

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

108th ANNUAL REPORT 2008-09



"I HAVE HELD MY GROUND
AS HUMAN HISTORY HAS UNFOLDED
IN ITS TIMELESS PROCESSION
OF LAUGHTER AND TEARS.
COURAGE AND COWARDICE, GOOD AND EVIL.

I WILL PREVAIL."





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	
Nadir Godrej - (w.e.f. November 7, 2008)	
Arnavaz Aga - (w.e.f. November 7, 2008)	
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations

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	Chief Operating Officer and Sr. Vice President - Mergers, Acquisitions & Development
Yannick Poupon	Chief Operating Officer - Luxury Hotels (International)
Jyoti Narang	Chief Operating Officer - Luxury Hotels (India)

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

Website: www.tajhotels.com

P. K. Mohan Kumar	Chief Operating Officer - Gateway Hotels
Veer Vijay Singh	Chief Operating Officer - Premium Hotels
P. Sanker	Vice President - Legal & Company Secretary
Sumit Guha	Vice President - Projects & Business Development

Solicitors

Mulla & Mulla & Craigie Blunt & Caroe

Auditors

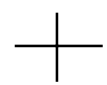
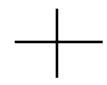
Deloitte, Haskins and Sells
N. M. Rajji & Company

Bankers

The Hongkong & Shanghai Banking Corporation Ltd.
Standard Chartered Bank
Citibank N. A.
HDFC Bank
ICICI Bank Ltd.

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Financial Highlights

	2008-09 Rupees (In Crores)	2007-08 Rupees (In Crores)
Gross Revenue	1706.52	1823.16
Profit Before Tax	362.30	580.47
Profit After Tax	234.03	377.46
Dividend	86.81	114.54
Retained Earnings	226.93	328.93
Funds Employed	4984.57	3332.22
Net Worth	3046.90	2035.10
Borrowings	1766.47	1134.18
Debt : Equity Ratio	0.58:1	0.55:1
Net Worth Per Ordinary Share of Re. 1/- each	42.11	33.76
Earnings per Ordinary Share (Basic) - In Rupees	3.28	5.77
Earnings Per Ordinary Share (Diluted) - In Rupees	3.28	5.77
Dividend Per Ordinary Share	1.20	1.90
Dividend %	120%	190%

NOTICE

NOTICE is hereby given that the HUNDRED AND EIGHTH 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 Monday, August 3, 2009, at 3.00 p.m to transact the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2009 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. N. A. Soonawala 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.

6. Appointment of Ms. Arnavaz Aga as a Director of the Company

To appoint a Director in place of Ms. Arnavaz Aga who was appointed as an Additional Director of the Company with effect from November 7, 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 from a Member proposing her candidature, for the office of the Director of the Company.

7. Appointment of Mr. Nadir Godrej as a Director of the Company

To appoint a Director in place of Mr. Nadir Godrej who was appointed as an Additional Director of the Company with effect from November 7, 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 from a Member proposing his candidature, for the office of the Director of the Company.

8. 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 Deloitte Haskins & Sells, 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 examine and audit the Books of Account of the Company for the financial year 2009-10 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.”

9. Commission to Directors other than the Managing and Whole-time Director(s) of the Company.

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 309 and other applicable provisions, if any, of the Companies Act, 1956, a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them [other than the Managing Director and the Whole-time Director(s)] in such amounts or proportions and in such a manner as may be directed by the Board of Directors of the Company and such payments shall be made in respect of the profits of the Company for each year of the period of five years commencing 1st April, 2009.”

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 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 Tuesday, July 21, 2009 to Monday, August 3, 2009 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 3, 2009, to the Members whose names appear on the Company's Register of Members on August 3, 2009. 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 20, 2009.
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, 2002 is due for transfer to the IEPF on August 17, 2009.
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 major 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 holding shares in physical form 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. Members holding shares in demat form are requested to notify their respective Depository Participant of any change in their 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

P. Sanker
Vice President – Legal & Company Secretary

Mumbai, Dated: June 12, 2009

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 9 mentioned in the accompanying Notice dated June 12, 2009.

Item Nos. 6 to 7

2. The Board of Directors appointed Ms. Arnavaz Aga and Mr. Nadir Godrej as Additional Directors of the Company with effect from November 7, 2008 pursuant to the provisions of Section 260 of the Act and Article 132 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, Ms. Aga and Mr. Godrej hold office as Additional Directors up to the date of the forthcoming Annual General Meeting of the Company, but are eligible for appointment as Directors. The Company has received Notices pursuant to Section 257 of the Act, from Members proposing Ms. Aga and Mr. Godrej's candidatures for the office of Director of the Company at the forthcoming Annual General Meeting of the Company. The Board commends to the Members their appointment as Directors of the Company.
3. Ms. Aga, holds a B.A. degree in Economics and a post graduate degree in Medical and Psychiatric Social Work from the Tata Institute of Social Sciences. She retired as Chairperson of Thermax Limited, the leading player in environment and energy management, in 2004 and continues to serve as a Director. She is very active in various associations viz. Confederation of Indian Industry (CII) and has served as the Chairperson of CII's Western Region.
4. Mr. Nadir Godrej, holds a B.S. degree in Chemical Engineering from the Massachusetts Institute of Technology and a M.S. in Chemical Engineering from Stanford University, in addition to an M B A from Harvard Business School. He is the Managing Director of Godrej Industries Limited and the Chairman of Godrej Agrovet Limited. He has been very active in research, with several patents in the field of agricultural chemicals and surfactants.
5. Ms. Aga and Mr. Godrej may be deemed to be concerned and interested in Item Nos. 6 and 7 respectively, as it relates to their appointment as Directors of the Company.

Item No. 8

6. 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.
7. 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 M/s Deloitte Haskins & Sells 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.
8. 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.
9. None of the Directors of the Company is in any way, concerned or interested in the Resolution at Item No. 8 of the accompanying notice.