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**Annual General Meeting  
at Birla Matushri Sabhagar  
on Friday, 4<sup>th</sup> August, 2006  
at 3.30 p.m.**

## Board of Directors

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice Chairman
J. J. Bhabha	
N. A. Soonawala	
S. K. Kandhari	
K. B. Dadiseth	
Deepak Parekh	
Jagdish Capoor	
Tejendra Khanna	
Shapoor Mistry	
Raymond N. Bickson	Managing Director

Dev Bajpai	Company Secretary
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### Committees of the Board

#### Audit Committee

S. K. Kandhari	Chairman
Deepak Parekh	
Jagdish Capoor	

#### Remuneration Committee

Jagdish Capoor	Chairman
R. N. Tata	
R. K. Krishna Kumar	
N. A. Soonawala	

#### Shareholders'/ Investor Grievance Committee

N. A. Soonawala	Chairman
R. K. Krishna Kumar	
Raymond N. Bickson	

#### Registered Office

Mandlik House, Mandlik Road, Mumbai 400 001.  
Tel: 6639 5515  
Fax: 2202 7442

#### Share Department

Mandlik House, Mandlik Road, Mumbai 400 001.  
Tel: 2202 6260  
Fax: 2202 7442  
Email: [shares.dept@tajhotels.com](mailto:shares.dept@tajhotels.com)

#### Solicitors

Mulla & Mulla & Craigie Blunt & Caroe  
Udwadia and Udeshi

#### Auditors

S. B. Billimoria & Company  
N. M. Raiji & Company

#### Bankers

The Hongkong and Shanghai Banking Corporation Ltd.  
Standard Chartered Grindlays Bank  
Citibank n.a.

Website: [www.tajhotels.com](http://www.tajhotels.com)

## Management

Raymond N. Bickson	Managing Director
Anil P. Goel	Sr. Vice President - Finance
Ajoy K. Misra	Sr. Vice President - Sales & Marketing
Yogi Sriram	Sr. Vice President - Human Resources
Prakash Shukla	Sr. Vice President - Technology & CIO
Rajiv Gujral	Chief Operating Officer & Sr. Vice President - Mergers, Acquisitions & Development
Franz Zeller	Sr. Vice President & Chief Operating Officer Luxury SBU - International
Abhijit Mukerji	Chief Operating Officer - Luxury SBU - India
Jyoti Narang	Chief Operating Officer - Leisure SBU
Jamshed S. Daboo	Chief Operating Officer - Business SBU
Dev Bajpai	Vice President (Legal) & Company Secretary

## Financial Highlights

	2005-2006 Rupees (In Crores)	2004-2005 Rupees (In Crores)
Gross Revenue	<b>1127.57</b>	873.24
Profit Before Tax	<b>272.00</b>	141.68
Profit After Tax	<b>183.78</b>	105.86
Dividend	<b>77.95</b>	50.25
Retained Earnings	<b>160.80</b>	105.33
Funds Employed	<b>2374.01</b>	2266.44
Net Worth	<b>1715.09</b>	1130.39
Borrowings	<b>544.34</b>	1008.33
Debt : Equity Ratio	<b>0.32 : 1</b>	0.89 : 1
Net Worth per Ordinary Share	<b>293.63</b>	224.95
Earnings per Ordinary Share (Basic)		
Before Extraordinary Item - (In Rupees)	<b>31.47</b>	20.06
After Extraordinary Item - (In Rupees)	<b>31.47</b>	21.06
Earnings per Ordinary Share (Diluted)		
Before Extraordinary Item - (In Rupees)	<b>31.35</b>	17.76
After Extraordinary Item - (In Rupees)	<b>31.35</b>	18.63
Dividend per Ordinary Share - (In Rupees)	<b>13</b>	10
	<b>(130%)</b>	(100%)

## Notice

NOTICE is hereby given that the HUNDRED AND FIFTH 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, August 4, 2006, at 3.30 p.m to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2006, and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Ordinary Shares.
3. To appoint a Director in the place of Mr. R. N. Tata who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. K. B. Dadiseth who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. Deepak Parekh who retires by rotation and is eligible for re-appointment.

### SPECIAL BUSINESS:

#### 6. 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 Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. S. B. Billimoria & Company, Chartered Accountants and M/s. N. M. Raiji & Company, Chartered Accountants, be and are hereby re-appointed as Joint 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 2006-07 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 and travelling expenses actually incurred by them in connection with the audit.”

#### 7. Voluntary delisting of the Company's Ordinary Shares from certain Stock Exchanges

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**“RESOLVED THAT** subject to the provisions of the Companies Act, 1956 [including any statutory modification(s) or enactment thereof for the time being in force and as may be enacted hereinafter] the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent be and is hereby accorded to the Board to delist the Company's Ordinary Shares from all or any of the following Stock Exchanges viz.: The Delhi Stock Exchange Association Limited, Bangalore Stock Exchange Limited and Madras Stock Exchange Limited,

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all necessary steps in this regard in order to comply with the legal and / or procedural formalities, including authorising any Committee of Directors or any of the Directors / Officers / Executives of the Company to do all such acts, deeds, matters and things as may be necessary to give effect to the above.”

**NOTES :**

1. The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6 & 7 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 Tuesday, July 18, 2006, to Friday, August 4, 2006, both days inclusive.
4. The Dividend on Ordinary Shares, as recommended by the Directors, if declared at the Annual General Meeting, will be paid on or after August 5, 2006, to the Members whose names appear on the Company's Register of Members on August 4, 2006. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of the shares whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as at the close of business hours on July 17, 2006.
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
6. Dividends remaining unclaimed for seven years from the date they first became due for payment are now required to be transferred to the "Investor Education and Protection Fund" established by the Central Government under the amended provisions of the Companies Act, 1956. Members shall not be able to claim any unpaid dividend from the said Fund nor from the Company thereafter. It may be noted that unpaid dividend for the financial year ended March 31, 1999, is due for transfer to the Investor Education and Protection Fund on November 6, 2006.
7. To avoid loss of dividend warrants in transit and undue delay in the receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by the Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in a physical form and who are desirous of availing of this facility are requested to contact the Company's Share Department at the Registered Office of the Company.
8. Members are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct addresses.
9. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment / re-appointment at the meeting are annexed.
10. 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.
11. Members are requested to kindly bring their copies of the Annual Report to the Meeting.

**By Order of the Board of Directors**

**Dev Bajpai**  
**Vice President (Legal) & Company Secretary**

Mumbai, Dated: June 8, 2006

**Registered Office :**

Mandlik House,  
Mandlik Road,  
Mumbai 400 001.

## Explanatory Statement

### As required by Section 173 of the Companies Act, 1956 (the Act)

1. The following Explanatory Statement sets out the material facts relating to the business under Item Nos. 6 & 7 mentioned in the accompanying Notice dated June 8, 2006.

#### Item No. 6

2. Section 224A of the Act, provides that in the case of a public company, in which not less than 25% of the subscribed share capital of the Company, is held, whether singly or in any combination by Financial Institutions, Nationalised Banks, Insurance Companies and other Bodies specified in that Section, the appointment of Auditors is to be made by way of a Special Resolution.
3. The shareholdings of the aforesaid Financial Institutions, Nationalised Banks, etc. as on the date of the accompanying Notice is close to 25% of the subscribed share capital of the Company and it may, by the date of the Annual General Meeting, exceed 25% of the subscribed share capital of the Company. Hence, the resolution for re-appointment of the Auditors M/s. S.B. Billimoria & Company and M/s N. M. Raiji & Company, is being proposed as a Special Resolution. As required under Section 224 of the Act, certificates have been received from the Auditors to the effect that their appointments if made, will be in accordance with the limits specified under Section 224(1B) of the Act.
4. The Members' approval is also being sought to authorise the Board of Directors to determine the remuneration payable to the Auditors in consultation with them. The Board commends the Resolution for acceptance by the Members.
5. None of the Directors of the Company is in any way, concerned or interested in the Resolution at Item No. 6 of the accompanying notice.

#### Item No. 7

6. The Company's securities are currently listed on the following Stock Exchanges in India viz. Bombay Stock Exchange Limited (BSE), the National Stock Exchange of India Limited (NSE), The Delhi Stock Exchange Association Limited (DSE), Bangalore Stock Exchange Limited (BLSE) and Madras Stock Exchange Limited (MSE).
7. With the wide and extensive networking centres of the BSE and the NSE, the investors have access to online dealings in the Company's securities across the country. Moreover, the Company's Ordinary Shares are one of the scrips which the Securities and Exchange Board of India has specified for settlement only in demat format.
8. The trading volumes of the Company's Ordinary Shares on the DSE, BLSE and MSE have been dwindling over the past few years and there have been no trades done for the past two years. Neither the Company nor its shareholders derive any value from continued listing on these Stock Exchanges and it would merely add to the administrative costs of listing and compliances. The listing fees paid to the said Stock Exchanges cannot now be justified as they no longer offer commensurate benefits to the Company / its investors and the continued listing on the said Stock Exchanges is not considered necessary. The Board of Directors at its meeting held on June 8, 2006, has therefore decided to apply for the voluntary delisting of the Company's Ordinary Shares from the said Stock Exchanges. The proposed voluntary delisting would further contribute to the cost reduction initiative taken by the Company across various functional areas.

9. The proposed voluntary delisting of the Ordinary Shares from the said Stock Exchanges will not adversely affect any investors, including the Members located in the regions where the said Stock Exchanges are situated. Pursuant to the SEBI (Delisting of Securities) Guidelines, 2003, it is now proposed to seek the Members' approval by way of a Special Resolution for the voluntary delisting of the Company's Ordinary Shares from the said Stock Exchanges as set out in the resolution at Item No. 7. In terms of the said guidelines, as the Company's Ordinary Shares shall continue to remain listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, no Exit Option is required to be offered to the Members.
10. The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the Members.
11. None of the Directors of the Company is concerned or interested in the Resolution at Item No. 7.

**By Order of the Board of Directors**

**Dev Bajpai**  
**Vice President (Legal) & Company Secretary**

Mumbai, Dated: June 8, 2006

**Registered Office :**

Mandlik House,  
Mandlik Road,  
Mumbai 400 001.



**Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company  
(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)**

<b>NAME OF DIRECTOR</b>	<b>Mr. R.N. Tata</b>	<b>Mr. K. B. Dadiseth</b>	<b>Mr. Deepak Parekh</b>
<b>Date of Birth</b>	28.12.37	20.12.45	18.10.45
<b>Date of Appointment</b>	09.01.84	09.04.00	09.04.00
<b>Expertise in specific functional areas</b>	Eminent industrialist with wide business experience across a variety of industries	Finance & Management	Banking & Finance
<b>Qualifications</b>	B.Sc. Architecture with Structural Engineering from Cornell University, Ithaca, New York (including one year at the Cornell Graduate School of Business Administration)	B. Com; F. C. A. (England & Wales)	B. Com; F. C. A. (England & Wales)

**Details of shares held in the Company**

4,398

NIL

NIL

**List of Companies in which outside Directorships held as on 31.03.2006 (excluding private & foreign companies)**

1. Tata Sons Limited	1. Nicholas Piramal Limited	1. Housing Development Finance Corporation Limited
2. Tata Industries Limited	2. Siemens Limited	2. Infrastructure Development Finance Company Limited
3. Tata Steel Limited		3. GlaxoSmithKline Pharmaceuticals Limited
4. Tata Motors Limited		4. Mahindra & Mahindra Limited
5. Tata Chemicals Limited		5. Hindustan Lever Limited
6. The Tata Power Company Limited		6. Castrol India Limited
7. Tata Tea Limited		7. Hindustan Oil Exploration Company Limited
8. Tata AutoComp Systems Limited		8. HDFC Asset Management Company Limited
9. The Bombay Dyeing & Manufacturing Company Limited		9. HDFC Standard Life Insurance Company Limited
10. Tata Consultancy Services Limited		10. HDFC Chubb General Insurance Company Limited
11. Tata Teleservices Limited		11. Siemens Limited
12. Tata Teleservices (Maharashtra) Limited		12. Motor Industries Company Limited
13. Hindustan Aeronautics Limited		



**Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company  
(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)**

NAME OF DIRECTOR	Mr. R.N. Tata	Mr. K. B. Dadiseth	Mr. Deepak Parekh
			13. Exide Industries Limited (Alternate Director) 14. Borax Morarji Limited (Alternate Director) 15. Zodiac Clothing Limited (Alternate Director) 16. Bharat Bijlee Limited (Alternate Director)
<b>Chairman / Member of the *Committees of other Companies on which he is a Director as on 31.03.2006</b>	N/A	1. Siemens Limited - Audit Committee	1. Glaxo Smithkline Pharmaceuticals Limited - Audit Committee 2. Mahindra & Mahindra Limited - Audit Committee 3. Castrol India Limited - Audit Committee 4. Motor Industries Company Limited - Audit Committee 5. Hindustan Lever Limited - Audit Committee 6. Siemens Limited - Audit Committee 7. Motor Industries Company Limited – Shareholders/ Investor Grievance Committee

\*The Committees include the Audit Committee and the Shareholders' / Investor Grievance Committee.

## DIRECTORS' REPORT

### TO THE MEMBERS

The Directors have pleasure in presenting the 105<sup>th</sup> Annual Report of the Company together with its Audited Profit and Loss Account for the year ended March 31, 2006 and the Balance Sheet as on that date:

### FINANCIAL RESULTS

Particulars	2005/06 Rupees (In Crores)	2004/05 Rupees (In Crores)
Total Income	1127.57	873.24
Profit before Depreciation, Interest, Tax & Extraordinary Items	358.26	207.30
Less: Depreciation	65.90	56.77
Less: Interest	20.36	31.84
Profit before extraordinary items and tax	272.00	118.69
Add : Profit on sale of hotel and property	-	6.38
Add : Profit on sale of investments	-	16.61
Profit before tax	272.00	141.68
Less: Provision for tax	88.22	35.82
Profit after tax	183.78	105.86
Add: Balance brought forward from the previous year	81.90	44.34
Profit before Appropriations	265.68	150.20
<b>APPROPRIATIONS</b>		
(i) General Reserve	20.00	11.00
(ii) Dividend:		
A dividend of 130% i.e. Rs 13/- per Ordinary Share on 58,404,859 Ordinary Shares was recommended by the Board of Directors. (Refer Note 3 (d) Page 80) (In respect of the previous year, a dividend of 100% i.e. Rs.10/- per Ordinary Equity Share was declared and paid to the shareholders)	77.95	50.25
Tax on Dividend	10.93	7.05
(iii) Balance carried to Balance Sheet	156.80	81.90
	265.68	150.20

### INCOME

The total income for the year ended March 31, 2006 at Rs. 1127.57 crores was higher than that of the previous year by 29%. During the year under review, the Company crossed the Rs 1000 crore landmark for the first time.

Room Income was higher than the previous year by 33%. The Average Room Rate (ARR) increased by 31% over the previous year, contributing significantly to the total increase in room income, with a sizeable increase attributable to higher room inventory as well.