

THE INDIAN HOTELS COMPANY LIMITED

A **TATA** Enterprise

112TH ANNUAL REPORT 2012 - 2013



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The Indian Hotels Company Limited

COMPANY INFORMATION

Board of Directors

Cyrus P. Mistry (w.e.f. December 28, 2012)	Chairman
Ratan N. Tata (retired w.e.f. December 28, 2012)	Chairman
R. K. Krishna Kumar	Vice Chairman
K. B. Dadiseth	
Deepak Parekh	
Jagdish Capoor	
Shapoor Mistry	
Nadir Godrej	
A. R. Aga (resigned w.e.f. June 6, 2012)	
Guy Lindsay Macintyre Crawford (w.e.f. March 27, 2013)	

Raymond N. Bickson	Managing Director
Anil P. Goel	Executive Director – Finance
Abhijit Mukerji	Executive Director – Hotel Operations
Mehernosh S. Kapadia	Executive Director – Corporate Affairs

Committees of the Board

Audit Committee

K. B. Dadiseth	Chairman
Deepak Parekh	
Jagdish Capoor	

Remuneration Committee

Jagdish Capoor	Chairman
Cyrus P. Mistry	
R. K. Krishna Kumar	

Shareholders' / Investor Grievance Committee

R. K. Krishna Kumar	Chairman
Raymond N. Bickson	
Abhijit Mukerji	

Registered Office & Share Department

Mandlik House, Mandlik Road, Mumbai 400 001
 Tel: 6639 5515
 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
Mehernosh S. Kapadia	Executive Director – Corporate Affairs
Deepa Misra Harris	Sr. Vice President – Sales & Marketing
H. N. Shrinivas	Sr. Vice President – Human Resources
Yannick Poupon	Chief Operating Officer – Luxury Hotels (International)
Jyoti Narang	Chief Operating Officer – Luxury Hotels (India)
Veer Vijay Singh	Chief Operating Officer – Vivanta Hotels
Prabhat Verma	Chief Operating Officer – Gateway Hotels
Beejal Desai	Vice President – Legal & Company Secretary

Solicitors

Mulla & Mulla & Craigie Blunt & Caroe

Auditors

Deloitte Haskins & Sells
 PKF Sridhar & Santhanam

Bankers

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

FINANCIAL HIGHLIGHTS

	2012-13 ₹ crores	2011-12 ₹ crores
Gross Revenue	1,924.79	1,864.72
Profit Before Tax and Exceptional Items	223.12	236.03
Profit Before Tax	(209.79)	229.92
Profit After Tax	(276.61)	145.35
Dividend	@ 69.40	75.95
Retained Earnings	* 135.84	170.98
Total Assets	7,226.22	7,363.98
Net Worth	3,307.65	3,377.02
Borrowings	2,522.27	2,679.38
Debt : Equity Ratio	0.76:1	0.79:1
Net Worth Per Ordinary Share of ₹ 1/- each - In ₹	40.96	# 42.83
Earnings Per Ordinary Share (Basic & Diluted) - In ₹	(3.47)	1.91
Dividend Per Ordinary Share - In ₹	0.80	1.00
Dividend %	80	100

@ Includes Dividend of ₹ 4.80 crores paid for previous year.

* Excludes ₹ 373 crores being provision for diminution in value of long term investment.

Excludes Share Warrants of ₹ 124.37 crores.

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NOTICE

NOTICE is hereby given that the HUNDRED AND TWELFTH 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 2, 2013, at 3.00 p.m. to transact the following business:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2013, and the Balance Sheet as at that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Ordinary shares.
3. To appoint a Director in place of Mr. Deepak Parekh, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Shapoor Mistry, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration.

6. Appointment of Mr. Cyrus P. Mistry as a Director of the Company.

To appoint a Director in place of Mr. Cyrus P. Mistry, who was appointed as an Additional Director of the Company with effect from December 28, 2012, 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 proposing his candidature, for the office of the Director of the Company.

7. Appointment of Mr. Guy Lindsay Macintyre Crawford as a Director of the Company.

To appoint a Director in place of Mr. Guy Lindsay Macintyre Crawford, who was appointed as an Additional Director of the Company with effect from March 27, 2013 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 proposing his candidature, for the office of the Director of the Company.

8. Re-appointment of Mr. Raymond N. Bickson as 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 and such other applicable provisions, if any, of the Companies Act, 1956, (the Act) read with Schedule XIII to the Act, including any statutory modification or re-enactment thereof and subject to such other approvals if any, 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 5 years with effect from July 19, 2013, 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 minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year, during the tenure of his appointment, with authority 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 N. Bickson."

9. Re-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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and such other applicable provisions, if any, of the Companies Act, 1956, (the Act) read with Schedule XIII to the Act, including any statutory modification or re-enactment thereof and subject to such other approvals if any, the Company hereby approves the re-appointment and terms of remuneration of Mr. Anil P. Goel, as a Whole - time Director of the Company for a period of 3 years with effect from March 17, 2013, 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 minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year, during the tenure of his appointment, with authority 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. Anil P. Goel."

10. Re-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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and such other applicable provisions, if any, of the Companies Act, 1956, (the Act) read with Schedule XIII to the Act, including any statutory modification or re-enactment thereof and subject to such other approvals if any, the Company hereby approves the re-appointment and terms of remuneration of Mr. Abhijit Mukerji, as a Whole - time Director of the Company for a period of 3 years with effect from March 17, 2013, 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 minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year, during the tenure of his appointment, with authority 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. Abhijit Mukerji."

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 10 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 be received 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 19, 2013 to Friday, August 2, 2013, 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, 2013, to the Members whose names appear on the Company's Register of Members on August 2, 2013. 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 18, 2013.
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, 2006 is due for transfer to the IEPF in October, 2013.
7. SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has instructed all Companies for usage of electronic payment modes for making cash payments to the investors. Companies whose securities are listed on Stock Exchanges are directed to use, either directly or through their RTI & STA, any Reserve Bank of India approved electronic mode of payment such as ECS [ECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT etc. Thus, Members are requested to kindly provide their requisite bank account particulars by quoting their reference folio number(s) if shares are held in physical form.

If shares are held in dematerialised form, Members may kindly provide the requisite bank account details to their Depository Participant, to ensure that future dividend payments are correctly credited to the respective account.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
10. 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.

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11. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment at the Meeting are annexed to the Notice.
12. 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.
13. Members are requested to kindly bring their copies of the Annual Report to the Meeting.
14. 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. The Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering / updating their e-mail address with the Company for receiving electronic communications.

By Order of the Board of Directors

BEEJAL DESAI

Vice President – Legal and Company Secretary

Mumbai, May 30, 2013

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.

EXPLANATORY STATEMENT

As required by Section 173 (2) 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, 7, 8, 9 and 10 of the accompanying Notice dated May 30, 2013.

Item No. 6

2. The Board of Directors appointed Mr. Cyrus P. Mistry as an Additional Director of the Company with effect from December 28, 2012 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 Act, Mr. Cyrus P. Mistry holds office as an Additional Director up to the date of the forthcoming Annual General Meeting of the Company, but is eligible for appointment as Director. The Company has received a notice pursuant to Section 257 of the Act, from a Member proposing Mr. Cyrus P. Mistry's candidature for the office of Director of the Company at the forthcoming Annual General Meeting of the Company. The Board commends to the Members his appointment as a Director of the Company.
3. Mr. Cyrus P. Mistry is a graduate of Civil Engineering from Imperial College, UK and has a M.Sc. in Management from London Business School. He joined the Board of Shapoorji Pallonji & Co. Ltd as Director in 1991 and was appointed the Managing Director, Shapoorji Pallonji Group in 1994. Under Mr. Cyrus P. Mistry's guidance, Shapoorji Pallonji's construction business had grown from a turnover of USD 20 million to approximately USD 1.5 billion. The group's international construction business has presence in over 10 countries. Mr. Cyrus P. Mistry joined the Board of Tata Sons Limited in 2006 and was appointed Deputy Chairman in November 2011. He was also on the Board of the Construction Federation of India, Imperial College Advisory Board, on the Board of Governors of NICMAR and is a Fellow of the Institute of Civil Engineers.
4. Both, Mr. Cyrus P. Mistry and Mr. Shapoor Mistry, being related to each other may be deemed to be concerned and interested in Item No. 6 as it relates to Mr. Cyrus P. Mistry's appointment as a Director of the Company.

Item No. 7

5. The Board of Directors appointed Mr. Guy Lindsay Macintyre Crawford as an Additional Director of the Company with effect from March 27, 2013 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 Act, Mr. Crawford holds office as an Additional Director up to the date of the forthcoming Annual General Meeting of the Company, but is eligible for appointment as the Director. The Company has received a notice pursuant to Section 257 of the Act, from a Member proposing Mr. Crawford's candidature for the office of Director of the Company at the forthcoming Annual General Meeting of the Company. The Board commends to the Members his appointment as a Director of the Company.
6. Mr. Crawford, is an alumni of Surrey University, Westminster Hotel School, London and Morrisons Academy for Boys, Crieff, Perthshire. Mr. Crawford brings with him a long and varied experience of over 30 years in the international hospitality industry and has been associated with various hotel groups across the globe in a variety of senior management positions. He started his career with the British Transport Hotels Group in 1970 after which he was associated with the Forte Hotel Group for over 20 years and was appointed as the Managing Director of the Le Meridien Hotels and Resorts and Heritage Hotels. Thereafter, in April 2002 he joined the Jumeirah Group, UAE as the Chief Executive. Presently, he is a hospitality consultant / advisor and Non-Executive Director of several universities and private companies respectively. He also advises and supports owners / investors in Bahrain, Maldives, UAE and China.
7. Mr. Crawford may be deemed to be concerned and interested in Item No. 7 as it relates to his appointment as a Director of the Company.

Item Nos. 8, 9 and 10

8. At the Annual General Meeting held on August 14, 2008, the Members of the Company had approved the appointment and remuneration of Mr. Raymond N. Bickson, Managing Director, Mr. Anil P. Goel, Executive Director – Finance and Mr. Abhijit Mukerji, Executive Director – Hotel Operations respectively. The present tenure of Mr. Raymond N. Bickson, as the Managing Director of the Company ends on July 18, 2013 and the tenures of Mr. Anil P. Goel and Mr. Abhijit Mukerji have ended on March 16, 2013.
9. The Board of Directors is of the opinion that it is in the interest of the Company that Mr. Raymond N. Bickson be re-appointed as the Managing Director of the Company for a period of 5 years from July 19, 2013 upto July 18, 2018 and Mr. Anil P. Goel and Mr. Abhijit Mukerji be re-appointed as Whole-time Directors of the Company for a period of 3 years respectively from March 17, 2013 upto March 16, 2016. Accordingly, the Board of Directors had subject to the approval of the Members, re-appointed Mr. Raymond N. Bickson as the Managing Director and Mr. Goel and Mr. Mukerji as Whole-time Directors of the Company.
10. The Board is of the view that the re-appointments of Mr. Bickson as the Managing Director and Mr. Goel and Mr. Mukerji as Whole-time Directors of the Company, will greatly benefit the operations of the Company and the remuneration payable to them is commensurate with their qualifications and experience.

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11. The principal terms and conditions of re-appointment of Mr. Raymond N. Bickson as Managing Director and Mr. Anil P. Goel and Mr. Abhijit Mukerji as Whole-time Directors are as under:

Mr. Raymond N. Bickson

- (i) **Period:** For a period of 5 years commencing from July 19, 2013 to July 18, 2018
- (ii) **Nature of Duties:** Mr. Bickson shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/ or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / subsidiaries or any other executive body or any committee of such a Company.
- (iii) (a) **Remuneration:** Basic salary upto a maximum of USD 1,00,000 per month with annual increments which will be effective 1st April each year as may be decided by the Board, based on merit and taking into account Company's performance; incentive remuneration, if any, and /or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances including expatriate allowance, as may be determined by the Board from time to time.
- (b) **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Bickson, the Company has no profits or its profits are inadequate, the Company will pay to Mr. Bickson remuneration by way of basic salary, benefits, perquisites, allowances and incentive remuneration as above.

Mr. Anil P. Goel

- (i) **Period:** For the period of 3 years commencing from March 17, 2013 to March 16, 2016
- (ii) **Nature of Duties:** Mr. Goel shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and / or Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/ or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / subsidiaries or any other executive body or any committee of such a company.
- (iii) (a) **Remuneration:** Basic salary upto a maximum of ₹ 5,00,000/- per month with annual increments which will be effective 1st April each year as may be declared by the Board, based on merit and taking into account Company's performance; incentive remuneration, if any, and /or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances, as may be determined by the Board from time to time.
- (b) **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Goel, the Company has no profits or its profits are inadequate, the Company will pay to Mr. Goel remuneration by way of basic salary, benefits, perquisites, allowances and incentive remuneration as above.

Mr. Abhijit Mukerji

- (i) **Period:** For a period of 3 years commencing from March 17, 2013 to March 16, 2016.
- (ii) **Nature of Duties:** Mr. Mukerji shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and / or Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/ or subsidiaries, including performing duties as assigned by the Board from time to time, by serving on the boards of such associated companies and / subsidiaries or any other executive body or any committee of such a company.
- (iii) (a) **Remuneration:** Basic salary upto a maximum of ₹ 5,00,000/- per month with annual increments which will be effective 1st April each year, as may be decided by the Board, based on merit and taking into account the Company's performance; incentive remuneration, if any, and /or commission based on certain performance criteria to be prescribed by the Board; benefits, perquisites and allowances, as may be determined by the Board from time to time.
- (b) **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Mukerji, the Company has no profits or its profits are inadequate, the Company will pay to Mr. Mukerji remuneration by way of basic salary, benefits, perquisites, allowances and incentive remuneration as above.