

## REPORT ON CORPORATE GOVERNANCE

### Philosophy on Corporate Governance

Corporate Governance is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy its stakeholders – including shareholders, creditors, employees, customers and suppliers, as well as complying with the legal and regulatory requirements, apart from meeting environmental and local community needs. It involves defining and implementing a system of rules, processes, procedures and relationships to manage the organization and fulfil its legal, financial obligations and setting up & implementing processes that guarantee transparent information, to all stakeholders.

Corporate Governance has indeed been an integral part of the way we have done business for several decades. This emanates from our strong belief that strong governance is integral to creating value on a sustainable basis. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of Corporate Governance requirements as detailed below:

### The Board of Directors:

1. The Board of Directors comprises Executive, Non-Executive as well as Independent Directors. Non-Executive Directors comprise over 70% of the Board of Directors, with the Chairman being a Non-Executive Director. The Directors possess experience in fields as diverse as hoteliering and architecture, to banking, finance and social service. The experience and wisdom of the Directors who are captains of industry, have proved to be of immense assistance to the Company. The details of Directors seeking re-appointment have been attached along with the Notice of the Annual General Meeting.
2. “Independent Directors” i.e. Directors who apart from receiving Directors’ remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which, in the judgement of the Board, may affect the independence of judgement of the Director, comprise more than half of the Board.
3. During the year under review, the Board of Directors of the Company met five times and the period between any two meetings did not exceed three months. The dates of the Board Meetings held during each quarter are as follows:

No.	Date of Meeting	For The Quarter
1	April 21, 2009	April to June
2	June 12, 2009	April to June
3	July 31, 2009	July to September
4	October 30, 2009	October to December
5	January 27, 2010	January to March

As required under Annexure I to Clause 49 of the Listing Agreement with the Stock Exchanges, all the necessary information was placed before the Board from time to time.

4. Mr. S. K. Kandhari, Independent Director who had been a Director on the Board of the Company for the last 29 years stepped down on August 14, 2009 as Director on attaining the age of 75 years as per the Tata Retirement Policy applicable to Non-Executive Directors. Mr. N. A. Soonawala, Non-Executive Director who also was a Director on the Board of the Company for the last 29 years, resigned from the Board on March 31, 2010. Mr. Soonawala’s resignation was in terms of the Tata Retirement Policy applicable to Non-Executive Directors

as he would attain the age of 75 years in June 2010. The Board expresses its deep sense of appreciation for the contributions of Mr. S. K. Kandhari and Mr. N. A. Soonawala as a Member of the Board.

5. All the relevant information, as recommended by the Securities and Exchange Board of India (SEBI) /Stock Exchanges, is promptly furnished to the Board from time to time in a structured manner.
6. The Non-Whole-time Directors of the Company are paid, in addition to commission, sitting fees @ Rs. 20,000/- per meeting for attending meetings of the Board of Directors, Audit Committee and Remuneration Committee and for Share Transfer & Shareholders' / Investor Grievance meetings the sitting fees is paid @ Rs. 10,000/- per meeting.
7. None of the Directors of the Board serve as members of more than 10 Committees nor are they Chairmen of more than 5 Committees, as per the requirements of the Listing Agreement. "Committees" for this purpose include the Audit Committee and the Shareholders' / Investor Grievance Committee under the said Clause 49 of the Listing Agreement.
8. A detailed explanation, in the form of a table illustrating the above is given on page No. 45 for ready reference.
9. The Company has adopted a Code of Conduct for its Non-Executive Directors and all Non-Executive Directors have affirmed compliance with the said Code. All Senior Management of the Company have affirmed compliance with the Tata Code of Conduct. The Code of Conduct is also displayed on the Company's web site. The Annual Report of the Company contains a Certificate duly signed by the Managing Director (CEO) in this regard.
10. Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and / or relatives.

## **Committees of the Board:**

The Committees constituted by the Board of Directors of the Company are as under:

### **1. Audit Committee:**

The Company's Audit Committee comprises entirely of Independent Directors. Each Member of the Committee has the relevant experience in the field of finance, banking and accounting, with a majority of the Members being Chartered Accountants. The Committee has, inter alia, the following terms of reference:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ii. Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval of payment for any other services.
- iii. Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Board's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
  - Any changes in accounting policies and practices and reasons thereof.
  - Major accounting entries based on the exercise of judgement by the Management.
  - Qualifications in the draft audit report.
  - Significant adjustments made in the financial statements, arising out of audit findings.
  - The Going Concern assumption.

- Compliance with Accounting Standards.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Any related party transactions i.e. transactions of the Company of material nature, with Promoters or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- iv. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
  - v. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the Offer Document / prospectus / notice and the report submitted by the Monitoring Agency monitoring the utilisation of the proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter.
  - vi. Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.
  - vii. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - viii. Discussion with internal auditors on any significant findings and follow-up thereon.
  - ix. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - x. Discussion with external / statutory auditors before the audit commences, nature and scope of audit, as well as have post-audit discussion to ascertain any area of concern.
  - xi. Reviewing the Company's financial and risk management policies.
  - xii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The details of the composition, names of Members and Chairman as well as the number of meetings held and Directors attendance thereat during the year are as under:

NO.	MEMBERS	ATTENDANCE AT AUDIT COMMITTEE MEETINGS HELD ON					
		08.05.09	12.06.09	31.07.09	30.10.09	27.01.10	03.02.10
1.	Mr. S. K. Kandhari – Chairman*	√	√	√	-	-	-
2.	Mr. K. B. Dadiseth – Chairman*	-	-	-	√	√	√
3.	Mr. Deepak Parekh	-	-	√	√	√	-
4.	Mr. Jagdish Capoor	√	√	√	√	√	√

The Committee met six times during the period under review.

\*Mr. S. K. Kandhari upon attaining the age of 75 years on August 14, 2009 stepped down from the Board of Directors of the Company and consequently, as the Chairman of the Audit Committee, in terms of the policy applicable to Non- Executive Directors of the Company. Mr. K. B. Dadiseth was appointed as the Chairman of the Audit Committee effective October 27, 2009.

# The Indian Hotels Company Limited

Audit Committee meetings are attended by invitation by the Executive Director – Finance, Executive Director – Hotel Operations, Group Internal Audit and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

## 2. Share Transfer & Shareholders' / Investor Grievance Committee (SSIG):

The Share Transfer & Shareholders'/Investor Grievance Committee has the required powers to carry out the handling of shareholders / investor grievances. The brief terms of reference of the Committee include redressing shareholder and investor complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of dividends etc.

The Committee met once during the period under review.

NO.	MEMBERS	ATTENDANCE AT SHARE TRANSFER & SHAREHOLDERS' / INVESTOR GRIEVANCE COMMITTEE MEETINGS HELD ON 11.05.2009
1.	Mr. N. A. Soonawala - Chairman	√
2.	Mr. R. K. Krishna Kumar	√
3.	Mr. Raymond N. Bickson	√

Mr. N. A. Soonawala resigned as a Director on March 31, 2010 and consequently, as the Chairman of the SSIG Committee, in terms of the policy applicable to Non- Executive Directors of the Company.

Share transfers are processed weekly and approved by the Committee. Investor grievances are placed before the Committee. There were no pending investor complaints which remained unresolved. All share transfers lodged up to March 31, 2010 have been processed by the Committee. The status of the complaints received from shareholders from 01.04.2009 to 31.03.2010 is as under:

Complaints received	Pending as on 31.03.2010
13	Nil

### Amounts Transferred to IEPF

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer unpaid dividends, matured deposits, redeemed debentures and interest accrued thereon remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Given below are the proposed dates for transfer of the unclaimed dividend to the IEPF by the Company: -

Financial Year	Date of declaration of Dividend	Proposed Date of transfer to IEPF*
2002-03	September 5, 2003	November 9, 2010
2003-04	August 10, 2004	October 15, 2011
2004-05	August 12, 2005	October 16, 2012
2005-06	August 5, 2006	October 9, 2013
2006-07	August 4, 2007	October 8, 2014
2007-08	April 15, 2008	June 20, 2015
2008-09	August 3, 2009	October 7, 2016

\* Indicative dates, actual dates may vary

It may be noted that no claims will lie against the Company nor the IEPF in respect of the said unclaimed amounts transferred to the Fund.

During the year the Company made renewed attempts to establish contact with those Members/ Depositors who have not claimed the dividend or interest. Special mailers were sent by different modes to reach the Members/ Depositors. As a result the Company did achieve a limited success and was able to arrange payment of a sum of Rs. 3,08,131/-. Despite this the Company was statutorily required to transfer the following amounts to IEPF of the Central Government as at March 31, 2010:

Particulars	Rs.
<b>Amounts transferred upto March 31, 2009 (a)</b>	<b>25,106,116.67</b>
Amounts transferred during financial year 2009-10:	
- Unpaid / unclaimed dividend with the Company	1,375,467.00
- Unpaid / unclaimed matured deposits with the Company	376,030.00
- Unpaid matured debentures with the Company	-
- Interest accrued on the unpaid matured deposits	173,355.00
- Interest accrued on the unpaid matured debentures	-
<b>Total (b)</b>	<b>1,924,852.00</b>
<b>Amount transferred upto March 31, 2010 (a+b)</b>	<b>27,030,968.67</b>

#### Compliance Officer

**Mr. P. Sanker**

**Vice President - Legal & Company Secretary**

The Indian Hotels Company Limited

Address: Mandlik House, Mandlik Road, Mumbai - 400 001

Phone : 022-6639 5515

Fax : 022-2202 7442

E-mail : shares.dept@tajhotels.com

### 3. Remuneration Committee:

The Listing Agreement with the Stock Exchanges provides that a Company may appoint a Committee for recommending managerial remuneration payable to the Directors. The Company has in place a Remuneration Committee for the said purpose. The main function of the said Committee is to determine the remuneration payable to the Whole-time Directors.

The Chairman of the Remuneration Committee was present at the last Annual General Meeting of the Company. During the year, the Committee met twice as under:

NO.	MEMBERS	ATTENDANCE AT THE REMUNERATION COMMITTEE MEETING HELD ON 12.06.2009 AND ADJOURNED TO 15.09.2009
1.	Mr. Jagdish Capoor - Chairman	√
2.	Mr. Ratan N. Tata	√
3.	Mr. N. A. Soonawala	√
4.	Mr. R. K. Krishna Kumar	√

**4. Remuneration Policy:**

The remuneration of the Whole-time Director(s) is recommended by the Remuneration Committee based on factors such as industry benchmarks, the Company's performance vis-à-vis the industry, performance/ track record of the Whole-time Director(s) etc, which is decided by the Board of Directors. Remuneration comprises a Fixed Component viz. salary, perquisites and allowances and a variable component viz. commission. The Remuneration Committee also recommends the annual increments (which are effective April 1 annually) within the salary scale approved by the Members as also the Commission payable to the Whole-time Director(s) on determination of profits for the financial year, within the ceilings on net profits prescribed under Sections 198 and 309 of the Companies Act, 1956.

The commission payable to Non-Executive Directors is decided by the Board and is distributed based on a number of factors, including number of Board and Committee meetings attended, individual contribution thereat etc.

**Service Contract and Notice Period of the Managing Director and the Executive Directors**

Mr. Raymond N. Bickson's contract as a Managing Director is for a period of 5 years, commencing from July 19, 2008 up to and including July 18, 2013 terminable by 6 months notice on either side.

Mr. Anil P. Goel's contract as Whole Time Director of the Company is for a period of 5 years, commencing from March 17, 2008 up to and including March 16, 2013 terminable by 6 months notice on either side.

Mr. Abhijit Mukerji's contract as Whole Time Director of the Company is for a period of 5 years, commencing from March 17, 2008 up to and including March 16, 2013 terminable by 6 months notice on either side.

The Company has no scheme for stock options.

**Details of ordinary shares of the Company held by the Non-Executive Directors as on March 31, 2010, are as under:**

Mr. Ratan N. Tata	59,792
Mr. Deepak Parekh	1,845
Mr. Jagdish Capoor	5,000

**Details on General Meetings:**

Location, date and time of the General Meetings held in the last 3 years are as under:

Location	Date	Time
<b>Annual General Meetings</b>		
Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020	August 3, 2009	3.00 p.m.
	August 14, 2008	3.30 p.m.
	August 3, 2007	3.30 p.m.

All special resolutions passed in the previous three Annual General Meetings of the Company were unanimously passed by a show of hands by the Members of the Company present and voting at the said meetings.

The Company is in the process of obtaining Member's approval vide Postal Ballot for Sale of its property at Baramati and for approvals under Section 293(1)(a) of the Companies Act, 1956 to create charge on its existing and future assets upto an amount of Rs. 3000 crores to secure the borrowings of the Company. The results of the Postal Ballot will be announced on June 18, 2010.

**Board of Directors:**

Names	Category	Remuneration paid Rs.			No. of outside Directorships		No. of outside Committee positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 3.8.2009
		Salary & Perks 2009-2010	Sitting Fees 2009-2010	Commission 2008-2009	Indian	Foreign	as Member	as Chairman		
Mr. R. N. Tata (Chairman)	Promoter Non-Executive	-	80,000	51,00,000	10	11	-	-	3	Yes
Mr. R. K. Krishna Kumar (Vice Chairman)	Promoter Non-Executive	-	1,30,000	45,00,000	10	12	1	1	5	Yes
@Mr. N. A. Soonawala	Promoter Non-Executive	-	1,10,000	42,00,000	-	-	-	-	4	Yes
*Mr. S. K. Kandhari	Non-Executive Independent	-	1,20,000	58,00,000	-	-	-	-	3	Yes
Mr. K. B. Dadiseth	Non-Executive Independent	-	1,40,000	17,00,000	6	1	3	1	4	Yes
Mr. Deepak Parekh	Non-Executive Independent	-	1,40,000	20,00,000	16	2	1	5	4	No
Mr. Jagdish Capoor	Non-Executive Independent	-	2,40,000	34,00,000	3	-	-	3	5	Yes
Mr. Shapoor Mistry	Non-Executive Independent	-	1,00,000	14,00,000	11	-	2	-	5	Yes
Mr. Nadir Godrej	Non-Executive Independent	-	1,00,000	3,50,000	13	5	2	1	5	Yes
Ms. Anu Aga	Non-Executive Independent	-	40,000	3,50,000	2	-	-	-	2	Yes
Mr. Raymond N. Bickson	Executive	5,45,83,975	-	2,20,00,000	9	7	3	3	4	Yes
Mr. Anil P. Goel	Executive	1,01,19,747	-	40,00,000	7	12	4	-	5	Yes
Mr. Abhijit Mukerji	Executive	82,51,350	-	40,00,000	3	-	2	-	5	Yes

\* Retired as Director on August 14, 2009 @ Resigned effective March 31, 2010

**NOTE:** Traditionally, the Directors are paid commission each year, after the Annual Accounts are approved by the Members at the Annual General Meeting of the Company. A sum of Rs. 1.75 crores has been provided as commission to Non – Executive Directors for the year 2009-10. An amount of Rs. 5.0 crores has been provided in the accounts towards commission to the Managing Director and Executive Directors. Payment shall be as recommended by the Remuneration Committee and approved by the Board. Payment of commission to the Directors – both Managing, Executive and Non- Executive Directors will be made after the accounts are approved at the Annual General Meeting.

## **Means of Communication:**

Quarterly, half-yearly and annual results of the Company were published in leading English and vernacular newspapers viz. Business Standard, Financial Express, Indian Express and Loksatta. Additionally, the results and other important information is also periodically updated on the Company's website viz. [www.tajhotels.com](http://www.tajhotels.com), which also contains a separate dedicated section "Investor Relations".

Further, the Company also holds an Analysts' Meet after the quarterly, half-yearly and Annual Accounts have been adopted by the Board of Directors, where information is disseminated and analysed. Moreover, the Company also gives important Press Releases from time to time.

The Stock Exchanges have vide introduction of Clause 52 in the Listing Agreement, introduced the Corporate Filing and Dissemination System (CFDS) which is a portal jointly owned, managed and maintained by the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). It is a single source to view information filed by listed companies. All disclosures and communications to the BSE and NSE are filed electronically through the CFDS portal [www.corpfiling.co.in](http://www.corpfiling.co.in). Hard copies of the said disclosures and correspondence are also filed with the BSE and NSE.

Reminders are sent each year to investors for unclaimed dividend or unclaimed interest on debentures.

The Annual Report containing inter alia the Audited Accounts, Consolidated Financial Statements, Directors Report, Auditors Report and other important information is circulated to the investors. Management Discussion and Analysis forms part of the Annual Report. The Annual Reports are also available in the Investor Relations section on the Company's web site [www.tajhotels.com](http://www.tajhotels.com).

## **Disclosures:**

The Board of Directors receive, from time to time, disclosures relating to financial and commercial transactions from key managerial personnel of the Company, where they and / or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party transactions are placed before and reviewed by the Company's Audit Committee.

The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India / statutory authorities on all matters relating to capital markets, during the last 3 years.

Pursuant to the provisions of sub – clause V of the revised Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director (CEO) and the Executive Director - Finance have issued a certificate to the Board, for the Financial Year ended March 31, 2010.

## **Risk Management:**

The Company has in place a Risk Management Policy, which lays down a vigorous and active process for identification and mitigation of risks. This Policy has been adopted by the Audit Committee as well as the Board of Directors of the Company. The Audit Committee reviews the risk management and mitigation plan from time to time.

## **Subsidiary Companies:**

The Company does not have any material unlisted subsidiary and hence is not required to have an Independent Director of the Company on the Board of such subsidiary. The Audit Committee reviews the financial statements of the Company's unlisted subsidiary companies.

The Minutes of the subsidiary companies are periodically placed before and reviewed by the Board of Directors of the Company.

**Compliance with non-mandatory requirements:**

1. The Board : The Non-Executive Chairman has a separate office in his capacity as the Group Chairman at the Tata Group headquarters at Bombay House, 24 Homi Mody Street, Mumbai - 400 001 and hence a separate office is not maintained. The Company has adopted the Tata Guidelines for composition of the Board of Directors, Committees of the Board and Retirement Age of Directors, which take into account the provisions of the Listing Agreement, the Companies Act, 1956 and other applicable laws.
2. Remuneration Committee : Details already given under the caption 'Remuneration Committee' in an earlier part of the Report.
3. Shareholders Rights : In addition to publishing its quarterly results in leading English and a Marathi newspaper having wide circulation, the Company publishes its quarterly results on its website [www.tajhotels.com](http://www.tajhotels.com). Additionally, the same is also available on [www.corpfiling.co.in](http://www.corpfiling.co.in) Hence, a quarterly declaration of financial performance including summary of the significant events is presently not being sent to each household of shareholders individually.
4. Audit qualifications : For the financial year 2009-10, there are no audit qualifications to the Company's financial statements.
5. Mechanism for evaluating Non-Executive Board members : The Board of Directors of the Company presently comprises eight Non-Executive Directors. The Directors appointed on the Board are from diverse fields relevant to the Company's business and have long-standing experience and expertise in their respective fields. They have considerable experience in managing large corporates and have been in public life for decades. The enormously rich background of the Directors is of considerable value to the Company.

Non-Executive Directors add substantial value through the deliberations at the Meetings of the Board and Committees thereof. To safeguard the interests of the investors, they also play a control role. In important Committees of the Board like the Audit Committee, the Remuneration Committee etc., they play an important role by contributing to the deliberations of the Committee Meetings. Besides contributing at the meetings of the Board and Committees, the Non-Executive Directors also have off-line deliberations with the Management of the Company and add value through such deliberations.

In the light of the above, the Chairman under authority from the Board decides on the performance of each Non-Executive Director and they are accordingly evaluated and remunerated.

6. Whistle Blower Policy : The Company has adopted the Whistle Blower policy pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest. No employee has been denied access to the Audit Committee in this regard.

As regards the other non-mandatory requirements, the Board has taken cognisance of the same and shall consider adopting the same as and when necessary.

# The Indian Hotels Company Limited

## General Shareholder Information

### Annual General Meeting

- **Date and Time** August 5, 2010 at 3.00 p.m.
- **Venue** Birla Matushri Sabhagar,  
19, Sir Vithaldas Thackersey Marg,  
Mumbai 400 020

**Registered Office** Mandlik House  
Mandlik Road  
Mumbai 400 001

**Telephone No.** 91- 22- 6639 5515

**Facsimile No.** 91- 22- 2202 7442

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

**E-mail** [shares.dept@tajhotels.com](mailto:shares.dept@tajhotels.com)

### Financial Calendar

Financial reporting for:

- Quarter ending 30<sup>th</sup> June, 2010 July 2010
- Quarter ending 30<sup>th</sup> September, 2010 October 2010
- Quarter ending 31<sup>st</sup> December, 2010 January 2011
- Quarter ending 31<sup>st</sup> March, 2011 May 2011

**Date of Book Closure** July 27, 2010 to August 5, 2010  
(both days inclusive)

**Dividend Payment Date** On or after August 6, 2010

### Listing

- **Ordinary Shares** Bombay Stock Exchange Ltd.  
National Stock Exchange of India Ltd.
- **Global Depository Shares** London Stock Exchange

The Company has paid annual listing fees to each of the above Stock Exchanges in respect of the financial year 2010-2011.

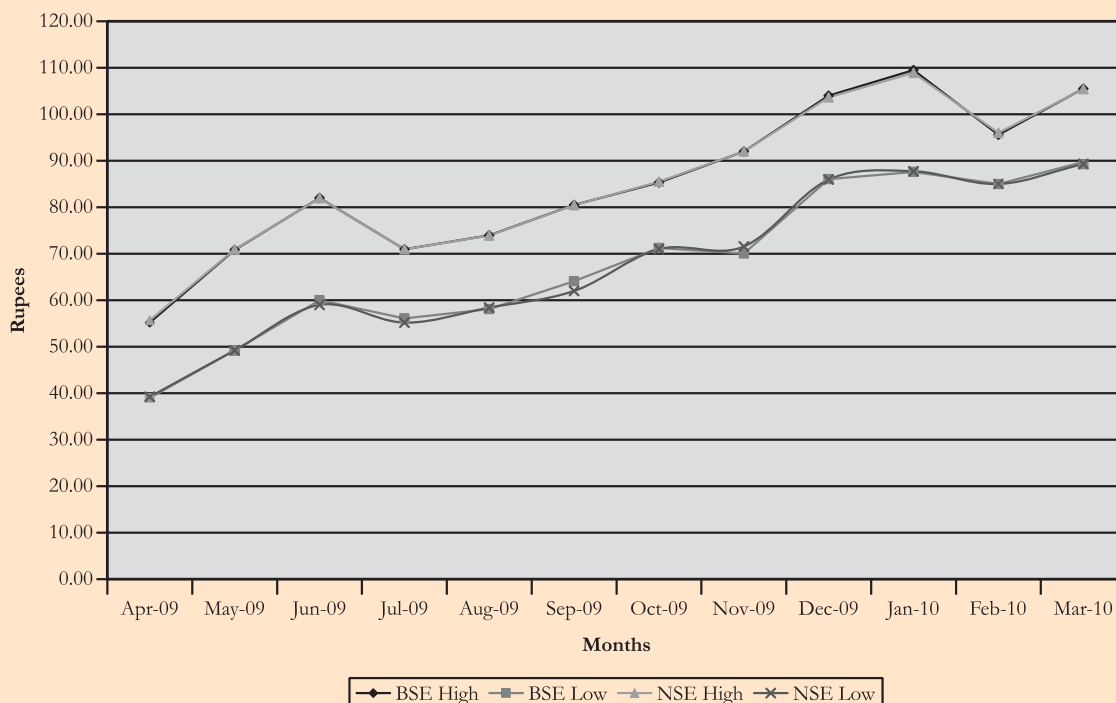
### Stock Codes

STOCK EXCHANGE	STOCK CODE
Bombay Stock Exchange Ltd.	500850
National Stock Exchange of India Ltd.	INDHOTEL EQ

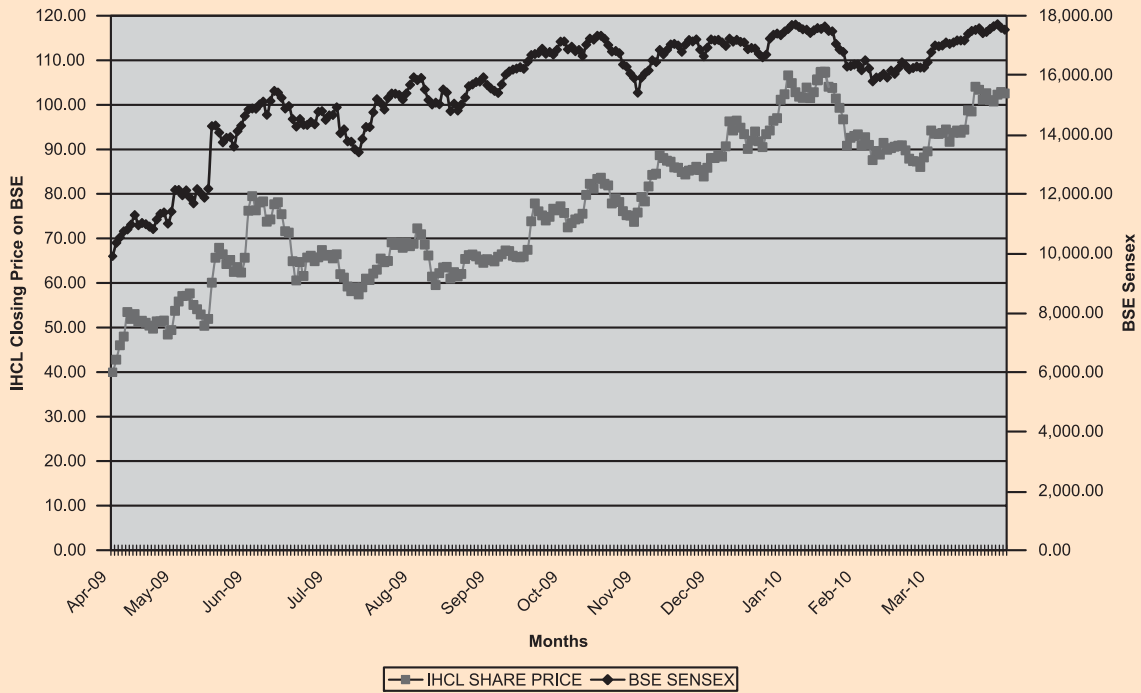
**Market Price Data : High, Low during each month in last financial year**

Months	BSE High	BSE Low	No. of Shares traded	NSE High	NSE Low	No. of Shares traded
Apr-09	55.20	39.00	70,49,319	55.70	39.25	2,55,05,682
May-09	70.80	49.20	1,02,07,005	70.90	49.25	5,44,90,900
Jun-09	82.00	60.00	1,94,43,554	81.95	59.00	7,93,65,966
Jul-09	70.95	56.10	81,24,109	70.95	55.20	2,85,96,100
Aug-09	73.95	58.10	1,03,97,893	73.90	58.40	3,76,35,404
Sep-09	80.50	64.10	1,97,44,876	80.45	62.00	5,96,78,163
Oct-09	85.30	71.25	1,34,75,585	85.50	71.00	3,94,51,093
Nov-09	92.00	70.05	1,97,47,917	92.00	71.55	6,09,76,325
Dec-09	104.00	86.05	1,27,15,784	103.65	85.95	4,58,22,234
Jan-10	109.50	87.60	80,47,670	108.90	87.75	3,54,88,329
Feb-10	95.60	85.00	38,16,016	96.00	85.00	2,30,13,629
Mar-10	105.50	89.75	1,00,38,630	105.40	89.30	3,94,99,194

**IHCL Comparative High Low Price on BSE & NSE**



**Performance in comparison to broad-based indices such as BSE Sensex**



**Two-way Fungibility of Global Depository Receipts (GDRs)**

Reserve Bank of India, vide its circular dated February 13, 2002, had brought into force the Operative Guidelines for the two-way fungibility under the Issue of Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipt mechanism) Scheme 1993. Consequent thereto, the Company has executed documents with Citibank N.A., New York, Depository for GDR holders, supplemental to the Depository Agreements executed by the Company at the time of issue of GDRs in 1995, whereby the Company offers investors the facility for conversion of Ordinary Shares into GDRs, within the limits prescribed for two-way fungibility.

**Registrar and Share Transfer Agent**

The Company has obtained Category I Registrar to an Issue & Share Transfer Agent Certificate from SEBI

**SEBI Registration No.**

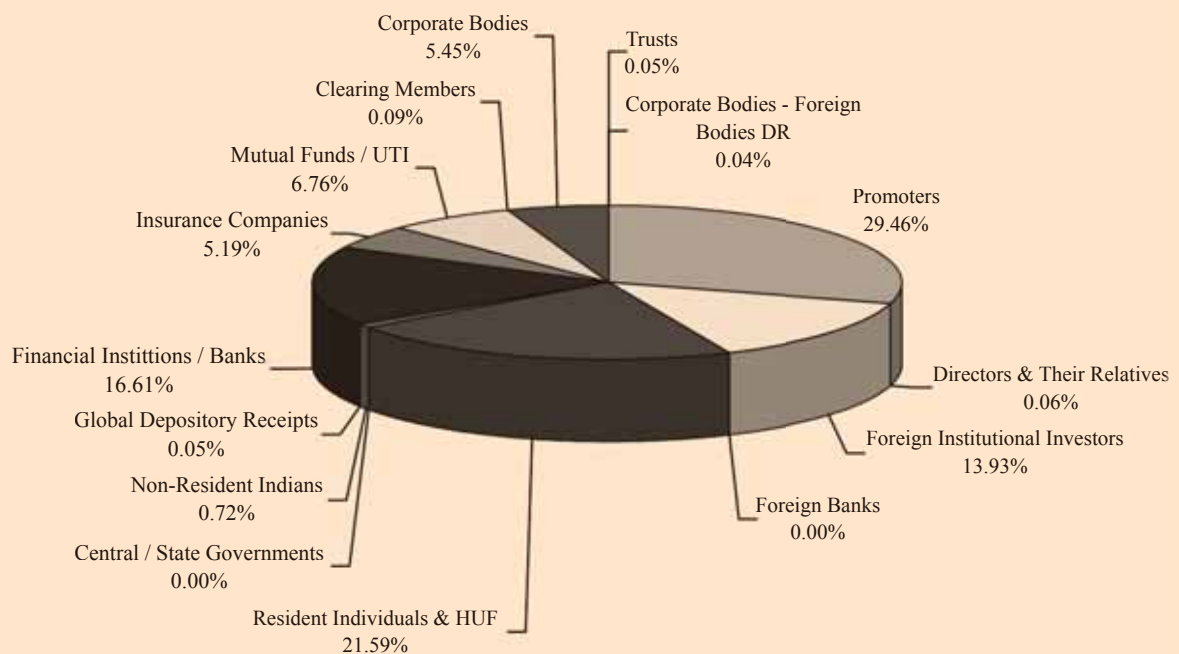
Category I - INR000003746

**Share Transfer System**

All shares have been transferred and returned within 21 days from the date of lodgement, provided the necessary documents were in order.

**IHCL Distribution of Shareholding as on March 31, 2010**

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	21,31,47,116	29.46
Directors & their Relatives	4,39,282	0.06
Foreign Institutional Investors	10,08,22,435	13.93
Foreign Banks	6,104	0.00
Resident Individuals & HUF	15,61,99,234	21.59
Non-Resident Indians	51,96,545	0.72
Global Depository Receipts	3,77,222	0.05
Financial Institutions / Banks	12,01,56,613	16.61
Insurance Companies	3,75,34,064	5.19
Mutual Funds / UTI	4,88,80,766	6.76
Clearing Members	6,54,264	0.09
Corporate Bodies	3,94,53,941	5.45
Trusts	3,29,469	0.05
Central / State Governments	2,900	0.00
Corporate Bodies – Foreign Bodies DR	2,72,832	0.04
<b>Total</b>	<b>72,34,72,787</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2010**

# The Indian Hotels Company Limited

## Distribution Schedule of The Indian Hotels Company Limited as on March 31, 2010

No. of Shares held	Total Members	Total Shares	Total % to Paid up Capital
Upto 100	72,590	37,40,025	0.52
101 to 1000	72,395	2,77,55,513	3.84
1001 to 2500	15,604	2,53,49,463	3.50
2501 to 5000	6,456	2,34,80,723	3.25
5001 to 10000	3,961	2,81,87,939	3.90
10001 to 20000	1,803	2,46,32,753	3.40
20001 to 30000	422	1,02,61,464	1.42
30001 to 40000	169	59,29,003	0.82
40001 to 50000	107	47,92,687	0.66
50001 to 100000	184	1,28,20,858	1.77
100001 & above	249	55,65,22,359	76.92
<b>Total</b>	<b>1,73,940</b>	<b>72,34,72,787</b>	<b>100.00</b>

### Secretarial Audit

In keeping with the requirements of the SEBI and the Stock Exchanges, a secretarial audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The said audit confirms that the total issued / paid – up capital tallies with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

A certificate from the Statutory Auditors of the Company on Corporate Governance is attached as an annexure to the Report.

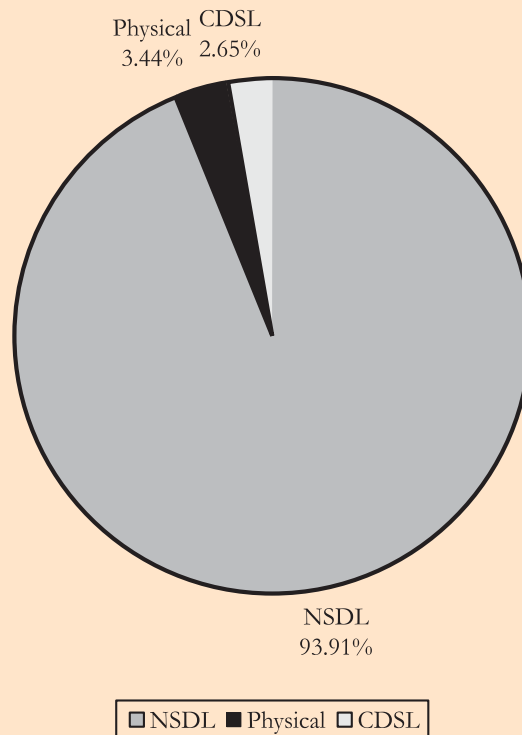
### Report on Corporate Governance

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance. A certificate from the Statutory Auditors of the Company on Corporate Governance is attached as an annexure to the Report.

### Dematerialisation of Shares & Liquidity

- As of the end of March 31, 2010, shares comprising approximately 96.56% of the Company's Equity Share Capital have been dematerialised.
- Trading in the Company's shares in a dematerialised form has been made compulsory with effect from April 5, 1999.

### Status on Dematerialised Shares



**ISIN No.** INE053A01029

#### **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity**

3,77,222 GDRs are outstanding as on March 31, 2010 without any impact on equity.

#### **Sub-Division of Shares**

The Ordinary Equity Shares of the Company were sub-divided from Rs.10/- each to Re.1/-each w.e.f. 3<sup>rd</sup> day of November, 2006 being the “Record Date” fixed for the purpose

The Members whose name/s was appearing on the Register of Members on the Record Date, was entitled to get 10 fully paid up Ordinary Shares of the face value of Re. 1/- each for every 1 Ordinary Share of face value of Rs.10/- held by them.

The Company called back the existing share certificates having paid-up value of Rs.10/- each and issued the new share certificate of face value of Re.1/- each. The Members who have still not exchanged their share certificates are requested to kindly get in touch with the Company.

The Members are requested not to deal with share certificates of face value of Rs.10/- each in any manner whatsoever. If any Member deals, sells, transfers, pledge such share certificate of a paid value of Rs.10/- each shall do so at his own cost and consequence and the Company shall not be held responsible or liable for such acts of the Members.

**Registrars to the Company's  
Fixed Deposit Scheme**

Sharepro Services (I) Pvt. Ltd.  
Samhita Warehousing Complex  
13 AB, Gala No.52  
Near Sakinaka Telephone Exchange  
Off. Kurla Andheri Road  
Sakinaka, Mumbai 400072.  
  
Tel. No.91-22-67720400  
Fax No.91-22-28508927  
Email : ihclfd@shareproservices.com

**Investor Correspondence**

For any queries, investors are requested to get in touch with the Company's share department at Mandlik House, Mandlik Road, Mumbai 400 001. A dedicated e-mail id shares.dept@tajhotels.com has been set up for investor complaints.

**National Electronic Clearing Service (NECS)**

RBI vide it's Circular No.DPSS.(CO).EPPD.No.191.04.01.01/2009-2010 dated July 29, 2009 has instructed banks to move to the NECS platform w.e.f. October 1, 2009.

Kindly provide your new account number allocated to you after implementation of Core Banking System by your Bank, to avoid ECS credit to your old account either being rejected or returned.

Please provide us your new Bank Account particulars by quoting your reference folio number in case shares held by you are in physical form.

In case shares are held in dematerialised form, you may kindly provide the details to your depository participant, to ensure your future dividend payments can correctly be credited to your new account.

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT  
REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the Financial Year ended March 31, 2010.

**For The Indian Hotels Company Limited**

**Raymond N. Bickson  
Managing Director**

**HOTELS LOCATIONS:**

The various hotels/units of the Taj Group are tabled as under:

TAJ LUXURY HOTELS	TAJ PREMIUM HOTELS	GATEWAY HOTELS	GINGER HOTELS
<b>India</b>	<b>India</b>	TGH - Residency Road, Bangalore	Bangalore
The Taj Mahal Palace & Tower, Mumbai	Taj Connemara, Chennai	TGH - Beach Road, Calicut	Haridwar
Taj Lands End, Mumbai	Taj Exotica, Goa	Hotel Chandela, Khajuraho	Bhubaneshwar
Taj Mahal Hotel, New Delhi	Fort Aguada Beach Resort, Goa	TGH - Savoy, Ooty	Mysore
Taj Palace Hotel, New Delhi	Taj Holiday Village, Goa	TGH - Rawalkot, Jaisalmer	Trivandrum
Taj Bengal, Kolkata	Usha Kiran Palace, Gwalior	TGH - Kuteeram, Bangalore	Pune, Pimpri
Taj West End, Bangalore	Taj Hari Mahal, Jodhpur	The Gir Lodge, Sasan Gir	Nashik
Taj Lake Palace Hotel, Udaipur	Jai Mahal Palace, Jaipur	City Inn, Baramati	Agartala
Taj Wellington Mews, Mumbai	Vivanta By Taj, Bangalore	TGH - Beach Road, Vishakapatnam	Puducherry
Taj Coromandel, Chennai	Taj Residency, Aurangabad	TGH - Pasumalai Hills, Madurai	Vadodara
Taj Krishna, Hyderabad	Taj President, Mumbai	TGH - Church Road, Coonoor	Pant Nagar
Rambagh Palace, Jaipur	Taj Residency, Bangalore	TGH - Port Road, Mangalore	Rail Yatri Niwas, Delhi
Umaid Bhawan Palace, Jodhpur	Ambassador Hotel, New Delhi	TGH - Fatehabad Road, Agra	Goa
Mahua Kothi, Bandhavgarh	Taj Banjara, Hyderabad	TGH - Ambad, Nasik	Ludhiana
Baghvan, Pench	Taj Deccan, Hyderabad	TGH - Ganges, Varanasi	Ahmedabad
Pasangarh, Panna	Taj Chandigarh, Chandigarh	TGH - Marine Drive, Ernakulam	Mangalore
Banjar Tola, Kanha	Taj Residency, Lucknow	TGH - Janaradhanapuram, Varkala,	Durg
<b>Overseas</b>	Taj Blue Diamond, Pune	TGH - K M Road, Chikmagalur	Guwahati
The Pierre, New York	Fisherman's Cove, Chennai	TGH - Athwa Lines, Surat	Jamshedpur
Taj Boston, Boston	Taj Malabar, Cochin	TGH - M. G. Road, Vijaywada	Pune, Wakad
Taj Campton Place, San Francisco	Taj Garden Retreat, Kumarakom	Taj Residency Ummed, Ahmedabad	Surat
Taj Exotica Resort & Spa, Maldives	Taj Green Cove Resort, Kovalam	TGH - Akota Gardens, Vadodara	<b>AIR CATERING</b>
Taj Palace Hotel, Dubai	Sawai Madhopur Lodge	TGH - SMS, Jaipur	Mumbai
Crown Plaza / St. James Court, London	Ramgarh Lodge, Jaipur	TGH - Jodhpur, Jodhpur	New Delhi
51 Buckingham Gate, London	Taj Residency, Trivandrum	Nadesar Palace, Varanasi	Kolkata
Taj Cape Town, South Africa	Taj Mount Road, Chennai		Chennai
	Vivanta by Taj, Panaji, Goa		Goa
	<b>Overseas</b>		Amritsar
	Taj Samudra, Colombo		Bangalore
	Taj Exotica, Bentota		Cochin
	Taj Coral Reef Resort, Maldives		
	Rebak Island Resort, Langkawi, Malaysia		
	Taj Tashi, Thimphu, Bhutan		
	Taj Pamodzi, Lusaka		
	Airport Garden Hotel, Colombo		
	Blue, Sydney, Australia		

## AUDITORS' CERTIFICATE

**TO THE MEMBERS OF  
THE INDIAN HOTELS COMPANY LIMITED**

We have examined the compliance of conditions of Corporate Governance by **The Indian Hotels Company Limited** ("the Company") for the year ended 31<sup>st</sup> March, 2010 as stipulated in Clause 49 of the Listing Agreements of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117366W)

**For N. M. RAIJI & CO.**  
Chartered Accountants  
(Registration No. 108296W)

**Nalin M. Shah**  
Partner  
(Membership No. 15860)

**Vinay D. Balse**  
Partner  
(Membership No. 39434)

Mumbai, May 28, 2010