



THE INDIAN HOTELS COMPANY LIMITED
AUDITED STATEMENT OF FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2011

₹ / lakhs

Items	Quarter Ended		Half Year Ended		Year Ended
	Sept 30, 2011	Sept 30, 2010	Sept 30, 2011	Sept 30, 2010	Mar 31, 2011
Net Sales/Income from Operations	357 56	328 50	727 10	657 24	1673 45
Other Operating Income	-	-	-	-	-
Total Income	357 56	328 50	727 10	657 24	1673 45
Expenditure					
a. Consumption of Raw Materials	33 31	30 53	64 69	59 36	136 18
b. Staff Costs	116 67	95 96	226 91	192 15	412 39
c. Licence Fees	22 39	20 74	44 01	40 74	104 93
d. Fuel, Power and Light	33 25	28 51	66 43	57 65	113 33
e. Depreciation	27 92	25 20	55 60	50 64	108 40
f. Other Expenditure	113 24	116 12	219 27	217 30	406 66
Total Expenditure	346 78	317 06	675 81	617 84	1381 91
Profit from Operations before Other Income, Interest and Exceptional Items	10 78	11 44	51 29	39 40	31 54
Other Income	17 55	14 95	31 23	21 30	40 07
Profit before Interest and Exceptional Items	28 43	26 39	82 52	60 70	36 61
Interest (Net)	24 72	29 59	45 84	63 60	122 87
Profit / (Loss) after Interest but before Exceptional Items	3 71	(3 20)	36 68	(2 90)	223 74
Exceptional item - Notional Exchange Gain / (Loss) (Note 3)	(1 06)	3 64	(1 06)	3 26	11 35
Exceptional item - Others (Note 2)	10 64	(8 58)	10 64	(4 29)	(17 14)
Profit / (Loss) from Ordinary Activities before tax	13 29	(8 14)	46 26	(3 93)	222 95
Provision for Taxes	5 17	(1 84)	16 83	(96)	76 37
Tax Provision of earlier years (Net)	-	-	-	-	5 33
Profit / (Loss) from Ordinary Activities after tax	8 12	(6 30)	29 43	(2 97)	141 25
Paid-up Equity Share Capital (Face value per share - ₹ 1 each)	75 95	72 35	75 95	72 35	75 95
Reserves (excluding Revaluation Reserves)					3028 59
Earnings Per Share (₹)					
Basic and Diluted (not annualised)	0.11	(0.09)	0.39	(0.04)	1 93
Debt Service Coverage Ratio (Note 4)			0.64	0.92	1 07
Interest Service Coverage Ratio (Note 4)			4.21	2.78	3 70



Hotels Resorts
and Palaces

THE INDIAN HOTELS COMPANY LIMITED

**AUDITED STATEMENT OF FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2011**

Items	Quarter Ended		Half Year Ended		Year Ended
	Sept 30, 2011	Sept 30, 2010	Sept 30, 2011	Sept 30, 2010	Mar 31, 2011
Aggregate of Public Shareholding:					
Number of Shares	50,44,06,671	50,44,06,671	50,44,06,671	50,44,06,671	50,44,06,671
Percentage of Shareholding	66.42	69.72	66.42	69.72	66.42
Promoters and Promoter Group Shareholding:					
a) Pledged/Encumbered					
Number of Shares	-	1,00,00,000	-	1,00,00,000	-
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	4.56	-	4.56	-
Percentage of Shares (as a % of the total share capital of the company)	-	1.38	-	1.38	-
b) Non-encumbered					
Number of Shares	25,50,66,116	20,90,66,116	25,50,66,116	20,90,66,116	25,50,66,116
Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	95.44	100.00	95.44	100.00
Percentage of Shares (as a % of the total share capital of the company)	33.58	28.90	33.58	28.90	33.58

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THE INDIAN HOTELS COMPANY LIMITED

STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2011

Items	₹ / lakhs		
	As at		As at
	Sept 30, 2011	Sept 30, 2010	Mar 31, 2011
	Audited	Audited	Audited
Shareholders' Funds:			
(a) Share Capital	75 95	72 35	75 95
(b) Warrants	124 37	-	124 37
(c) Reserves and Surplus	3145 72	2609 25	3028 59
Loan Funds	2330 78	2362 76	2338 67
Long Term Trade Deposits	13 12	22 67	12 76
Deferred Tax Liability	56 82	-	27 76
Foreign Currency Monetary Item Translation Difference Account	-	4 18	-
Total	5748 76	5071 21	5608 12
Fixed Assets (including Capital work-in-progress)	2042 45	2011 14	2062 89
Investments	2441 96	2428 11	3026 76
Long Term Deposits	1729 52	1038 04	1094 92
Foreign Currency Monetary Item Translation Difference Account	1 07	-	-
Deferred Tax Asset	-	18 76	-
Current Assets, Loans and Advances:			
(a) Inventories	34 34	35 53	31 83
(b) Sundry Debtors	117 22	117 12	103 96
(c) Cash & Bank Balances	24 30	31 78	95 31
(d) Loans & Advances	430 71	419 54	304 26
Less: Current Liabilities and Provisions			
(a) Liabilities	450 79	414 55	403 59
(b) Provisions	622 5	614 62	708 49
Net Current Assets / (Liabilities)	(466 37)	(425 20)	576 72)
Miscellaneous Expenditure (to the extent not adjusted or written off)	3	36	25
Total	5748 76	5071 21	5608 12

Notes:

1. Net Sales/Income from Operations for the half year ended September 30, 2011, improved by 11% over the corresponding period of the previous year, driven by improved occupancy and some improvement in average room rates as well during what is essentially an off season time for the sector. During the quarter, the Company launched a new 327 rooms Vivanta by Taj hotel at Bengaluru. In view of the seasonality of the sector, the financial results for the quarter and half year ended September 30, 2011, are not indicative of the full year's expected performance.
2. Exceptional Item – Others, for the quarter and half year ended September 30, 2011, includes ₹ 3 08 lakhs, being the charge in respect of accumulated capital expenditure on a project since discontinued for commercial reasons and interest income of ₹ 13 72 lakhs on a deposit refund received consequent to surrender of leasehold land in terms of a Supreme Court Order on the disputed allotment. Figures for the corresponding previous quarter and half year, relate to a provision for diminution in the value of an investment in a subsidiary for ₹ 8 58 lakhs and profit on sale of a hotel property for ₹ 4 29 lakhs.
3. During the quarter, with effect from April 1, 2011, the Company has adopted hedge accounting principles to account for hedging of loans extended to subsidiaries forming a part of the Company's net investment in non-integral foreign operations. Effectively, the Company had partially converted its rupee borrowings into foreign currency borrowings, using cross-currency swap derivative instruments, so as to progressively balance on its books its net investments in overseas subsidiaries with foreign currency borrowings.

On application of the hedge accounting policy, the foreign currency translation differences of both, the hedging instrument (i.e. the borrowings) and the hedged item (i.e. the net investment in non-integral foreign operations), are recognised under Reserves and Surplus having due consideration to hedge effectiveness. Accordingly, the translation difference on the borrowings amounting to ₹ 51 77 lakhs (net of tax) for the half year (including ₹ 50 74 lakhs (net of tax) for the current quarter) forming the effective portion of the hedge has been recognised in the Hedge Reserve Account in the Balance Sheet, whilst the corresponding translation differences of the net investment in non-integral foreign operations of ₹ 140 33 lakhs for the half year (including ₹ 138 64 lakhs for the current quarter) has been recognised under Foreign Currency Translation Reserve Account in the Balance Sheet.

Under the previous accounting policy, the translation differences in respect of the borrowings were being amortised by way of a charge to the Profit and Loss Account. If the Company had continued with the previous accounting policy, an amount of ₹ 31 31 lakhs for the half year (including ₹ 31 00 lakhs for the current quarter) would have been reflected as Notional Exchange Loss in the Profit and Loss Account and an amount of ₹ 45 33 lakhs would have been deferred and recognised as an asset under "Foreign Currency Monetary Item Translation Difference Account" (FCMTDA).

4. The formulae used for calculation of Debt Service Coverage Ratio and Interest Service Coverage Ratio are as follows:
 - a. Debt Service Coverage Ratio = Profit before Interest (Net), Depreciation and Tax / (Interest (Net) + Principal Repayment).
 - b. Interest Service Coverage Ratio = Profit before Interest (Net), Depreciation and Tax / Interest (Net).
 - c. While calculating the above ratios, debt which has been re-financed has not been considered as repayment of Principal and the ratios have been computed on a trailing twelve months basis.



5. The auditors in their report have invited attention to the Company's exposures in long term investments and advances (including through wholly-owned subsidiaries) given to certain companies aggregating ₹ 1,404 50 lakhs, wherein the carrying costs of these investments as at September 30, 2011, significantly exceed their book/market values as on that date. In view of the strategic nature of the investments and the Company's long term commitment and strategies, in the opinion of the Management there is no diminution, other than temporary, in the value of the afore said investments.
6. Disclosure of segment-wise information is not applicable, as hoteliering is the Company's only reportable business segment.
7. Disclosure on Investors' complaints:

Complaints outstanding at the beginning of the quarter	Received during the quarter	Disposed off during the quarter	Unresolved as on 30.09.2011
-	3	3	-

8. Figures for the previous year and periods have been regrouped, wherever necessary, to conform to the current period's presentation.
9. The aforementioned results were reviewed by the Audit Committee of the Board, subsequently approved by the Board of Directors at its meeting held on October 28, 2011 and have been audited by the Statutory Auditors of the Company.

For THE INDIAN HOTELS COMPANY LIMITED


RAYMOND N. BICKSON
 (Managing Director)

October 28, 2011

Registered Office:
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 Mandlik Road,
 Mumbai 400 001.