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Board of Directors

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice Chairman
J. J. Bhabha - expired on May 30, 2007	
N. A. Soonawala	
S. K. Kandhari	
K. B. Dadiseth	
Deepak Parekh	
Jagdish Capoor	
Tejendra Khanna - Resigned w.e.f. April 2, 2007	
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
Ratan N. Tata	
R. K. Krishna Kumar	
N. A. Soonawala	

Share Transfer & 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: 6639 5515
Fax: 2202 7442
Email: 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

Management

Raymond N. Bickson	Managing Director
Anil P. Goel	Chief Financial Officer
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
Jamshed S. Daboo	Chief Operating Officer - Business SBU
Jyoti Narang	Chief Operating Officer - Leisure SBU
Dev Bajpai	Vice President (Legal) & Company Secretary

Financial Highlights

	2006-2007	2005-2006
	Rupees	Rupees
	(In Crores)	(In Crores)
Gross Revenue	1618.83	1154.80
Profit Before Tax	474.64	272.00
Profit After Tax	322.39	183.78
Dividend	96.46	77.95
Retained Earnings	300.97	160.80
Funds Employed	2893.30	2377.01
Net Worth	1797.30	1713.61
Borrowings	943.94	544.34
Debt : Equity Ratio	0.52 : 1	0.32 : 1
Net Worth per Ordinary Share of Re. 1/- each	29.81	29.34
Earnings per Ordinary Share (Basic) - In Rupees	5.35	3.15
Earnings per Ordinary Share (Diluted) - In Rupees	5.35	3.14
Dividend per Ordinary Share	1.60	1.30
	160%	130%

Previous Year's figures have been re-stated taking into account the split of shares having face value Rs. 10/- each to shares of face value Re. 1/- each.

Notice

NOTICE is hereby given that the HUNDRED AND SIXTH 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 3, 2007, 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, 2007, 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. S. K. Kandhari who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. Jagdish Capoor who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. N. A. Soonawala 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 2007-08 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. Revision in FII Investment Limits

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 August 9, 2004 and pursuant to the provisions of the Foreign Exchange Management Act, 1999 (including any statutory modification(s), or re-enactments thereof for the time being in force or as may be enacted hereafter), any Regulations and Guidelines thereunder or any Rules, Regulations or Guidelines issued by the Reserve Bank of India from time to time, and subject to such consents, sanctions and permissions as may be required from appropriate authorities, consent of the Company be and is hereby accorded for investment by Foreign Institutional Investors [‘FIIs’] including their sub-accounts in the Ordinary Share Capital of the Company, either by way of direct investment or by purchase or otherwise under any Scheme upto thirty percent of the Ordinary Share Capital of the Company.”

8. Revision in the terms of remuneration of the Managing Director of the Company.

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

“RESOLVED THAT in partial modification of Resolution No. 7 passed at the Annual General Meeting of the Company held on August 9, 2004 and pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if required, the Company hereby accords its approval to the revision in the terms of remuneration of Mr. Raymond N. Bickson, Managing Director of the Company by way of an increase in his basic salary increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from April 1, 2007, for the remainder of the tenure of his appointment i.e. upto and including July 18, 2008, as set out in the Explanatory Statement annexed to the Notice convening this Meeting;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

NOTES :

1. The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6 to 8 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, July 20, 2007, to Friday, August 3, 2007, both days inclusive.
4. The Dividend on Ordinary Shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after August 4, 2007, to the Members whose names appear on the Company's Register of Members on August 3, 2007. 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 & the Central Depository Services (India) Ltd. as at the close of business hours on July 19, 2007.
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
6. Pursuant to Sections 205A and 205C of the Companies Act, 1956, all 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" (IEPF) 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, 2000 is due for transfer to the IEPF on July 25, 2007.
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. For Members of erstwhile Indian Resort Hotels Limited

Pursuant to Sections 205A and 205C of the Companies Act, 1956, all dividends and interest on deposits as well as the principal amounts of deposits as at March 31, 2007 remaining unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the IEPF established by the Central Government.

Members are requested to contact the Company's Share Department at the Registered Office of the Company, in respect of unclaimed dividend declared on September 6, 2000 which shall be transferred to IEPF on or before July 27, 2007

For Members of erstwhile Gateway Hotels and Getaway Resorts Limited

Pursuant to Sections 205A and 205C of the Companies Act, 1956, all dividends remaining unclaimed for a period of 7 years from the date it became due for payment, shall be transferred to the IEPF established by the Central Government on or before its due date.

9. 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.
10. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment at the meeting are annexed.
11. 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.
12. 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 19, 2007

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 to 8 mentioned in the accompanying Notice dated June 19, 2007.

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 approval 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. In the past, the Company has taken some steps to increase the liquidity in the Company's Ordinary shares. This includes sub division of the shares from a face value of Rs. 10/- each to a face value of Re. 1/- each with the objective of generating greater retail interest and participation in the Company's shares.
7. Presently, the Company has a limit upto 40% for accepting investment by Foreign Institutional Investors (FIIs). The present shareholding of FIIs in the Company is around 25%. It is proposed to revise the limit of investment of FIIs to 30% subject to receipt of necessary approvals with the objective of ensuring that there is continued liquidity and greater retail participation in the Company's shares.
8. The Board had, in its meeting held on June 19, 2007, approved this proposal subject to receipt of all necessary approvals.
9. The Board commends the resolution for approval by the Members.
10. None of the Directors shall be deemed to be interested in the resolution except the Directors holding shares to the extent of their shareholding.

Item No. 8

11. At the Annual General Meetings of the Company held on September 4, 2003 and August 9, 2004, respectively, the Members of the Company had approved of the appointment and the terms of remuneration of Mr. Raymond N. Bickson,

Managing Director of the Company. Taking into consideration the increased business activities of the Company and the responsibilities cast on the Managing Director, it is proposed to revise the salary of the Managing Director of the Company with effect from April 1, 2007 in the manner and to the extent given below :

	Existing Salary Scale	Proposed Basic Salary
Mr. Raymond N. Bickson	USD 15,000 - 25,000 p.m.	USD 27,000 p.m.

with proportionate increases in the benefits related to salary.

All other terms and conditions of the Agreement as approved by the Members of the Company will remain unchanged.

12. In compliance with the provisions of Sections 269, 309 and 310 read with Schedule XIII of the Act, the terms of remuneration of Mr. Bickson as the Managing Director, specified above, are now placed before the Members in the General Meeting for their approval.
13. The Board had, in its meeting held on June 19, 2007, approved this proposal subject to receipt of all necessary approvals.
14. The Directors commend the Resolution for approval by the Members.
15. Mr. Raymond N. Bickson is concerned or interested in the Resolution at Item No. 8 of the Notice.
16. This may also be treated as an abstract of the variation in the terms of remuneration of Mr. Raymond N. Bickson, pursuant to Section 302 of the Act.

By Order of the Board of Directors

Dev Bajpai
Vice President (Legal) & Company Secretary

Mumbai, Dated: June 19, 2007

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)**

NAME OF DIRECTOR	Mr. S. K. Kandhari	Mr. Jagdish Capoor	Mr. N. A. Soonawala
Date of Birth	15.08.1934	01.07.1939	27.06.1935
Date of Appointment	31.07.1980	27.07.2001	31.07.1980
Expertise in specific functional areas	Finance & Accounts	Banking	Accounts, Investment & Capital Markets, Finance & Development Banking
Qualifications	B.Com., A.C.A.	M.Com.; Certified Associate of Indian Institute of Bankers (CAIIB)	B.Com., A.C.A.
Details of shares held in the Company	-	-	-
List of Companies in which outside Directorships held as on 31.03.2007 (excluding private & foreign companies)	N/A	1. HDFC Bank Ltd. 2. Bombay Stock Exchange Ltd. 3. GHCL Ltd. 4. Assets Care Enterprise Ltd.	1. Tata Sons Ltd. 2. Tata Industries Ltd. 3. Tata Motors Ltd. 4. Tata Investment Corporation Ltd. 5. Trent Ltd.
Chairman/Member of the *Committees of other Companies on which he is a Director as on 31.03.2007	N/A	1. HDFC Bank Ltd. – Chairman, Shareholders’/Investor Grievance Committee. 2. Bombay Stock Exchange Ltd. – Chairman, Shareholders’/Investor Grievance Committee. 3. Assets Care Enterprise Ltd – Member, Audit Committee. 4. GHCL Ltd. - Member, Audit Committee.	1. Tata Sons Ltd. – Audit Committee 2. Tata Investment Corporation Ltd. – Share Transfer & Investors’ 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 106th Annual Report of the Company together with its Audited Profit and Loss Account for the year ended March 31, 2007 and the Balance Sheet as on that date:

FINANCIAL RESULTS

	Rs/Crores	
Particulars	2006/07	2005/06
Total Income	1618.83	1154.80
Profit before Depreciation, Interest and Tax	637.97	358.26
Less: Depreciation	91.44	65.90
Less: Interest	71.89	20.36
Profit before tax	474.64	272.00
Less: Provision for tax	152.25	88.22
Profit after tax	322.39	183.78
Add: Balance brought forward from the previous year	156.80	81.90
Profit before Appropriations	479.19	265.68
APPROPRIATIONS		
(i) General Reserve	35.00	20.00
(ii) Dividend:		
A dividend of 160% i.e. Rs 1.60/- per Ordinary Share on 60,28,50,590 Ordinary Shares was recommended by the Board of Directors. (In respect of the previous year, a dividend of 130% i.e. Rs.13/- per Ordinary Equity Share was declared and paid to the shareholders)	96.46	77.95
Tax on Dividend	16.40	10.93
(iii) Balance carried to Balance Sheet	331.33	156.80
	479.19	265.68

INCOME

The total income for the year ended March 31, 2007 at Rs. 1618.83 crores was higher than that of the previous year by 40% which included the impact of merger of five companies into the Company.

Room Income was higher than the previous year by 50% The Average Room Rate (ARR) increased by 29% over the previous year, contributing significantly to the total increase in room income.

Food & Beverage (F&B) income was 28% higher than the previous year. Banquets income grew by 20% over the previous year.

INTEREST AND DEPRECIATION

Interest cost was substantially higher at Rs. 71.89 crores for the year ended March 31, 2007 as compared to Rs. 20.36 crores in the previous year due to the impact of the debt of Rs. 414.03 crores, of the merging companies, taken over by your Company.