

THE INDIAN HOTELS COMPANY LIMITED
A TATA Enterprise

109th ANNUAL REPORT 2009 - 10

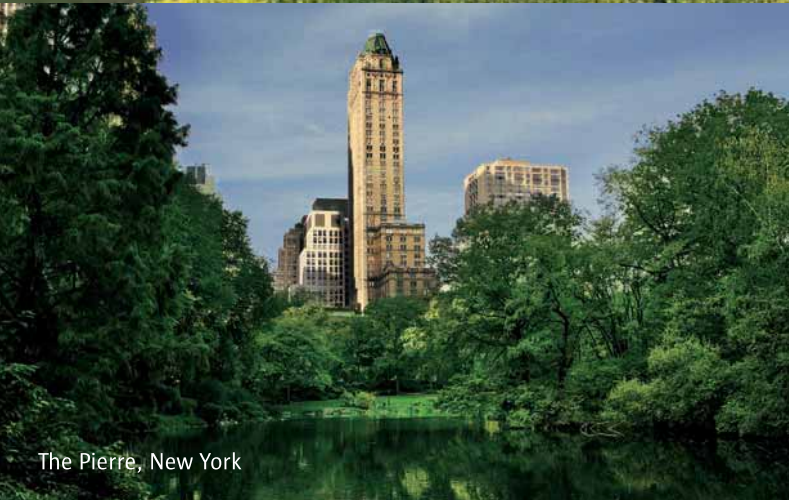




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Contents

Highlights	3
Notice	4 - 7
Directors' Report	8 - 13
Management Discussion & Analysis	14 - 38
Report on Corporate Governance	39 - 56
Corporate Social Responsibility Initiatives	57 - 60
Break-up of Total Expenses	61
Auditors' Report	62 - 65
Balance Sheet	66
Profit and Loss Account	67
Cash Flow Statement	68
Schedules to Accounts	69 - 86
Notes to Balance Sheet and Profit and Loss Account	87 - 116
Balance Sheet Abstract and Company's General Profile	117
Statement pursuant to Section 212	118 - 119
Summary of Financial Information of Subsidiary Companies	120
Financial Statistics	121
Consolidated Financial Statements	122 - 168

Board of Directors

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice Chairman
K. B. Dadiseth	
Deepak Parekh	
Jagdish Capoor	
Shapoor Mistry	
Nadir Godrej	
Arnavaz Aga	
Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director - Finance
Abhijit Mukerji	Executive Director - Hotel Operations

Committees of the Board

Audit Committee

K. B. Dadiseth	Chairman
Deepak Parekh	
Jagdish Capoor	

Remuneration Committee

Jagdish Capoor	Chairman
Ratan N. Tata	
R. K. Krishna Kumar	

Shareholders' / Investor Grievance Committee

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

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)
P. K. Mohan Kumar	Chief Operating Officer - Gateway Hotels
Veer Vijay Singh	Chief Operating Officer - Premium Hotels
P. Sanker	Vice President - Legal & Company Secretary

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 Ltd.
ICICI Bank Ltd.

Financial Highlights

	2009-10	2008-09
	Rupees	Rupees
	(In Crores)	(In Crores)
Gross Revenue	1,566.35	1706.52
Profit Before Tax	218.25	362.30
Profit After Tax	153.10	234.03
Dividend	72.35	86.81
Retained Earnings	173.78	226.93
Funds Employed	5,365.56	4984.57
Net Worth	2,688.75	3046.90
Borrowings	2,650.55	1766.47
Debt : Equity Ratio	0.99:1	0.58:1
Net Worth per Ordinary Share of Re. 1/- each	37.16	42.11
Earnings per Ordinary Share (Basic & Diluted) - In Rupees	2.12	3.28
Dividend per Ordinary Share	1.00	1.20
Dividend %	100%	120%

NOTICE

NOTICE is hereby given that the HUNDRED AND 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 Thursday, August 5, 2010, 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, 2010, 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. K. B. Dadiseth 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. Jagdish Capoor who retires by rotation and is eligible for re-appointment.

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 Deloitte Haskins & Sells, Chartered Accountants (Firm No. 117366W), and M/s. N. M. Raiji & Company, Chartered Accountants (Firm No. 108296W), 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 2010-11 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 No. 6 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.** The instrument appointing the proxy should however be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, July 27, 2010 to Thursday, August 5, 2010 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 6, 2010, to the Members whose names appear on the Company's Register of Members on August 5, 2010. 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 26, 2010.
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, 2003 is due for transfer to the IEPF on November 9, 2010.
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 National Electronic Clearing System (NECS). The NECS 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 dematerialized 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 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 copy of the Annual Report to the Meeting.

By Order of the Board of Directors

P. Sanker
Vice President – Legal & Company Secretary

Mumbai, Dated: June 1, 2010

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 No. 6 mentioned in the accompanying Notice dated June 1, 2010.

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 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.
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.

By Order of the Board of Directors

P. Sanker
Vice President -Legal & Company Secretary

Mumbai, Dated: June 1, 2010

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. K. B. Dadiseth	Mr. Jagdish Capoor	Mr. Shapoor Mistry
Date of Birth	December 20, 1945	July 1, 1939	September 6, 1964
Date of Appointment	May 9, 2000	July 27, 2001	April 17, 2003
Expertise in specific functional areas	Finance & Management	Banking	Management
Qualifications	B. Com., Member Institute of Chartered Accountants, England & Wales	M.Com., Certified Associate of Indian Institute of Bankers (CAIIB)	B.A. (England) - Business & Economics
Details of shares held in the Company	Nil	5,000	Nil
List of Companies in which outside Directorships held as on 31.03.2010 (excluding private & foreign companies)	Britannia Industries Limited ICICI Prudential Life Insurance Co. Ltd Piramal Healthcare Limited ICICI Prudential Trust Limited Siemens Ltd Godrej Properties Limited	HDFC Bank Limited Assets Care Enterprise Ltd. LIC Pension Fund Limited	Shapoorji Pallonji & Company Limited Afcons Infrastructure Limited Cyrus Investments Limited Eureka Forbes Limited Forbes & Co. Limited Gokak Textiles Limited Forvol International Services Limited Shapoorji Pallonji Finance Limited Shapoorji Pallonji Infrastructure Capital Co. Limited Shapoorji Pallonji Power Co. Limited United Motors (India) Limited
Chairman / Member of the *Committees of other Companies on which he is a Director as on 31.03.2010	Audit Committee Britannia Industries Limited Siemens Limited Godrej Properties Limited Shareholders' & Investors' Grievance Committee ICICI Prudential Life Insurance Co. Ltd	Audit Committee LIC Pension Fund Limited Shareholders' & Investors' Grievance Committee HDFC Bank Limited	Audit Committee United Motors (India) Limited Shareholders' & Investors' Grievance Committee United Motors (India) Limited

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

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the 109th Annual Report of the Company together with its Audited Profit and Loss Account for the year ended March 31, 2010 and the Balance Sheet as on that date:

FINANCIAL RESULTS

Particulars	Rs/Crores	
	2009/10	2008/09
Total Income	1566.35	1706.52
Profit before Depreciation, Interest and Tax	473.37	552.16
Less: Depreciation	104.14	94.46
Less: Interest	152.90	89.19
Profit before Tax & Exceptional Items	216.33	368.51
Less: Exceptional Items	(1.92)	6.21
Profit before Tax	218.25	362.30
Less: Provision for Tax	62.46	124.58
Less: Short Provision of Tax of earlier years (Net)	2.69	3.69
Profit after Tax	153.10	234.03
Add: Balance brought forward from the previous year	539.25	536.78
Amount available for Appropriation	692.35	770.81

APPROPRIATIONS

(i) General Reserve	15.31	30.00
(ii) Dividend:		
A final dividend of 100% i.e. Re. 1/- per Ordinary Share was recommended by the Board of Directors on May 26, 2010.		
(In respect of the previous year, a final dividend of 120% i.e. Rs. 1.20/- per Ordinary Share was declared and paid to the Members)	72.35	86.81
Tax on Dividend	11.11	14.75
(iii) Transfer to Debenture Redemption Reserve	139.00	100.00
(iv) Balance carried to Balance Sheet	454.58	539.25
	692.35	770.81

INCOME

The total income for the year ended March 31, 2010 at Rs.1566.35 crores was lower than that of the previous year by 8.2%. Room Income was lower than the previous year by 17%. The Average Room Rate (ARR) decreased by 16% over the previous year. Food & Beverage (F&B) income was 5% higher than the previous year. Banquets income grew by 12% over the previous year.

DEPRECIATION AND INTEREST

Depreciation for the year was higher due to incremental depreciation on new additions to fixed assets as also the full year impact of depreciation on the 120 rooms added to Lands End hotel in Mumbai and the Vivanta by Taj hotel that was launched at Bangalore.