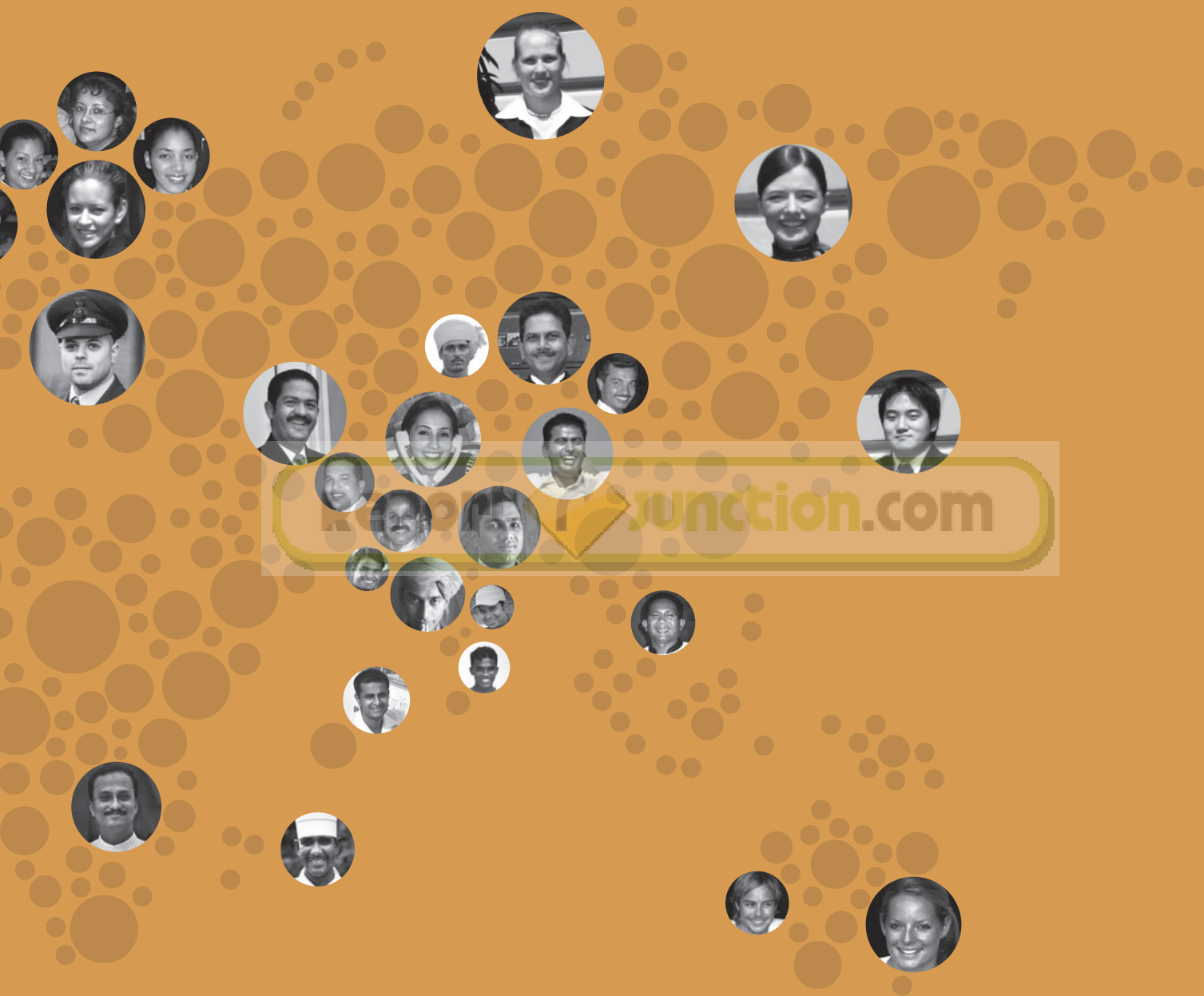


**THE INDIAN HOTELS COMPANY LIMITED**  
A **TATA** Enterprise

**107th ANNUAL REPORT 2007-08**







*“The Year of the Associate has pertinent, focused initiatives, which have the ability to capture the minds, hearts, and the spirit of our Internal Customers”*

### **Announcing 2008: Year of The Associate**

For over a century we have been known for our single-minded dedication to delighting our guests with our warmth and fine hospitality. With the objective of creating unique experiences for our guests, your company is sharply differentiating our brands so that they can be the benchmarks in the segments they operate. In order to better serve our guests, it is essential to develop sustainable approaches that enable our colleagues to perform their duties to the best of their abilities.

We have always treasured our most valuable asset - our people. To celebrate our people and to re-affirm our commitment to becoming the top global hospitality player, we are launching the ‘Year of The Associate’ 2008-09 campaign. As we unveil the ‘Year of The Associate’, it is important to highlight that we see this as a continued thrust in enabling people processes to achieve our goals well beyond 2008-09.

Celebrating the ‘Year of The Associate’ aligns with our strategic thrust of creating and strengthening our brands, in line with our People Philosophy. Our 5 success factors manifest our tenets of success, where leveraging our collective strength as the 5th success factor is the foundation from which all other strategic thrusts can be leveraged. Only by unleashing People Power and enabling our people and enhancing engagement, will we be able to leverage our collective strengths (factor 5) that will help us enhance our relationships—internally and externally (factor 4), which in turn will enable us to achieve operational

excellence (factor 3), thereby creating differentiations (factor 2), to help enhance our brand and value proposition in our brands, enabling us to exceed customer expectations (factor 1).

We, therefore, see unleashing People Power as an essential part of our HR strategy, which is enhancing and strengthening people - related processes and taking specific initiatives to empower associates and improve factors that enhance our ability to leverage our collective strengths.

We believe that our effort therefore should be to enhance our Internal Customer Focus to play a winning game.

The ‘Year of The Associate’ will have a series of pertinent, focused initiatives, which have the ability to capture the minds, hearts, and the spirit of our Internal Customers to instil an intrinsic desire and passion for excellence. The various initiatives aim to engage Associates at all levels and encourage creativity and participation for new ideas, innovation and continuous improvement.

The ‘Year of The Associate’ initiative aspires to strengthen our connect, emotionally, socially, and even spiritually, to the organizational mission, vision, and purpose.

Thank you,  
Raymond N. Bickson

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## Board of Directors

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice Chairman
N. A. Soonawala	
S. K. Kandhari	
K. B. Dadiseth	
Deepak Parekh	
Jagdish Capoor	
Shapoor Mistry	
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director – Finance (w.e.f March 17, 2008)
Abhijit Mukerji	Executive Director – Hotel Operations (w.e.f March 17, 2008)

### 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: 6639 5515  
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.  
HDFC Bank

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

## Management

Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations
Ajoy K. Misra	Sr. Vice President - Sales & Marketing
H. N. Shrinivas	Sr. Vice President - Human Resources
Prakash Shukla	Sr. Vice President - Technology & CIO
Rajiv Gujral	Sr. Vice President & Chief Operating Officer - Mergers, Acquisitions & Development
Franz Zeller	Sr. Vice President & Chief Operating Officer Luxury Hotels - (International)
Yannick Poupon	Chief Operating Officer - Luxury Hotels (India)
Jyoti Narang	Chief Operating Officer - Gateway Hotels
Jamshed S. Daboo	Chief Operating Officer - Premium Hotels
P. Sanker	Vice President - Legal & Company Secretary
Sumit Guha	Vice President - Projects & Business Development

## Financial Highlights

	<b>2007-08</b> <b>Rupees</b> <b>(In Crores)</b>	<b>2006-07</b> <b>Rupees</b> <b>(In Crores)</b>
Gross Revenue	<b>1823.16</b>	1617.31
Profit Before Tax	<b>580.47</b>	474.64
Profit After Tax	<b>377.46</b>	322.39
Dividend	<b>114.54</b>	96.46
Retained Earnings	<b>328.93</b>	300.97
Funds Employed	<b>3332.22</b>	2891.26
Net Worth	<b>2035.10</b>	1797.30
Borrowings	<b>1134.18</b>	941.90
Debt : Equity Ratio	<b>0.55:1</b>	0.52:1
Net Worth Per Ordinary Share of Re. 1/- each	<b>33.76</b>	29.81
Earnings per Ordinary Share (Basic) - In Rupees	<b>6.26</b>	5.35
Earnings Per Ordinary Share (Diluted) - In Rupees	<b>6.26</b>	5.35
Dividend Per Ordinary Share	<b>1.90</b>	1.60
Dividend %	<b>190%</b>	160%

## Notice

NOTICE is hereby given that the HUNDRED AND SEVENTH 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 Thursday, August 14, 2008, 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, 2008, and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To confirm the declaration and payment of an interim dividend on ordinary shares.
3. To appoint a Director in the place of Mr. R. K. Krishna Kumar who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. Shapoor Mistry who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. K. B. Dadiseth who retires by rotation and is eligible for re-appointment.

### SPECIAL BUSINESS:

6. **Re-appointment of Mr. Raymond N. Bickson as the Managing Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 311 and such other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII, the Company hereby approves the re-appointment and terms of remuneration of Mr. Raymond N. Bickson, as the Managing Director of the Company for a period of five years with effect from 19<sup>th</sup> July, 2008, upon the terms and conditions, including those relating to remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Directors and Mr. Raymond Bickson, subject to such statutory approvals as may be necessary”

7. **Appointment of Mr. Anil P. Goel as a Director of the Company.**

To appoint a Director in place of Mr. Anil P. Goel who was appointed as an Additional Director of the Company with effect from March 17, 2008, by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 (the Act) but who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Act along with the prescribed deposit from a Member of the Company proposing his candidature, for the office of the Director of the Company.

8. **Appointment of Mr. Anil P. Goel as a Whole-time Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and such other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII the Company hereby approves the appointment and terms of remuneration of Mr. Anil P. Goel, as a Whole - time Director of the Company for a period of five years with effect from March 17, 2008, upon the terms and conditions, including those relating to remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or



inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Anil P. Goel, subject to such statutory approvals as may be necessary”

9. **Appointment of Mr. Abhijit Mukerji as a Director of the Company.**

To appoint a Director in place of Mr. Abhijit Mukerji who was appointed as an Additional Director of the Company with effect from March 17, 2008, by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 (the Act) but who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Act along with the prescribed deposit from a Member of the Company proposing his candidature, for the office of the Director of the Company.

10. **Appointment of Mr. Abhijit Mukerji as a Whole-time Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and such other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII the Company hereby approves the appointment and terms of remuneration of Mr. Abhijit Mukerji, as a Whole - time Director of the Company for a period of five years with effect from March 17, 2008, upon the terms and conditions, including those relating to remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Abhijit Mukerji, subject to such statutory approvals as may be necessary”

11. **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 224, 224A, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants and M/s. N. M. Raiji & Company, Chartered Accountants, be and are hereby appointed / re-appointed respectively 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 2008-09 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.”

**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 11 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 Monday, August 11, 2008, to Thursday, August 14, 2008, both days inclusive.
4. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.

5. 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, 2001 is due for transfer to the IEPF on November 5, 2008.
6. 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.
7. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment / re-appointment at the meeting are annexed.
8. 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.
9. Members are requested to kindly bring their copies of the Annual Report to the Meeting.

By Order of the Board of Directors



**P. Sanker**  
Vice President – Legal & Company Secretary

Mumbai, Dated: June 23, 2008

**Registered Office :**

Mandlik House,  
Mandlik Road,  
Mumbai 400 001.