



**THE INDIAN HOTELS COMPANY LIMITED**

AUDITED STATEMENT OF FINANCIAL RESULTS  
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2010

₹ / lakhs

| Items   | Quarter Ended |               | Nine Months Ended |                | Year Ended     |
|---|---------------|---------------|-------------------|----------------|----------------|
|   | Dec 31, 2010  | Dec 31, 2009  | Dec 31, 2010      | Dec 31, 2009   | Mar 31, 2010   |
| Net Sales/Income from Operations  | 485 34        | 422 31        | 1142 58           | 970 59         | 1408 94        |
| Other Operating Income (Note 2)   | -             | 15 57         | -                 | 59 36          | 64 35          |
| <b>Total Income</b>   | <b>485 34</b> | <b>437 88</b> | <b>1142 58</b>    | <b>1029 95</b> | <b>1473 29</b> |
| Expenditure   |               |               |                   |                |                |
| a. Consumption of Raw Materials   | 38 16         | 33 77         | 97 52             | 79 90          | 112 58         |
| b. Staff Costs  | 113 37        | 87 97         | 305 52            | 260 86         | 356 11         |
| c. License Fees   | 26 65         | 25 78         | 67 39             | 61 72          | 89 34          |
| d. Fuel, Power and Light  | 27 94         | 24 87         | 85 59             | 74 83          | 99 96          |
| e. Depreciation   | 29 78         | 25 99         | 80 42             | 76 25          | 104 10         |
| f. Other Expenditure  | 134 94        | 114 28        | 352 24            | 315 87         | 435 03         |
| <b>Total Expenditure</b>  | <b>370 84</b> | <b>312 66</b> | <b>988 68</b>     | <b>869 43</b>  | <b>1197 12</b> |
| <b>Profit from Operations before Other Income, Interest and Exceptional Items</b> | <b>114 50</b> | <b>125 22</b> | <b>153 90</b>     | <b>160 52</b>  | <b>276 17</b>  |
| Other Income  | 3 08          | 3 64          | 24 31             | 35 25          | 43 74          |
| <b>Profit before Interest and Exceptional Items</b>                               | <b>117 58</b> | <b>128 86</b> | <b>178 21</b>     | <b>195 77</b>  | <b>319 91</b>  |
| Interest (Net)  | 32 74         | 44 18         | 96 34             | 119 61         | 152 90         |
| <b>Profit after Interest but before Exceptional Items</b>                         | <b>84 84</b>  | <b>84 68</b>  | <b>81 87</b>      | <b>76 16</b>   | <b>167 01</b>  |
| Exceptional item - Exchange Gain / (Loss)   | 2 64          | ( 76)         | 5 97              | 3 23           | 3 33           |
| Exceptional item - Others (Note 3)  | (5 20)        | ( 5)          | (9 49)            | 47 48          | 47 91          |
| <b>Profit from Ordinary Activities before tax</b>                                 | <b>82 28</b>  | <b>83 87</b>  | <b>78 35</b>      | <b>126 87</b>  | <b>218 25</b>  |
| Provision for Taxes   | 31 99         | 18 99         | 31 03             | 33 68          | 62 46          |
| Tax Provision of earlier years (Net)  | -             | -             | -                 | -              | 2 69           |
| <b>Profit from Ordinary Activities after tax</b>                                  | <b>50 29</b>  | <b>64 88</b>  | <b>47 32</b>      | <b>93 19</b>   | <b>153 10</b>  |
| Paid-up Equity Share Capital (Note 4)<br>(Face value per share - ₹ 1 each)        | 75 95         | 72 35         | 75 95             | 72 35          | 72 35          |
| Reserves (excluding Revaluation Reserves)   |               |               |                   |                | 2616 87        |
| Earnings Per Share ( ₹ )  |               |               |                   |                |                |
| Basic and Diluted (not annualised)  | 0.69          | 0.90          | 0.65              | 1.29           | 2.12           |

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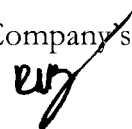
₹ / lakhs

| Items  | Quarter Ended       |              | Nine Months Ended   |              | Year Ended   |
|--|---------------------|--------------|---------------------|--------------|--------------|
|  | Dec 31, 2010        | Dec 31, 2009 | Dec 31, 2010        | Dec 31, 2009 | Mar 31, 2010 |
| Aggregate of Public Shareholding:  |                     |              |                     |              |              |
| Number of Shares   | <b>50,44,06,671</b> | 51,02,39,731 | <b>50,44,06,671</b> | 51,02,39,731 | 51,03,25,671 |
| Percentage of Shareholding   | <b>66.42</b>        | 70.53        | <b>66.42</b>        | 70.53        | 70.54        |
| Promoters and Promoter Group Shareholding:   |                     |              |                     |              |              |
| a) Pledged/Encumbered  |                     |              |                     |              |              |
| Number of Shares   | -                   | 1,00,00,000  | -                   | 1,00,00,000  | 1,00,00,000  |
| Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | -                   | 4.69         | -                   | 4.69         | 4.69         |
| Percentage of Shares (as a % of the total share capital of the company)                | -                   | 1.38         | -                   | 1.38         | 1.38         |
| b) Non-encumbered  |                     |              |                     |              |              |
| Number of Shares   | <b>25,50,66,116</b> | 20,32,33,056 | <b>25,50,66,116</b> | 20,32,33,056 | 20,31,47,116 |
| Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | <b>100.00</b>       | 95.31        | <b>100.00</b>       | 95.31        | 95.31        |
| Percentage of Shares (as a % of the total share capital of the company)                | <b>33.58</b>        | 28.09        | <b>33.58</b>        | 28.09        | 28.08        |

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## Notes

1. Net Sales/Income from Operations for the nine months ended December 31, 2010, improved by 18% over the corresponding period of the previous year. During the quarter, the Company launched the Taj Falaknuma Palace in Hyderabad after an exhaustive restoration.
2. There is no Other Operating Income during the nine months ended December 31, 2010, as against ₹ 59.36 lakhs that was accrued for the corresponding period of the preceding year. This represents insurance claim accrued towards compensation for Business Interruption for which the Taj Mahal Palace Hotel, Mumbai was covered against loss on account of Business Interruption for a period of 12 months which ended on November 25, 2009. As on date, the Company has received ₹ 180.00 lakhs from the insurance company by way of an "on account" payment, covering the claims towards Business Interruption and Property Damage. We expect the formalities of the final claim settlement to be concluded shortly.
3. Exceptional item – "Others" for the nine months ended December 31, 2010 comprises of ₹ 4.29 lakhs being profit on sale of a hotel property, ₹ 8.58 lakhs being provision for diminution in the value of an investment in a subsidiary and ₹ 5.20 lakhs being expenditure on a project being charged off as the same has been abandoned for commercial reasons. The figures relating to the corresponding period of the preceding year reflect a non-recurring profit on sale of investments and profit on exit from a development project.
4. In line with Board and Shareholders' approval, the Company allotted on preferential basis to Tata Sons Ltd, the Promoter, the following securities on December 23, 2010:
  - 3,60,00,000 Equity Shares ("Ordinary Shares") of the face value of ₹ 1 each at a premium of ₹ 102.64 per share.
  - 4,80,00,000 Warrants with an option to subscribe to one Ordinary Share of the face value of ₹ 1 each at a premium of ₹ 102.64 per share for every warrant held. The option shall be exercisable after April 1, 2011, but not later than 18 months from the date of issue of the Warrants. In line with SEBI regulations Tata Sons Ltd has paid 25% of the price per share aggregating to ₹ 124.37 lakhs, upfront, to the Company.
5. Disclosure of segment-wise information is not applicable, as hoteliering is the Company's only business segment.

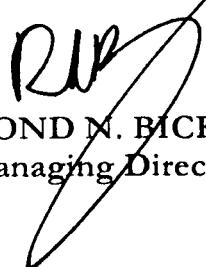


6. Disclosure on Investors' complaints:

| Complaints outstanding at the beginning of the quarter | Received during the quarter | Disposed off during the quarter | Unresolved as on 31.12.2010 |
|--|-----------------------------|---------------------------------|-----------------------------|
| -  | 2                           | 2                               | -                           |

7. Figures for the previous year and periods have been regrouped, wherever necessary, to conform to the current period's presentation.
8. The aforementioned results were reviewed by the Audit Committee of the Board and subsequently approved by the Board of Directors at its meeting held on January 31, 2011. The results for the quarter and the nine months ended December 31, 2010, have been audited by the Statutory Auditors of the Company.

For **THE INDIAN HOTELS COMPANY LIMITED**

  
**RAYMOND N. BICKSON**  
(Managing Director)

January 31, 2011

**Registered Office:**

Mandlik House,  
Mandlik Road,  
Mumbai 400 001.