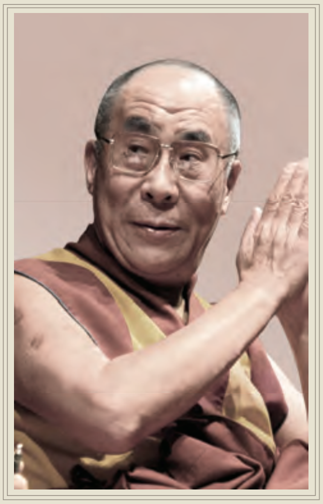
TAJ
Hotels Resorts
and Palaces

THE INDIAN HOTELS COMPANY LIMITED

A TATA Enterprise

110TH ANNUAL REPORT 2010 - 2011

TAJ FOREVER



THE DALAI LAMA
Buddhist Leader

BARACK AND MICHELLE OBAMA
President & First Lady of the United States of America

MANMOHAN SINGH
Prime Minister of India

Home to heads of state, industry moguls, and idols alike, the Taj Mahal Palace is a name that is synonymous with hospitality. Since 1903 it has defined the Mumbai skyline with exquisite refinement, inventiveness and warmth. In the words of the President of the United States of America, Barack Hussein Obama, "The Taj has been the symbol of strength and resilience of the Indian people." While condemning the 26/11 attacks, President Obama went on to say, "....The resolve and the resilience of the Indian people during those attacks stood in stark contrast to the savagery of the terrorists. The murderers came to kill innocent civilians that day. But those of you here risked everything to save human lives. You were strangers who helped strangers; hostages who worked together to break free and escape; hotel staff who stayed behind to escort guests to safety.... Those who attacked Mumbai wanted to demoralize this city and this country. But they failed. Because the very next day, Mumbaikars came back to work. Hotel staff reported for their shifts. Workers returned to their businesses. And within weeks, this hotel was once again welcoming guests from around the world."

In our guestbook lies a list of illustrious guests - an inventory of names that the world recognises and admires.

The world is familiar with these names. We know them as our guests.

HILLARY CLINTON
Secretary of State,
United States of America

DMITRY MEDVEDEV
President of the Russian Federation

NICOLAS SARKOZY
President of the French Republic

DAVID CAMERON
Prime Minister, The United Kingdom

WEN JIABAO
Premier of the People's
Republic of China

HORST KÖHLER
Former President of the
Federal Republic of Germany

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Contents

Board of Directors

Ratan N. Tata	Chairman
R. K. Krishna Kumar	Vice Chairman
K. B. Dadiseth	
Deepak Parekh	
Jagdish Capoor	
Shapoor Mistry	
Nadir Godrej	
A. R. 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	Chairman
Raymond N. Bickson	
Abhijit Mukerji	

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: investorrelations@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 - Vivanta Hotels
Beejal Desai	Vice President - Legal & Company Secretary

Solicitors

Mulla & Mulla & Craigie Blunt & Caroe

Auditors

Deloitte Haskins & Sells
N. M. Raiji & Co.

Bankers

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

Financial Highlights

		₹ crores
	2010-11	2009-10
Gross Revenue	**1,724.92**	1,520.36
Profit Before Tax	**222.95**	218.25
Profit After Tax	**141.25**	153.10
Dividend	**75.95**	72.35
Retained Earnings	**161.44**	173.78
Funds Employed	**5,608.12**	5,365.56
Net Worth	**3,228.66**	2,688.75
Borrowings	**2,338.67**	2,650.55
Debt : Equity Ratio	**0.72:1**	0.99:1
Net Worth per Ordinary Share of ₹ 1/- each - In Rupees*	**40.87**	37.16
Earnings per Ordinary Share (Basic & Diluted) - In Rupees	**1.93**	2.12
Dividend per Ordinary Share - In Rupees	**1.00**	1.00
Dividend %	**100%**	100%

* Excludes Warrants of ₹ 124.37 crores

NOTICE

NOTICE is hereby given that the HUNDRED AND TENTH 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 5, 2011, 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, 2011, 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. Ratan N. Tata, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. Deepak Parekh, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. R. K. Krishna Kumar, 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. PKF Sridhar & Santhanam, Chartered Accountants (Firm No. 003990S) be and are hereby re-appointed / 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 examine and audit the Books of Accounts of the Company for the financial year 2011-12 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 Friday, July 22, 2011 to Friday, August 5, 2011, 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, 2011, to the Members whose names appear on the Company's Register of Members on August 5, 2011. 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 21, 2011.
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, 2004 is due for transfer to the IEPF on October 15, 2011.

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 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 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

Raymond N. Bickson
Managing Director

Mumbai, May 24, 2011

Registered Office :
Mandlik House,
Mandlik Road,
Mumbai 400 001.

In order to improve the corporate contribution to the environment, the Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by Companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated April 21, 2011 and April 29, 2011, respectively. Accordingly, your Company proposes to henceforth effect electronic delivery of communication /documents including the Annual Reports and such other necessary communication / documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP)/ Company as the case may be. Members who wish to inform any changes of their e-mail addresses, are requested to promptly update / change the same with their DP, from time to time. Members holding shares in physical form and who are desirous of receiving the communication /documents in electronic form, are requested to please promptly inform their e-mail address to the Company. A separate communication to this effect has already been issued earlier.

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 May 24, 2011.

Item No. 6

2. M/s. N. M. Raiji & Co., Chartered Accountants, Mumbai, the retiring Auditors have informed the Company of their decision not to seek re-appointment as Joint Auditors of the Company. The Board wishes to place on record its appreciation of the services rendered by M/s. N. M. Raiji & Co. to the Company during their tenure as Auditors of the Company.

3. The Board of Directors at its meeting held on May 24, 2011 have recommended the appointment of M/s PKF Sridhar & Santhanam, Chartered Accountants and re-appointment of M/s Deloitte Haskins & Sells as Joint Auditors of the Company. The Company has received a Special Notice from a Member of the Company, in terms of Section 224, 225 and other applicable provisions of the Act, signifying his intention to propose the appointment of M/s PKF Sridhar & Santhanam, Chartered Accountants, as the Joint Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. M/s PKF Sridhar & Santhanam, have expressed their willingness to act as Auditors of the Company, if appointed and have confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

4. 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.

5. The shareholdings of the 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, Chartered Accountants and appointment of M/s PKF Sridhar & Santhanam, Chartered Accountants, 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.

6. 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.

7. None of the Directors of the Company are in any way, concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

By Order of the Board of Directors

Raymond N. Bickson
Managing Director

Mumbai, May 24, 2011

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. Ratan N. Tata**	**Mr. Deepak Parekh**	**Mr. R. K. Krishna Kumar**
Date of Birth	December 28, 1937	October 18, 1945	July 18, 1938
Date of Appointment	January 9, 1984	April 9, 2000	August 29, 1997
Expertise in specific functional areas	Eminent industrialist with wide business experience across a variety of industries	Banking & Finance	Management
Qualifications	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, FCA (England & Wales)	M.A.
Details of shares held in the Company	59,792	1,845	-
List of Companies in which outside Directorships held as on March 31, 2011 (excluding private & foreign companies)	Tata Sons Ltd. Tata Industries Ltd. Tata Steel Ltd. Tata Motors Ltd. Tata Chemicals Ltd. The Tata Power Company Ltd. Tata Global Beverages Ltd. The Bombay Dyeing & Manufacturing Co. Ltd. Tata Consultancy Services Ltd. Tata Teleservices Ltd.	Housing Development Finance Corporation Ltd. Infrastructure Development Finance Co Ltd. GlaxoSmithKline Pharmaceuticals Ltd. Mahindra & Mahindra Ltd. Hindustan Unilever Ltd. Castrol India Ltd. Hindustan Oil Exploration Company Ltd. HDFC Asset Management Company Ltd. HDFC Standard Life Insurance Company Ltd. HDFC Ergo General Insurance Company Ltd. Siemens Ltd. Airports Authority of India Exide Industries Ltd. (Alternate Director) Borax Morarji Ltd. (Alternate Director) Zodiac Clothing Ltd. (Alternate Director) Bharat Bijlee Ltd. (Alternate Director)	Tata Coffee Ltd. Tata Global Beverages Ltd. Tata Industries Ltd. Tata Sons Ltd. Oriental Hotels Ltd. Piem Hotels Ltd. Ewart Investments Ltd. Tata Housing Development Company Ltd. INFINITI Retail Ltd. Tata Realty & Infrastructure Ltd.
Chairman / Member of the *Committees of other Companies on which he is a Director as on March 31, 2011	-	**Audit Committee** GSK Pharmaceuticals Ltd. Mahindra & Mahindra Ltd. Castrol India Ltd. Hindustan Unilever Ltd. Siemens Ltd. **Share Transfer & Investors' Grievance Committee** GSK Pharmaceuticals Ltd.	**Audit Committee** Tata Global Beverages Ltd. **Share Transfer & Investors' Grievance Committee** Tata Coffee Ltd.

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