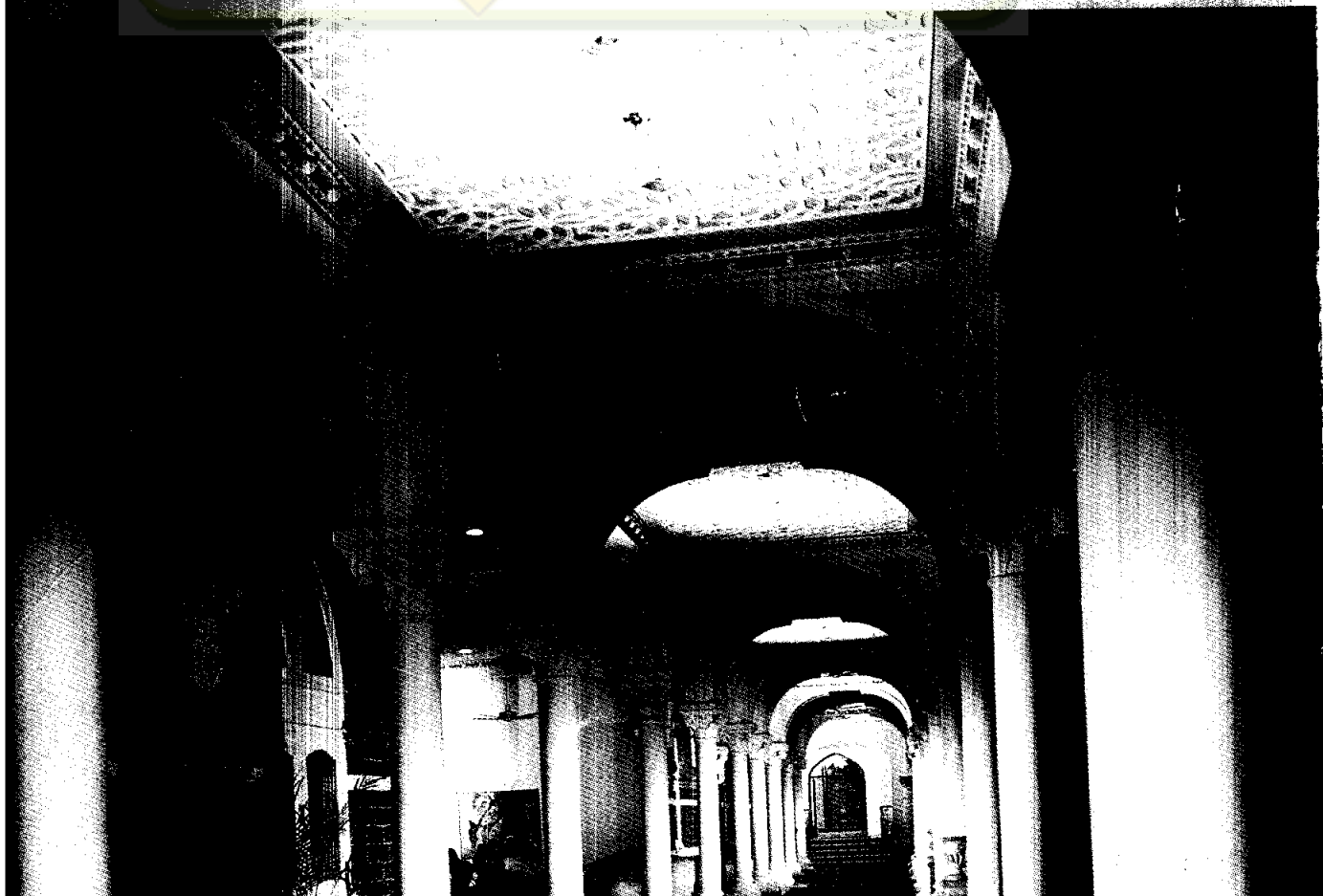




TAJ

Hotels Resorts  
and Palaces

**INDIAN HOTELS COMPANY LIMITED**





# The Indian Hotels Company Limited

Ninety-Ninth Annual Report 1999-2000

Hotels Resorts  
and Palaces

## Contents

Highlights	3
Shareholder Information	4
Notice	7
Directors' Report	13
Corporate Governance	26
Balance Sheet	32
Profit and Loss Account	33
Schedules to Accounts	34
Notes on Balance Sheet and Profit and Loss Account	47
Cash Flow Statement	51
Balance Sheet Abstract and Company's General Profile	52
Financial Statistics	53
Statement Pursuant to Section 212	54
Taj Investment and Finance Company Limited	56
KTC Hotels Limited	66
Asia Pacific Hotels Limited	77
Taj International Hotels (H.K.) Limited and its Subsidiaries	91

**Annual General Meeting  
at Birla Matushri Sabhagar  
on Friday, 25th August, 2000  
at 3.45 p.m.**

# The Indian Hotels Company Limited

## Board of Directors

<b>R.N. Tata</b>	<i>Chairman</i>
<b>J.J. Bhabha</b> <b>S.K. Khandhari</b> <b>N.A. Soonawala</b> <b>N.A. Palkhivala</b>	
<b>R.K. Krishna Kumar</b>	<i>Managing Director</i>
<b>S. Ramakrishnan</b> (Ceased to be a Director 1st October, 1999)	<i>Deputy Managing Director</i>
<b>N.B. Daruwala</b> } <b>Ms. C. Panjabi</b> } <b>Z. Dubash</b> }	<i>Whole-time Directors</i>
<b>K.B. Dadiseth</b> (Appointed 9th May, 2000)	
<b>Deepak Parekh</b> (Appointed 9th May, 2000)	
<b>B.D. Nariman</b>	<i>Company Secretary</i>

## Management

<b>R. K. Krishna Kumar</b>
<b>N.B. Daruwala</b>
<b>Ms. C. Panjabi</b>
<b>Z. Dubash</b>
<b>J.M. Verma</b>
<b>D.S. Chavda</b>
<b>S. Bhowmick</b>
<b>R. Gujral</b>
<b>B. Martyris</b>
<b>S.P. Warty</b>
<b>B.D. Nariman</b>

*Registered Office*  
**Mandlik House, Mandlik Road,**  
**Mumbai - 400 001.**

*Share Department*  
**Mandlik House, Mandlik Road,**  
**Mumbai - 400 001.**

*Solicitors*  
**Mulla & Mulla & Craigie Blunt & Caroe**  
**Udwadia, Udeshi & Berjis**

*Auditors*  
**Messrs S.B. Billimoria & Company**  
**Messrs N.M. Raiji & Company**

<b>Financial Highlights</b>	<b>1999-00 Rupees Crores</b>	<b>1998-99 Rupees Crores</b>
Gross revenue	618.42	603.49
Profit before tax	130.73	154.14
Profit after tax	113.23	119.14
Dividend	38.35	38.35
Retained earnings	108.35	110.41
Funds employed	1391.40	1067.89
Net Worth	957.60	889.47
Borrowings	432.32	178.42
Debt : Equity ratio	0.45 : 1	0.20 : 1
Net worth per Ordinary Share	Rs. 212.26	Rs. 197.16
Earnings per Ordinary Share	Rs. 25.10	Rs. 26.41
Dividend per Ordinary Share	Rs. 8.50 (85 %)	Rs. 8.50 (85 %)

## The Indian Hotels Company Limited

**Shareholder Information****Annual General Meeting**

- **Date and Time** 25th August, 2000 at 3.45 pm
- **Venue** Birla Matushri Sabhagar,  
19, Sir Vithaldas Thackersey Marg,  
Mumbai 400 020

**Book Closure Date**

18th August 2000 to 25th August, 2000  
(both days inclusive)

**Registered Office**

Mandlik House  
Mandlik Road  
Mumbai 400 001

**Telephone No.**

(022) 202 6260

**Facsimile No.**

(022) 202 7442

**Website**

www.tajhotels.com

**E-mail**

shares.dept@tajhotels.com

**Listing**

- **Ordinary Equity Shares** The Stock Exchange, Mumbai  
National Stock Exchange  
Delhi Stock Exchange  
Madras Stock Exchange  
Bangalore Stock Exchange  
London Stock Exchange
- **Global Depository Shares**

**ISIN No.**

INE053A01011

**Stock Code**

Physical Form 850 - The Stock Exchange,  
Mumbai

Demat Form 500 850

'INDHOTEL EQ' — The National Stock  
Exchange of India Ltd. (NSE)

**Share Transfer agent**

In-House

**SEBI Registration No.**

Category II - INR000003746

**Registrars to Fixed Deposits**

Tata Consultancy Services  
Lotus House,  
6, Sir Vithaldas Thackersey Marg,  
New Marine Lines, Mumbai - 400 020.  
Telephone No. 203 9136/203 9189  
Facsimile No. 201 6689



### Financial Calendar

#### Financial reporting for

- |                                       |              |
|---------------------------------------|--------------|
| • Quarter ending 30th June, 2000      | July 2000    |
| • Quarter ending 30th September, 2000 | October 2000 |
| • Quarter ending 31st December, 2000  | January 2001 |
| • Quarter ending 31st March, 2001     | May 2001     |

### Share Transfer System

- All shares have been transferred and returned within 21 days from the date of lodgement, provided the necessary documents were in order.
- The Share Transfer Committee Meets once in 10 days
- The total number of equity shares transferred during 1999-2000 were 20,15,110 as compared to 29,46,020 equity shares in 1998-99.
- The total number of equity shares dematerialised during 1999-2000 were 73,89,430 as compared to 37,15,518 equity shares in 1998-99.

### Dematerialisation of Shares

- Approximately 50% of the Company's Equity Share Capital has been dematerialised, as on 1st June, 2000.
- Trading in the Company's shares in a dematerialised form has been made compulsory with effect from 5th April, 1999.

### Facility of simultaneous Transfer & Dematerialisation of Shares

- The Company provides a facility of simultaneous transfer and dematerialisation of shares and has confirmed the same to National Securities Depository Limited (NSDL) & Central Depository Services India Limited (CDSL)

### Investor Correspondence

- For any queries, investors are requested to get in touch with the Company's share department at Mandlik House, Mandlik Road, Mumbai 400 001.

### Electronic Clearing Services

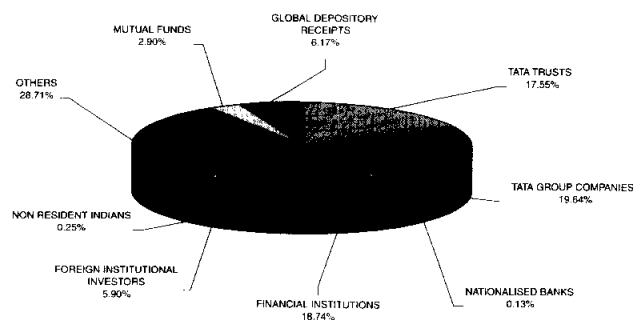
- The Company is availing of the ECS facility to distribute dividend. The Company paid an interim dividend for the financial year 1999-2000 to those members who had opted for it, through the ECS facility in 8 cities viz. Mumbai, Delhi, Chennai, Calcutta, Bangalore, Ahmedabad, Pune & Hyderabad.

### Dividend Distribution through National Securities Depository Limited (NSDL)

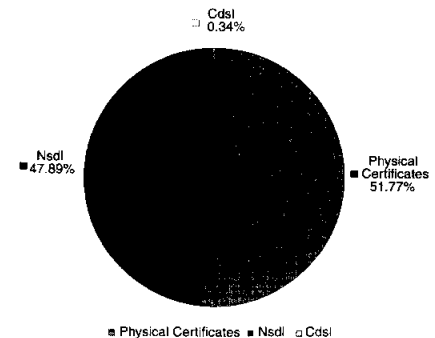
The Company is in the process of executing an agreement with NSDL for the purpose of dividend distribution. As per the bank details available, the dividend amount will be credited directly into the account of the shareholder using the ECS facility or by way of a direct payment into the account. This facility will be provided by NSDL. The shareholders holding shares in a demat form in NSDL are requested to update their bank details with their DP for the NSDL's Dividend Distribution Scheme.

# The Indian Hotels Company Limited

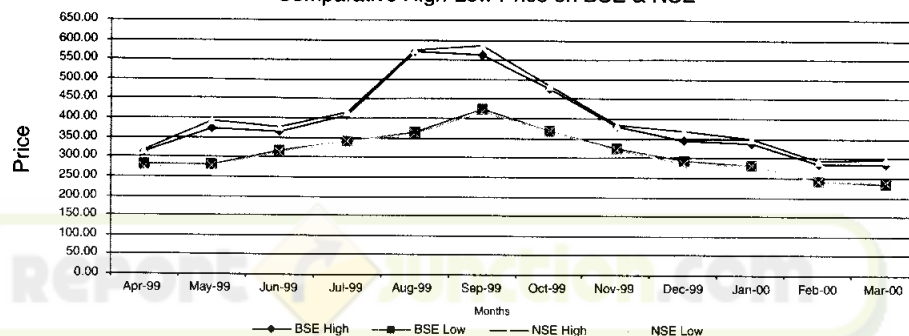
Shareholding Pattern as on 31st March, 2000



Status on Dematerialised Shares



Comparative High-Low Price on BSE &amp; NSE



Distribution Schedule as on 31st March, 2000

No. of Equity Shares held (1)	No. of Shareholders Holding Shares in (2)		No. of Shares held in (3)		% of Equity Capital held in (4)		Total Shareholders	Total Shares (5)	Total % to Capital
	Physical Form	Demat Form	Physical Form	Demat Form	Physical Form	Demat Form			
Upto 250	39,985	16,500	2,668,688	1,151,165	5.92	2.55	56,485	3,819,853	8.47
251 to 500	3,976	2,347	1,416,441	682,882	3.14	1.51	6,323	2,099,323	4.65
501 to 1,000	2,774	1,357	1,941,366	772,737	4.30	1.71	4,131	2,714,103	6.02
1,001 to 5,000	1,121	751	1,933,931	1,014,197	4.29	2.25	1,872	2,948,128	6.53
5,001 to 10,000	53	140	339,089	303,141	0.75	0.67	193	642,230	1.42
10,001 to 50,000	25	161	508,377	701,775	1.13	1.56	186	1,210,152	2.68
50,001 to 1,00,000	2	31	106,055	482,759	0.24	1.07	33	588,814	1.31
1,00,001 and above	12	108	14,443,511	16,184,009	32.02	35.88	120	30,627,520	67.89
Shares in transit reported by- -NSDL as on 21.3.00				229,212		0.51		229,212	0.51
Demat Confirmed after 21.3.00				235,360		0.52		235,360	0.52
			23,357,458	21,757,237	51.77	48.23	69,343	45,114,695	100.00



## Notice

NOTICE is hereby given that the NINETY-NINTH ANNUAL GENERAL MEETING of THE INDIAN HOTELS COMPANY LIMITED will be held at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Friday, 25th August, 2000, at 3.45 p.m. to transact the following business :

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 2000, and the Balance Sheet as at that date.
2. To appoint a Director in the place of Mr. R.N. Tata who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Mr. N.A. Soonawala who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. S.K. Kandhari who retires by rotation and is eligible for re-appointment.
5. **Appointment of Mr. K.B. Dadiseth as a Director of the Company.**  
To appoint a Director in the place of Mr. K.B. Dadiseth who was appointed an Additional Director of the Company by the Board of Directors with effect from 9th May, 2000, and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, read with Article 131 of the Articles of Association of the Company, but who is eligible for re-appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Act, from a Member of the Company proposing the candidature of Mr. Dadiseth, for the office of Director of the Company.
6. **Appointment of Mr. Deepak Parekh as a Director of the Company.**  
To appoint a Director in the place of Mr. Deepak Parekh who was appointed an Additional Director of the Company by the Board of Directors with effect from 9th May, 2000, and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, read with Article 131 of the Articles of Association of the Company, but who is eligible for re-appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Act, from a Member of the Company proposing the candidature of Mr. Parekh, for the office of Director of the Company.
7. **To appoint Auditors and fix their remuneration.**  
To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :  
"RESOLVED that pursuant to the provisions of Sections 224, 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. S.B. Billimoria & Co., Chartered Accountants, Mumbai, the retiring auditors, be and are hereby re-appointed and M/s. N.M. Raiji & Company, Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company to audit the Books of Account of the Company for the financial year 2000-2001 on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, plus reimbursement of service tax, out-of-pocket expenses and travelling expenses incurred by them in connection with the audit."
8. **Employees' Stock Option Scheme.**  
To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :  
"RESOLVED that in supersession of Resolution No.10 passed at the Annual General Meeting of the Company held on 28th August, 1998 and pursuant to the provisions of Sections 79A, 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof) and in accordance with the provisions of the Articles of Association of the Company and the regulations/guidelines prescribed by the Securities



## The Indian Hotels Company Limited

and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall deem to include any committee thereof constituted for the time being to exercise the powers conferred on the Board by this Resolution), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to grant, either directly or through a trust, to such employees as are in the permanent employment of the Company at the time the grant is made, including the Directors of the Company (both present and future) as may be decided by the Board in its sole discretion, an option to subscribe either directly or through a trust, to such number of Ordinary Shares of the Company of the face value of Rs. 10/- each, in pursuance of an Employees' Stock Option Scheme (hereinafter referred to as "ESOS") and therefor to issue, allocate or allot such number of Ordinary Shares of the Company in one or more tranches, at such price, in such manner, during such period, on such other terms and conditions and as the Board may, in its absolute discretion and in the best interests of the Company deem fit as set out in the Explanatory Statement hereto, not exceeding in the aggregate 13,53,000 Ordinary Shares that is to say, 3% of the subscribed Ordinary Share Capital of the Company as on 31st March, 2000."

**"RESOLVED FURTHER** that the Board be and is hereby authorised to issue, allocate and allot such number of Ordinary Shares as may be required in pursuance of the above issue, and that the Ordinary Shares so issued, allocated or allotted shall rank in all respects *pari passu* with the existing Ordinary Shares of the Company save and except that such Ordinary Shares shall carry the right to receive either the full dividend or a pro-rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective."

**"RESOLVED FURTHER** that for the purpose of giving effect to the above, the Board be and is hereby further authorised to determine the form and the terms of the Issue, the Issue price and all other terms and conditions connected therewith, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem desirable or necessary for such purpose to give effect to the ESOS and to make and accept any modifications to the ESOS from time to time including to withdraw, suspend or revive the scheme from time to time, as may be required by the authorities in this regard and to settle any questions or difficulties that may arise in connection with the issue."

9. **Revision in the terms of remuneration of the Managing Director and Whole-time Directors of the Company.**  
To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

**"RESOLVED** that in partial modification of Resolution Nos. 13, 12, and 11 passed at the Annual General Meeting of the Company held on 28th August, 1998 and Resolution No. 7 passed at the Annual General Meeting of the Company held on 20th August, 1999, relating to the terms of remuneration and appointment of Mr. R.K. Krishna Kumar, Managing Director, Ms. C. Panjabi, Mr. N.B. Daruwala and Mr. Zubin Dubash, Whole-time Directors of the Company, respectively, and in accordance with the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in the salary scales applicable to the Managing Director and Whole-time Directors of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of their respective appointments) with authority to the Board of Directors to fix their salaries within the respective scales, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April, 2000, for the remainder of the tenure of their respective appointments as set out in the respective draft Supplementary Agreements submitted to this meeting and initialled by a Director for the purpose of identification which Supplementary Agreements are hereby specifically sanctioned."

Hotels Resorts  
and Palaces

## Ninety-Ninth Annual Report 1999-2000

**Notice****NOTES :**

1. The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 5 to 9 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 18th August, 2000, to Friday, 25th August, 2000, both days inclusive.
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
5. Members are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communications to their correct addresses.
6. Members desiring any information as regards the Accounts are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the Meeting.
7. It may be noted that all dividends unclaimed for a period of seven years are to be transferred by the Company to the Investor Education and Protection Fund (the Fund) to be established by the Central Government, as provided for under Section 205C of the Companies Act, 1956. Accordingly, all unclaimed dividends from and including the financial year ended 31st March, 1995, will be transferred by the Company to the Fund in the manner prescribed in the said Section 205C of the Act.
8. Members are requested to kindly bring their copies of the Annual Report to the Meeting.

By Order of the Board of Directors

B.D. NARIMAN

Vice President Legal &amp; Company Secretary

Mumbai, 1st June, 2000

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