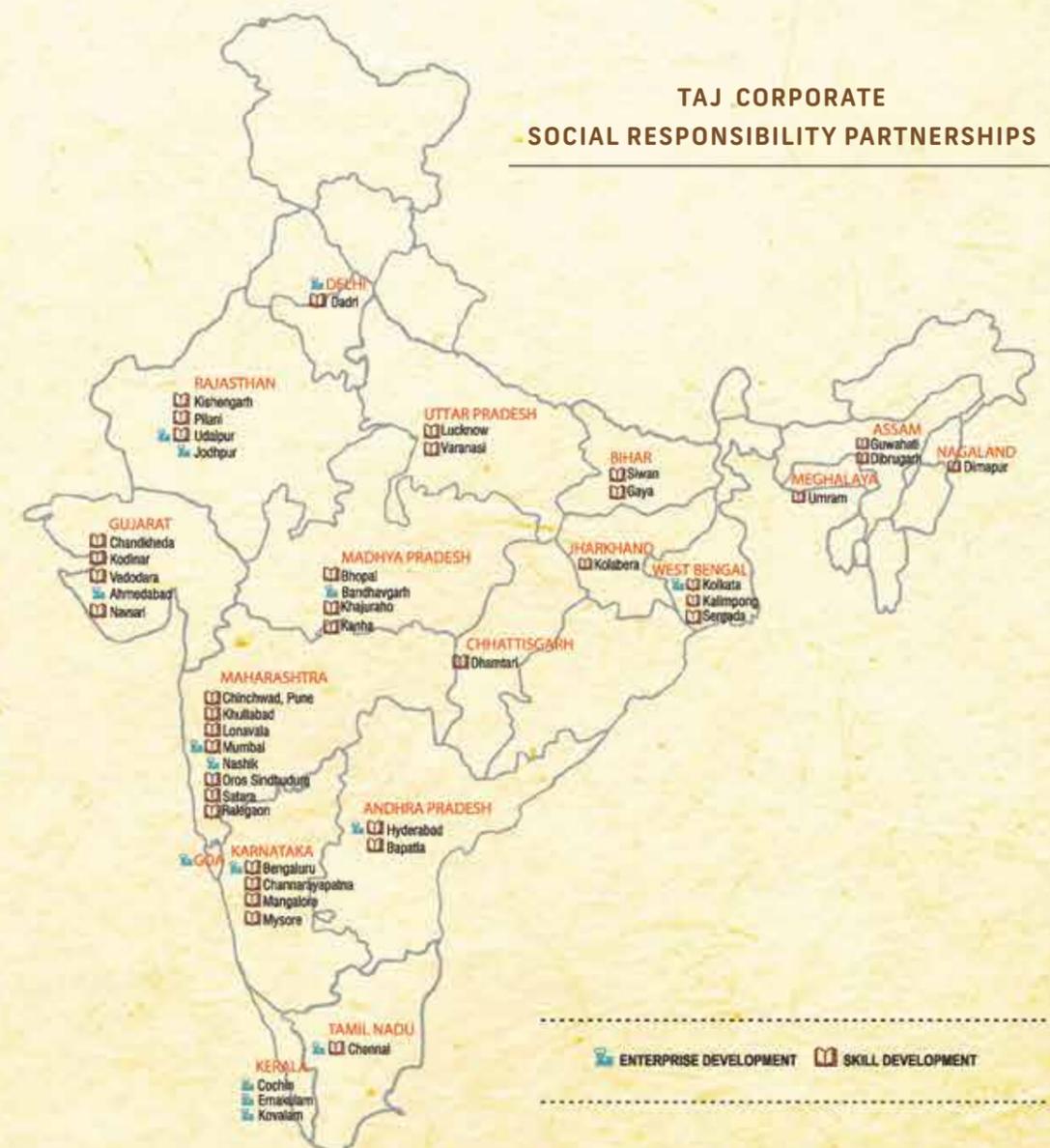
We have set up the Taj Public Service Welfare Trust (TPSWT) in December 2008 post the Mumbai terror attacks. Over the years, TPSWT has supported disaster victims affected by the 26/11 Mumbai terror attack, 13/7 Mumbai bomb blast, Bihar fire and cyclone, Ladakh cloud burst, Sunderbans flood, Uttarakhand cloud burst and the Jammu and Kashmir cloud burst. The Trust also supports injured army personnel and hosts a 'Black Tie Ball' in their honour every year.



Impact

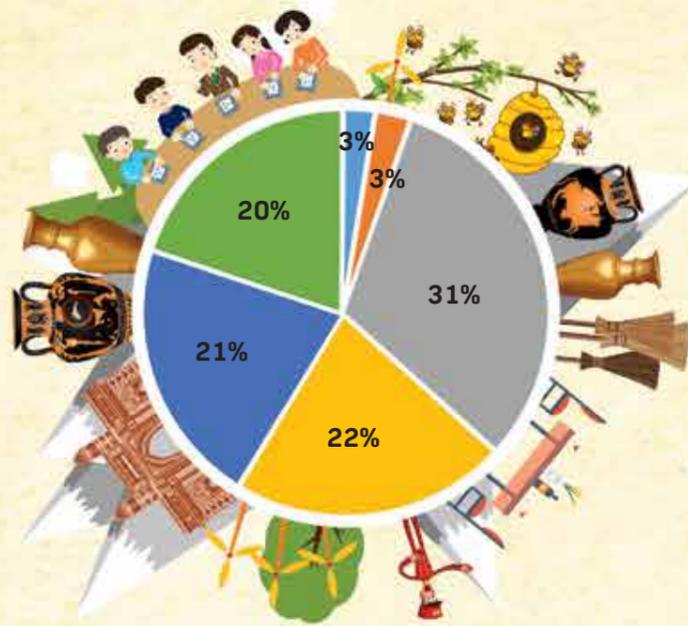
In 2014-15, we trained and certified 1,973 number of less privileged and marginalised youth to aid in their economic empowerment. 97% of beneficiaries from our hospitality skill training partnerships are directly employed in the service sector. Many of them are the first generation representatives from their families to be working in the organised sector. 28,798 beneficiaries were supported by our 'Neighbourhood' related programmes. We, along with our subsidiaries, joint venture partners and hotels under management contracts, have invested over INR 2.89 crores towards CSR programmes⁷ in 2014-15.

TAJ CORPORATE SOCIAL RESPONSIBILITY PARTNERSHIPS



⁷ As part of our commitment to give back to society, we undertake partnerships and programmes that go beyond the compliance requirements of the Indian Companies Act 2013 and the spend includes the entire gamut of our CSR endeavours.

VOLUNTEERING FOR CSR PROGRAMMES



- Other Livelihood Training
- Education
- Cleanliness, Hygiene, Sanitation
- Maintenance of Heritage Sites
- Environment Project
- Others

Our programmes are further supported by our associates who year on year volunteer to give back to the local communities. In 2014-15, 7,467 volunteers invested their time in mentoring and guiding youngsters, maintaining public gardens, taking up activities in the areas of hygiene and sanitation, local education, and extended their support to preserve and promote local art and culture.



Developing Socially Responsible Future Managers



Year on year, we have a set of young and dynamic hospitality management trainees join the Taj from across the nation. As a part of our induction process, we undertake immersion programmes to instill in them our values and culture. The young batches are offered an opportunity to visit rural hinterlands of India and live with the community groups to have a firsthand experience of how majority of the Indian population lives. This CSR exposure programme, while voluntary, has witnessed 100% participation over last 4 years! The exposure is aimed at expanding their horizons, whilst simultaneously working on improving the interventions undertaken by our partner NGOs. Over the last 4 years, they have contributed to initiatives ranging from promoting community based tourism to developing home stay models to nutrition support programmes

Taj Tashi, Bhutan - Promoting local crafts



During the past year, we signed a Memorandum of Understanding (MOU) with the United Nations Development Program's (UNDP) Agency for Promotion of Indigenous Crafts (APIC) at Taj Tashi, Bhutan to promote local crafts. The hotel provides a platform where local artisans can showcase and sell their indigenous textiles, such as table runners, cushion covers, kiras, scarves, among other small crafts that tourists seek to purchase as souvenirs and keepsakes.

Derek Monteiro - Being one with the Destination

Taking our 'Destinations' philosophy forward, Derek Monteiro, the Guest Relations Manager at the Vivanta by Taj - Holiday Village, Goa, has developed a unique repertoire at the hotel. He has been instrumental in providing guests with unique experiences from the locales of Goa. His passion in understanding and developing the Goan way of life and bringing it to the bigger stage leads him to organise guest visits to remote villages. He frequently engages with villagers to provide them an additional source of income as tour guides and also learns from them to implement sustainable tourism practices. His vision of making the world a better place, one day at a time, inspires us all.



Independent Limited Assurance Statement to The Indian Hotels Limited's Sustainability Report for Financial Year 2014-15

KPMG was engaged by the Indian Hotels Company Limited ('IHCL', 'the Company') to provide assurance on IHCL's 2014-15 Corporate Sustainability Report ('The Report'), in line with the "Limited Assurance" requirements of ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information by International Federation of Accountants' (IFAC) International Standard for Assurance Engagements.

Assurance Scope

The scope of assurance covers data and information on economic (excluding financial), environmental and social indicators presented by IHCL in the Report for the financial year 2014-15, in line with the requirements of GRI - G3.1 (2011) guidelines on sustainability reporting.

Specific limitations and exclusions

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Act on behalf of management in reporting to Board of Directors, or Audit Committee
- Develop / prepare source documents
- Verify the Company's financial performance indicators
- Verify the Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company

For the locations that were not visited, we confirmed that the data supplied by IHCL was correctly reported and aggregated at corporate office, but did not verify the underlying reliability of this data on site.

Standards and Reporting Criteria

We conducted our work in accordance with ISAE 3000. We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality

and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

Work Undertaken

Our procedures include assessment of the risks of material misstatements of selected performance indicators and disclosures and underlying internal controls relevant to the information published in the Report. Our procedures were designed to gather sufficient and appropriate evidence to determine that the selected performance information is not materially misstated. We have undertaken:

- An evaluation of the existence and operation of the systems and methods used to collect process and aggregate the selected performance data presented in the Report. We also tested the reliability of underlying data and information for the selected performance data within the scope of our assurance;
- Conducting visits to domestic hotels and audio conferences with international hotels as below:

Site Visits

- › Goa - Taj Exotica, Vivanta by Taj Fort Aguada
- › Mumbai - Taj Land's End, Taj Wellington Mews, Taj SATS
- › Surat - Gateway Hotel Surat
- › Cochin - Vivanta by Taj Malabar, Gateway Hotel Ernakulam
- › Chennai - Vivanta by Taj Connemara, Vivanta by Taj Fisherman's Cove
- › Jodhpur - Vivanta by Taj Hari Mahal
- › Lucknow - Vivanta by Taj Gomti Nagar

Audio Conference

- › Hyderabad - Vivanta by Taj Begumpet, Hyderabad
- › Sri Lanka - Vivanta by Taj Bentota, Vivanta by Taj Samudra
- › London - St. James Court
- › New York - Taj Pierre
- Checking the Reports' content to ensure consistency with the GRI application level requirements of A+;
- A review of the Report draft to ensure there are no disclosures that are misrepresented or inconsistent with our findings.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the data and information in the Report for the reporting period, in all material aspects, is not fairly represented in accordance with the reporting criteria.

Key Observations

Without affecting the conclusion presented above, we would like to draw readers' attention to the following:

- The Report presents six critical sustainability issues of material significance to IHCL and its stakeholders.
- The Company is in the process of establishing company-wide objectives, goals and targets on key sustainability performance indicators and intends to present the progress against these in future reports.
- The Company may consider establishing a more robust system for periodic internal validation and review of sustainability performance indicators at the individual hotel level.
- There is an opportunity to further strengthen IHCL's sustainability data management process including adherence to compliance requirements at hotel-level in order to enhance consistency and reliability of data and information.
- The Company can further conduct specific training and awareness sessions on sustainability at the hotel-level for a better integration of the Company's sustainability agenda and understanding of the reporting requirements.
- The Company needs to further strengthen its engagement with its stakeholders on its approach regarding management of social and environmental aspects.
- Based on our review the Report meets the A+ application level criteria of GRI G3.1 guidelines.

Responsibilities

The management of IHCL is responsible for preparing the Report and the information and statements within it. IHCL's management is also responsible for identification of stakeholders and material issues, for defining commitments with respect to sustainability performance, and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

Our responsibility is to express our conclusions in relation to the above scope. We conducted our engagement with a multidisciplinary team including specialists in ISAE 3000, stakeholder engagement, auditing environmental, social, and financial information and with experience in similar engagements in the hospitality sector.

This report is made solely to IHCL in accordance with the terms of our engagement. Our work has been undertaken so that we might state to IHCL those matters we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than IHCL for our work, for this report, or for the conclusions we have reached.



Santhosh Jayaram

Director

Climate Change and Sustainability Services
KPMG India

25th August 2015

GRI / UNGC / NVG-SEE CONTENT INDEX

UNGC PRINCIPLE	NAME OF THE SECTIONS
Human Rights	
<ul style="list-style-type: none"> - Businesses should support and respect the protection of internationally proclaimed human rights - Make sure that they are not complicit in human rights abuses 	Reinvigorating The Taj Pg. 20-28
Labour	
<ul style="list-style-type: none"> - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining - The elimination of all forms of forced and compulsory labour - The effective abolition of child labour - The elimination of discrimination in respect of employment and occupation 	People – Our Greatest Asset Pg. 34-37
Environment	
<ul style="list-style-type: none"> - Businesses should support a precautionary approach to environmental challenges - Undertake initiatives to promote greater environmental responsibility - Encourage the development and diffusion of environmentally friendly technologies 	Strengthening our Environmental Commitment Pg. 38-41
Anti-Corruption	
<ul style="list-style-type: none"> - Businesses should work against all forms of corruption, including extortion and bribery 	Reinvigorating The Taj Pg. 20-28

NAME OF THE SECTIONS	INDICATORS COVERED	PAGE NUMBER	FURTHER COMMENTS
MESSAGE FROM THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER	1.1, 1.2	Pg. 4-5	
TRACING OUR MILESTONES		Pg. 6	
IMPRINTS IN TIME	2.1, 2.3, 2.5, 2.6, 2.7, 2.8, 3.1, 3.6, 3.7, 3.8, 4.1	Pg. 8-9	2.8 – Aspects of scale are addressed in relevant sections of the report 3.2 – Our previous report was for the financial year 2013-14 3.3 – Reporting cycle is annual 3.9 – Assumptions made, if any, are mentioned in relevant sections of the report 3.10 – Restatements are explained wherever applicable 3.11, EN27, SO10 – Not applicable 3.5, 4.13 – 4.17, SO5 – Please refer IHCL Corporate Sustainability Report 2013-14 for further information. 2.6 Information is available in our Annual Report 2014-15.
THE WORLD OF TAJ	2.2, 2.4	Pg. 10-19	EC1 – EC4 – Information is available in our Annual Report 2014-15. EC7 – While we do not have a specific policy on local hiring, we do prefer to employ persons from the communities in which we operate.

NAME OF THE SECTIONS	INDICATORS COVERED	PAGE NUMBER	FURTHER COMMENTS
Reinvigorating the Taj	2.9, 2.10, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10	Pg. 20-28	
LIVING OUR VALUES	LA1, LA2, LA7, LA15 LA10, LA8, HR3	Pg. 30-31, 34-37, 42-43	LA4 – All our employees have the freedom of association and collective bargaining LA5 – We follow all laws of the land regarding notice periods for significant operational changes LA14 – We are an equal opportunity employer, and everything else being equal, the ratio of salaries of men to women is 1:1 HR1 – All our investment contracts mandate adherence to the TCoC which includes clauses on human rights HR2, HR10 – While none of our operations have been screened for human rights assessments, all our hotels and suppliers are mandated to follow the TCoC which includes clauses on human rights HR5 – None of our suppliers have been identified as those prohibiting the freedom of collective bargaining HR6, HR7 – All our hotels prohibit the employment of child labour and forced labour. All employees, including contract employees, are screened to ensure that no child is employed in our premises HR4 – There have been no incidents of discrimination reported in the reporting year HR11 – There have been no grievances related to human rights filed in the reporting year
	4.11, EN3, EN4, EN8, EN16, EN20, EN21, EN22, EN26, EN11, EN12, EN13, EN14, EN15	Pg. 38-41	EN1, EN2 – Being a service industry, we do not have a final product that we produce. Hence, these indicators are not applicable to us EN17 – Partially reported EN19 – We used 4527 kgs of ODS in the year for HVAC purposes EN23 – There were no significant spills (spills greater than 159 litres or one barrel) in the year EN28, SO8, PR9 – There were no monetary or non-monetary sanctions levied on us in the reporting year for any non-compliance with laws and regulations
	EC8, SO1, EC6	Pg.41-45	SO9 – During our studies in and around our locations of operation, we did not come across any potential or actual negative impact on local communities due to our presence SO3 – All our employees are trained on the TCoC, which includes clauses on anti-corruption SO4 – No incidents of corruption were reported in 2014-15 PR1 – Considering that we are in the hospitality industry, we continuously monitor the safety and air quality of our hotels to ensure the safety of our guests and employees PR3 – We follow all laws of the land regarding service information required PR6 – We adhere to all mandates of the Advertising Standards Council of India regarding our marketing communications



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