

**MINUTES OF THE 114<sup>th</sup> ANNUAL GENERAL MEETING**

The Hundred and Fourteenth (114<sup>th</sup>) Annual General Meeting of The Indian Hotels Company Limited was held at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 on Monday, August 10, 2015, commenced at 3.00 p.m. and concluded at 6.15 p.m.

The following Directors were present: -

|                      |                                              |
|----------------------|----------------------------------------------|
| Mr. Cyrus P. Mistry  | (Chairman)                                   |
| Mr. Deepak Parekh    |                                              |
| Mr. K. B. Dadiseth   |                                              |
| Mr. Nadir Godrej     |                                              |
| Ms. Ireena Vittal    |                                              |
| Mr. Shapoor Mistry   |                                              |
| Mr. Gautam Banerjee  |                                              |
| Ms. Vibha Paul Rishi |                                              |
| Mr. Rakesh Sarna     | (Managing Director & CEO)                    |
| Mr. Anil P. Goel     | (Executive Director & CFO)                   |
| Mr. M. S. Kapadia    | (Executive Director - Corporate Affairs)     |
| Mr. Beejal Desai     | (Vice President - Legal & Company Secretary) |

Auditors present: -

|                       |                                         |
|-----------------------|-----------------------------------------|
| Mr. S. Ramakrishnan   | Partner, PKF Sridhar & Santhanam        |
| Mr. Sanjiv Pilgaonkar | Partner, Deloitte, Haskins & Sells, LLP |
| Mr. Prakash Pandya    | Secretarial Auditor, P.K. Pandya & Co   |

Scrutinizer present : -

|                       |                              |
|-----------------------|------------------------------|
| Mr. Shreepad M. Korde | Practising Company Secretary |
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The Chairman mentioned that there was a valid quorum, called the meeting to order and welcomed the Members to the 114<sup>th</sup> Annual General Meeting of the Company.

The Chairman announced that the Statutory Registers, documents, Auditor's Report and Secretarial Audit Report, as prescribed under the Companies Act, 2013 were available for inspection of the Members.

The Chairman announced that the Company had received 10 valid Proxies for 171,16,501 shares representing 2.12 % of the paid up equity capital. Out of these, proxies for 0.43 % of the paid up equity capital were in favour of Directors. The Company had received 10 corporate representations under Section 113 of the Companies Act, 2013 in respect of 22,40,93,764 shares representing 27.75 % of the paid up equity capital.

The Notice convening the Annual General Meeting along with the Auditors' Report and the Secretarial Auditors Report was taken as read with the approval of the Members.

At the outset, the Chairman informed the Members that Mr. Raymond N. Bickson had resigned from the Board of Directors of the Company as the Managing Director & CEO in August 2014, Mr. Abhijit Mukerji had resigned from the Board of Directors as the Executive Director – Hotel Operations in April 2015 and Mr. Guy Crawford, resigned from the Board of Directors of the Company in September 2014. The Chairman placed on record his recognition and appreciation of the invaluable contributions made by them during their tenure.

He further added that Mr. Rakesh Sarna took over as the Company's Managing Director and CEO with effect from September 1, 2014. Mr. Sarna is a hospitality industry veteran, having over three decades of experience with a leading global hospitality chain.

The Chairman then welcomed Ms. Vibha Paul Rishi, who had joined the Board as an Independent Director effective September 2014 and mentioned that she is a marketing professional with experience in Indian and International markets spearheading global marketing campaigns for high-visibility consumer products.

The Chairman also welcomed Mr. Gautam Banerjee, who had joined the Board as an Independent Director effective September 2014 and mentioned that he has over 30 years of experience in leading companies across diverse sectors.

The Chairman then provided a short update on the hospitality sector in India and the Company's performance, along with the future outlook. He highlighted the fact that the hospitality sector in India was confronted with a challenging environment for the fourth consecutive year due to adverse macro-economic trends in both global as well as domestic markets.

The Chairman mentioned that the Standalone accounts of the Company had reported a 6% increase in turnover and a Profit before Tax and Exceptional Items of ₹ 231 crores. However, the Company had reported a Loss after Tax of ₹ (82) crores as against a Loss after Tax of ₹ (590) crores in the previous year. On a Consolidated basis, the Company had reported a 4% increase in turnover and a Consolidated Profit before Tax and Exceptional Items of ₹ 120 crores. However, the Company reported a Consolidated Loss after Tax of ₹ (378) crores as against a Loss after Tax of ₹ (554) crores in the previous year, on account of Exceptional Items.

On account of the Loss after Tax reported during the current year, the Board of Directors did not recommend a dividend for the year 2014-15.

The Chairman shared some of the significant events during the year 2014-15, the Company had offered Rights Issue of Compulsorily Convertible Debentures (CCD) of a face value of ₹ 1 each, at a price of ₹ 55 (fifty five) per CCD, for an amount aggregating up to ₹ 1000 (Rupees one thousand) crores to the existing Members of the Company. The Rights Issue which opened on August 4, 2014, and closed on August 20, 2014, was oversubscribed 1.63 times. The proceeds of the Rights Issue were being utilized for the repayment of certain debts, capital expenditure and general corporate purposes.

The Chairman added that, the Company had announced its intention of restructuring of its holding structure of overseas subsidiaries/ joint ventures/ associates. The Company is in midst of obtaining various regulatory approvals, across geographies, and completing process. The Company expects to complete the restructuring exercise within the current financial year. This would facilitate housing the ownership of the Company's international assets under one single 100% owned offshore subsidiary company.

The Chairman informed that the Company had divested its ownership of the Blue Hotel, Sydney for 32 million (Thirty Two million) Australian Dollars and exited from the management of the Taj Palace Hotel, Dubai, as also from Taj Palace hotel, Marrakech.

The Chairman further informed the Members that Taj Group had 30 projects under execution which would add around 3,401 keys, across its 4 brands. These include 3 Taj hotels, 4 Vivanta by Taj, 13 Gateway hotels and 10 Ginger hotels.

The Company had spent ₹ 1.63 crores towards Corporate Social Responsibility for skill training & certification of less privileged youth and other initiatives as prescribed under Companies Act, 2013.

The Chairman mentioned that as the year unfolded, there was a possibility of a more stable political and economic environment and the sentiment in the hospitality sector was likely to improve. Going forward, the Company would be committed to expanding its portfolios to maintain market leadership and to position itself strongly at a time when the markets were expected to turn favourable.

The Chairman informed the Members that, in compliance with the provisions of the Companies Act, 2013 and the Listing Agreement, the Company had provided the Members the facility to exercise their right to vote at the 114<sup>th</sup> Annual General Meeting by electronic means. For the benefit of Members who did not have access to remote e-voting facility, ballot forms were also sent along with the Notice of the Annual General Meeting to enable them to send their assent or dissent by post. Accordingly, there would be no voting on the resolutions by show of hands. However, for the benefit of Members who were present at the meeting and who had not cast their vote through remote e-voting or by ballot form, an e-voting was being conducted at the meeting. In case a Member had already cast the vote through remote e-voting or sent the ballot form, then such Member should not cast the vote again, since such vote would be considered as invalid.

Mr. S. M. Korde had been appointed as Scrutinizer for scrutinizing the e-voting process and votes received through post and as Scrutinizer for scrutinizing the e-voting process at the Annual General Meeting in a fair & transparent manner.

## RESOLUTIONS

The Chairman then put forth the resolutions which were proposed at the Meeting.

**1 (a) Adoption of Audited Financial Statements of the Company**

Mr. Cyrus Mistry proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. Jayesh Manek.

**“RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the year ended March 31, 2015, be and are hereby approved together with the Reports of the Board of Directors and the Auditors thereon as placed before the meeting be and are hereby approved.”

**1(b) Adoption of Audited Consolidated Financial Statements of the Company**

**“RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2015 together with the Reports of the Board of Directors and the Auditors thereon as placed before the meeting be and are hereby approved.”

**2. Re-appointment of Mr. Shapoor Mistry as a Director**

The Chairman being interested in this matter requested Mr. K. B. Dadiseth to take the Chair for this item. Mr. K. B. Dadiseth took the Chair.

Mr. K. B. Dadiseth proposed the following resolution as an Ordinary Resolution, which was seconded by Mr. Vinod Agarwal

**“RESOLVED THAT** Mr. Shapoor Mistry (DIN: 00010114) who retires by rotation in accordance with Articles 144 to 147 of the Articles of Association of the company and being eligible, be and is hereby re-appointed as a Director of the Company.”

The Chairman resumed the Chair.

**3. Ratification of appointment of Statutory Auditors of the Company and to fix their remuneration**

Mr. Arun Kumar Bopanna proposed the following resolution as an Ordinary Resolution, which was seconded by Ms. Homayun Pouredahi.

**“RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) and PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in the year 2016 and to examine and audit the accounts of the Company for the financial year 2015-16, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Joint Statutory Auditors.”



4. **Appointment of Ms. Vibha Paul Rishi as an Independent Director of the Company**

Mr. Arun Kumar Bopanna proposed the following resolution as an Ordinary Resolution which was seconded by Homa Beruz.

**“RESOLVED THAT** Ms. Vibha Paul Rishi (DIN: 05180796), who was appointed as an Additional Director of the Company by the Board of Directors with effect from September 10, 2014, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Act, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and Clause 49 of the Listing Agreement, Ms. Vibha Paul Rishi who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from September 10, 2014 up to September 9, 2019.”

5. **Appointment of Mr. Gautam Banerjee as an Independent Director of the Company**

Ms. Smita Shah proposed the following resolution as an Ordinary Resolution which was seconded by Mr. Arun Kumar Bopanna.

**“RESOLVED THAT** Mr. Gautam Banerjee (DIN: 03031655), who was appointed as an Additional Director of the Company by the Board of Directors with effect from September 10, 2014, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Act, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and Clause 49 of

the Listing Agreement, Mr. Gautam Banerjee who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from September 10, 2014 up to September 9, 2019.”

**6. Creation of charge.**

Ms. Ashalata Maheshwari proposed the following resolution as a Special Resolution which was seconded by Mr. Vispi Khambatta.

**“RESOLVED THAT** in supersession of the Resolution No. 2 passed vide Postal Ballot on June 18, 2010 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, the consent of the Company be and is hereby accorded, to the creation by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) of such charges, mortgages and hypothecations, in addition to the existing charges, mortgages and hypothecations created by the Company, as the Board may direct, on such of the assets of the Company, both present and future, in such manner as the Board may direct, together with power to take over the management/undertaking of the Company in certain events, to or in favour of all or any of the financial institutions/banks/ insurance companies/ any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/ insurance companies/ any other investing agencies or any other person(s)/bodies corporate by private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as Loans) provided that the total charge on amount of the Loans, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the agreements/arrangements entered into/to be entered into by the Company in respect of the said Loans shall not at any time exceed the limit of ₹ 3000 crores (Rupees Three Thousand crores),

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to finalise with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution.”

The following Members thereafter addressed the Meeting:

Dr. Arun Kumar Bopanna, Ms. Ashalata Maheshwari, Mr. Tamal Kumar Majumder, Mr. Sharad Kumar Shah, Ms. Homa Beruz, Mr. Beruz Framroz, Mr. Shailesh Mahadevia, Mr. Rusi Khambatta, Ms. Meghna Bajoria, Ms. Snigdha Balotia, Ms. Mamta Kalani, Ms. Joyti Agarwal, Mr. Seshan Krishnamurthy, Mr. Gautam Tiwari, Captain S.M Diwekar, Mr. Jaiprakash Desai, Mr. Adil Irani, Mr. A.M. Patel, Mr. N.V. Javeri, Mr. Jayesh Manek, Mr. Michal Martin, Mr. Prakash Guha, Ms. Smita Shah, Mr. Hiranand Kotwani, Mr. Vispi Khambatta, Mr. Adi Naladaru, Mr. Vinod Agarwal, Mr. Kirti Shah, Mr. Deepak Bhatt, Mr. Babulal Parekh, Mr. Kiran Mehta.

The Chairman then announced that for the Members who would be leaving early, or who were interested in voting at the meeting, could proceed to do so by approaching the e-voting desk.

## MEMBERS' QUESTIONS

### 1. Dr. Arun Kumar Bopanna

- Welcomed Mr. Rakesh Sarna, Ms. Vibha Paul Rishi and Mr. Gautam Banerjee
- Asked if the hotel industry can get infrastructure status.
- Asked about the status of Sea Rock approval for using 5.5 FSI and the progress on medical tourism
- Asked if any hotels are coming up in Vijayawada, Guntur and Vishakhapatnam.

### 2. Ms. Ashalata Maheshwari

- Commented on the improvement of the total assets, networth & EPS.
- Enquired as to how was the response for the new hotel Vivanta Dwarka, New Delhi and what will be the break even time for the same.
- Welcomed Mr. Rakesh Sarna and Ms. Vibha Paul Rishi.

### 3. Mr. Tamal Kumar Majumder

- Enquired on the International Restructuring of overseas investments and whether the transfer will be at book value or market price or fair price.
- Asked about the status of Orient Express Limited and if any further provision will be made in this regard.
- Asked about the status on realization of the Rights Issue amount.

- Asked about the background and reason for provision against investment in Taj Safari.
- Asked about the status of the disputed lease land relating to Taj Mahal Palace, Mumbai.
- Enquired on the status of Foreign Exchange violations of 1998 and the appropriate disposal for the same.

**4. Mr. Sharad Kumar Shah**

- Appreciated the prompt dispatch of the Annual Report by the Company Secretary.
- Suggested that the annual report must contain the justification on the losses of the Company for last five financial years and state the future strategy of the Company to conserve losses.
- Expressed regret on non-payment of dividend by the Company and raised a query on why was the dividend tax paid even when there was no declaration of dividend.

**5. Ms. Homa Beruz**

- Enquired that how much time does it take for a hotel to break even and start building profits and whether it depends on different locations or hotels.
- Appreciated the e-voting facility provided by the Company through Karvy.
- Suggested that hotel industry being a service sector should not reduce the staff in order to cut the cost, as this would affect the services provided to the guests.
- Enquired if there has been any reduction in the licenses to be kept in each hotel.
- Welcomed Mr. Sarna and the Women Directors on the Board.

**6. Mr. Beruz Framroz**

- Enquired why the profits of Ginger hotels although being a subsidiary, were not added in the Company's profit.
- Raised concern on the 47 cases pertaining to equity shares in suspense account.
- Expressed concern on the low rate of share prices as compared to previous years.
- Welcomed Mr. Sarna on the Board.

**7. Mr. Shailesh Mahadevia**

- Appreciated the 30% enhancement of market capitalization of the Company. However, requested for a further improvement.
- Asked what is the employee engagement ratio of the Company.

- Enquired whether any additional property would be included in the standalone or consolidated accounts of the Company.
- Recommended the renovation of Ginger hotels in certain locations.
- Asked about the number of employees in the Company.
- Asked whether all our hotels were water/ carbon positive and whether our hotels are LEAD certified.
- Asked if the hotel Blue Sydney was sold.

**8. Mr. Russi Khambatta**

- Appreciated the prompt dispatch of the Annual Report by the Company Secretary.
- Expressed regret on non-declaration of dividend for the second successive year.
- Raised concern on the financial results of the Company and suggested concentrating on improving profitability, instead of expanding our hotels.
- Asked why were the consolidated financials not highlighted in page 3 of Annual Report.
- Enquired on the status of Company's investment in Roots Corporation Ltd.
- Suggested that the CSR activities should be concentrated in villages besides health and education in the suburban areas.

**9. Ms. Meghna Bajoria**

- Requested to throw some light on the advanced plans of overseas restructuring and its timelines.
- Enquired if there was any shift of guests from South to North Mumbai and if yes, what are the measures taken for same.

**10. Ms. Snigdha Balotia**

- Expressed concern towards the position of the Company's supply of rooms with increasing challenges of tourist arrivals in India.
- Asked what would be the future model of growth that the Company is looking to adopt, whether Greenfield or Brownfield or Contract model.

**11. Ms. Mamta Kalani**

- Congratulated Mr. Sarna on the reduction of losses in the Standalone quarterly results for March 2015.
- Expressed disappointment over the Consolidated financial results of the Company.
- Asked about the future plans to turnaround international operations to make them profitable.
- Enquired if the Company intends to bid for ITDC properties being offered to run on management contract.

**12. Ms. Jyoti Agarwal**

- Enquired about the Company's approach toward marriage business model in industry.
- Congratulated Mr. Sarna for the new advertisement campaign and enquired what would be the change expected in the strategy of advertisement and promotion.

**13. Mr. Seshan Krishnamurthy**

- Thanked the Company Secretary for timely dispatch of Annual report.
- Suggested that the Company must use recycled paper for printing the Annual report
- Suggested that the Company should use the cars of Tata Motors for pick up services of guests and also suggested that Tata Group companies should patronize Taj .
- Recommended that the other Tata Group should hold its AGM at the Taj in order to save rent being paid to Birla Matoshree.
- Recommended that an increase in the amount of discount coupons should be given to compensate no dividend this year.

**14. Mr. Gautam Tiwari**

- Appreciated the contributions of all the Board of Directors and expressed its thanks to the Company Secretary for the Annual report.
- Appreciated the facility of insta-poll provided by the Company to vote at the meeting.
- Commented that the utilization of the Rights Issue money has certainly reduced the debts of the Company and improved the utilization for capital expenditure.
- Asked when will the accumulated losses be wiped out and whether the Company would be in a position to declare dividend for financial year 2015-16 onwards.
- Enquired what was the average room rent for financial year 2014-15
- Welcomed Mr. Rakesh Sarna and Mr. Gautam Banerjee on the Board.

**15. Captain S.M Diwekar**

- Commented on the Company's commitment towards security, workplace safety, food safety and accident free policies.
- Asked whether there were any reduction in the losses as compared to the previous year.
- Enquired about the insurance premium paid by the Company and if it was in connection with any accidents.



**16. Mr. Jaiprakash Desai**

- Appreciated the efforts of the Directors and employees for the improvement in the results considering the overall situation of tourism and hospitality industry for the last three years.
- Asked what are the steps taken by the Company for optimizing the operations.

**17. Mr. Adil Irani**

- Appreciated that the Company is reducing its subsidiary companies that are non operational.
- Requested for a list of art catalogue paintings that have been put up at Taj.
- Asked what is an associate company and the name of the associate company to whom the IHCL's shares were sold in the year 2014-15.
- Asked if Mr. Guy Crawford had resigned or retired from the Board.
- Expressed regret on non-declaration of dividend by the Company and that there was no pleasure of having received the Annual Report without dividend.
- Commented that out of Company's paid up capital of around Rs. 80 crores, the Directors are paid more than Rs. 24 crores and yet there is no dividend being paid to shareholders.

**CHAIRMAN'S REPLIES**

The Chairman thanked the Members for their support and responded to the queries raised by the Members who were still present at the meeting.

The Chairman informed Dr. Arun Kumar, that the government had not yet given the infrastructure status for hotel industry and stated that the Company would continue to make efforts to get the same expedited in order to get access to long term capital. He also stated that the Company had not yet received the approval for 5.5 FSI for Sea Rock project and the management is continuously reviewing the project. He further informed him that the Company at this point in time is in the process of looking at a management contract in Gunthur.

To Ms. Ashalata Maheshwari, the Chairman firstly thanked her for the compliments. In response to her query the Chairman informed her that a significant amount of write off is behind us however, the Company is working out a way through it. He also informed that there was a positive response from the launch of new hotel Vivanta Dwarka, New Delhi however, the break even would take a period of 6 to 7 years and the same would also depend on how fast the economy picks up.

In response to the query raised by Mr. Tamal Kumar Majumder, the Chairman informed that in the international restructuring, the overseas investments will be transferred at arm's length basis and shall be either on quoted price or fair value price. He further stated that the investments in Orient Express Limited had been significantly written down and the

Company shall continue to monitor the same for appropriate actions. He added that out of Rs. 1000 crores raised in the Rights Issue, Rs. 150 crores is yet to be utilized as on date. With regard to the disposal of Foreign Exchange violations of 1998, he informed that this matter was being handled by the company lawyers in discussion with the Executive Directors. He further stated that the recapitalization of Taj Safari was a three way joint venture wherein all promoters had bought in additional equity capital to support the company. He also added that the matter on lease land at Taj Mahal with MPT was sub-judice and currently in the High Court.

Addressing Mr. Shailesh Mahadevia, the Chairman replied that the employment engagement ratio was 6.5:1. He also replied that whether any additional property will be in the standalone or consolidated account will depend on the type of the property from time to time. He further informed that the total number of employees in the Company were 20,996. He also informed him that the Company had sold Blue Sydney hotel for Australian \$ 32 million. With regard to the LEAD certification he replied that 11 hotels were gold certified and rest were all silver certified.

To Mr. Russi Khambatta, the Chairman informed that the details of consolidated financials were provided from page 134 and the historical data was given on page 198. He further stated that IHCL had invested Rs. 51 crores in Roots Corporation Limited contributing for its 67% shareholding.

The Chairman replied to Ms. Meghna Bajoria that the epicenter of the city has moved to North Mumbai and the Company is in the process of taking actions to ensure that the occupancy in hotels in South Mumbai are also adequately full. He further informed that the restructuring of the overseas subsidiaries is expected to be done before the end of this financial year.

For the issues raised by Ms. Balotia, the Chairman replied that the growth model will be a balanced model with a combination of Greenfield assets, Brownfield assets and Management contracts. He also stated that the Company was already the industry leader in India and would be looking to improve its presence in significant regions to ensure that its leadership position is maintained.

To Ms. Mamta Kalani, the Chairman replied that with regard to the bid for ITDC Hotels, the government's plan is still uncertain and the Company is not very sure to bid, however the same will be reviewed from time to time. He also stated that to ensure turnaround of international companies to make them profitable, the Company is looking at all sorts of options such as operational restructuring etc.

Replying to Ms. Jyoti Agarwal, the Chairman informed her that the marriage business is a very strong existing part of Taj business and the Company continues to view it as a vast opportunity being one of the businesses which is recession proof. He also stated that the Company would continue its efforts to evolve its advertisement and revenue management strategy.

The Chairman replied to Mr. Seshan Krishnamurthy that there are significant amount of Tata Motor cars that are being used for the services of pick up from airports. He further

stated that the Company currently issues 30% Discount Coupon to its shareholders for a bill value of upto ₹ 2,000/- per portfolio.

Addressing Mr. Gautam Tiwari, the Chairman mentioned that the Company's profitability would improve along with the improvement in the economic environment and the Company will endeavor to declare dividend in the next financial year. He also informed that the average room rate for financial year 2014-15 was ₹ 9,562.

The Chairman responded to Mr. Jaiprakash Desai stating that although the past few years have been difficult for the industry, the Company is continuously looking at optimizing operations significantly and hopes that with a new stable government in place, there will be stability in the ARR and rates will increase in future.

In response to query raised by Mr. Adil Irani, the Chairman expressed his concerns on the Company's inability to declare dividend after 100 years, however assured that the Company shall make its best efforts to recommend dividend in the next year, if the performance of the Company improved and till such time requested the shareholders to support the Company in difficult times. He also informed him that the Company had catalogued all its paintings and artefacts at all its locations and insured them on market value. He added that there are periodical reviews and audit taken on the same. He also informed him that the company sold its shares to its associate company Taida Trading and Industries Ltd in the year 2014-15. Lastly he mentioned that Mr. Guy Crawford had resigned from the Board and not retired.

The remaining Members then posed their questions.

**18. Mr. A.M. Patel**

- Requested to enhance the value of 30% discount coupons for shareholders
- Commented that a few waiters do not speak proper English which may affect the foreign customers.
- Enquired whether the Jiva Spa business was profitable and what is the difference between The Spa and the brand Jiva Spa.
- Commented that the occupancy rate of 64% is continues to be same since last year.
- Asked about the return on investments in mutual fund of Rs. 432 crores and whether it was tax free.
- Enquired why was the hedge reserve a negative balance.
- Asked what were the guarantees given by the Company to its overseas subsidiary.

**19. Mr. N.V. Javeri**

- Commented on the consolidated financial position of the Company.
- Expressed disappointment for non declaration of dividend for the second consecutive year.
- Suggested that the Resolution 1(a) for adoption of accounts should mention Standalone, since the Resolution 1(b) mentions adoption of consolidated accounts.
- Asked if the Company is getting any reimbursement from the guests transportation expenses and what is the nature of discount to the collecting agents.

**20. Mr. Jayesh Manek**

- Requested to continue the practice of having the audio-video presentation at the AGM.
- Congratulated on the shifting to new corporate office, Express Towers and enquired what is the annual rent paid for the same and how much income will be generated from the existing offices that will be converted to hotel rooms.
- Requested enhancement of the percentage of discount coupons to compensate the non-payment of dividend this year.
- Suggested that like other hotels, Taj should also offer memberships of time share business for the benefit of the Company and shareholders.
- Recommended that the mineral water of Taj Himalaya should be served on the flights in which Taj SATS provides catering services.
- Welcomed Mr. Sarna on the Board and thanked Mr. Beejal Desai for the Annual report.

**21. Mr. Michael Martin**

- Raises concern that despite the increase in revenue and increase in standalone PBT, the Company has incurred loss due to exceptional items and tax.
- Congratulated on the achievement of awards won by the hotels.

**22. Mr. Prakash Guha**

- Commented that the biggest challenge before the Company would be to turn the biggest chain of hotels into a profitable one.
- Asked on the status of write off for Orient Express Hotel.
- Raised concern that the Company having invested Rs. 300 crores in Ginger hotels, which yields a return of only Rs. 2 or 3 crores. .

- Asked what was the amount spent on renovation in the last 5 years during the years of losses and whether the four brands have been impacted.
- Requested that like earlier practices, the shareholders be given an opportunity to have a dialogue with the Managing Director before the AGM to share some suggestions that they may have.
- Thanked Mr. Sarna for introducing a loyalty program and enquired what will be the impact of the same.
- Asked on the status of Taj Mansingh hotel, Delhi and the status on BMC Notice on encroachment of footpath.

**23. Ms. Smita Shah**

- Welcomed Mr. Sarna and the lady Directors on the Board
- Appreciated the Company Secretary for the accurate work on Annual report.
- Suggested that the Annual report should have the photograph of the Board of Directors of the Company.
- Commented that as compared to the last financial year, the gross revenue and the net worth of 2014-15 had improved. He further requested if the financial highlights of the last 5 years could be given.
- Requested if the Managing Director / Chairman could have a formal meeting with the shareholders before the AGM.

**24. Mr. Hiranand Kotwani**

- Asked whether IHOCO was showing a loss in Euro or Dollars.
- Enquired on the type of trade receivables of the Company.
- Asked what were the training programs in the organization for the employees, Directors etc.

**25. Mr. Vispi Khambatta**

- Raised concern on the poor financial performance of the Company with regard to the amortization, depreciation, write off and impairments.
- Raised concern on the increased gross debt liabilities from Rs. 4300 crores to Rs. 4597 crores.
- Asked about the performance of Taj Dubai.

**26. Mr. Adi Naladaru**

- Raised concern on the losses of the Company.
- Asked about the performance of Taj Dubai.
- Enquired about the progress on the Sea Rock hotel and whether the Company has the approvals to rebuild.

**27. Mr. Vinod Agarwal**

- Welcomed the new Directors on the Board and appreciated the Company Secretary for the Annual Report.
- Appreciated the awards won by the hotels
- Raised concern on the losses incurred by the international subsidiary companies Taj International HK and Samsara Properties.
- Enquired on how is the Company monitoring the turnaround of loss making hotels.

**28. Mr. Kirti Shah**

- Regretted the inability of the Company to pay dividend for consecutive two years.
- Recommended that the Directors should have waived off their commission in view of the losses and the shareholders not being paid dividend.
- Asked about the yield from high investment portfolios

**29. Mr. Deepak Bhatt**

- Suggested that instead of borrowing from the Bank at the interest rate of 8%, the Company can borrow as Fixed Deposit from its shareholders at 10-11% interest with the consent of all Members.
- Recommended that the Company may look into expanding its hotels in areas such as Surat and Bharuch, that have lesser land rates.
- Asked regarding the exceptional items and suggested that if the same can be controlled and if interim dividend can be paid.
- Asked what is the relationship of the Company with Oriental Hotels, Chennai.

**30. Mr. Babulal Parekh**

- Enquired about the status of new hotel at Santacruz airport, Mumbai.
- Asked what was the occupancy for Taj Mahal, Mumbai and asked if the hotel was fully renovated.



**31. Mr. Kiran Mehta**

- Asked why was the seminar business not receiving the attention of Taj.
- Suggested if the concept of yoga therapy could be introduced and clubbed with the medical tourism and wellness.
- Enquired what is the impact of video conferencing on the hotel industry.

The Chairman then replied to the remaining queries as raised by the Members who were still present at the meeting.

Mr. A. M. Patel was informed that the Company will look into the enhancement of 30% discount coupon and make appropriate changes next year. He mentioned that the Taj staff was undergoing continuous training and if any staff could not speak proper English, the same will be looked into. He informed that the Spa business is profitable and when the spas reach a certain level, the same comes under the brand Jiva Spa. He also stated that the return from the investments of mutual funds is approximately 9% per annum and these were parked for short term purposes at this point in time and the same were tax free. He added that the buying/ selling of mutual funds were detailed in the investment schedule. With regard to the hedge fund reserve he further informed that the forex losses on the loans had been offset by the forex gains on the dollar deposits, and it's a negative reserve due to its terminology. Lastly he stated that the guarantees given by the Company to overseas subsidiaries were given to support the assets of the offshore companies which are in US/UK.

Regarding query raised by Mr. N. V. Jhaveri, the Chairman replied that the CSR expenditure are mandatory as per the regulations depending upon the profitability of the Company and forms a part of the day to day operations which are not incremental over and above. He also stated that the word Standalone can be added to the resolution of accounts adoption next time. He informed that with regard to the guests transportation expenditure, the complimentary pick up services were not recovered from the guests and the discounts to collecting agents was Rs. 50 crores which is credit card commission and a part of industry norm.

To Mr. Jayesh Manek, the Chairman stated that at the moment the Company is not looking to engage in time share business.

The Chairman thanked Mr. Michael Martin for his comments.

Replying to Mr. Prakash Guha, the Chairman stated the more or less the Company had completed the write down of its investment in Orient Express Hotel and the management is continuously reviewing the same. He informed that presently 3 to 4 hotels are under renovation with a budget of approximately Rs. 100 crores. He also mentioned that they will see significantly more investments going into renovations in future as well. On the status of Taj Mansingh, the Company had been asked to approach the Delhi High Court and at this point in time the matter is subjudice and with the courts. He further stated that the BMC notice for encroachment of footpath was done under the instructions from the police and this is under discussions.

To Ms. Smita Shah, the Chairman responded that the financial highlights for the last five years and the historical data were provided on page 132 and 198 of Annual report.

Addressing Mr. Kotwani's query, the Chairman replied that IHOCO was showing a loss in Euro as it is an intervening investment subsidiary based on Netherlands that holds an investment in St. James and this is the fluctuation between the Euro and Pound. He added that there was no cash loss in this. He further informed that the consolidated trade receivables of Rs. 300 crores were on a consolidated turnover of Rs. 4287 crores and were within appropriate limits. He also stated that there are significant internal training programs throughout the year which have a reasonably good engagement score.

Replying to Mr. Khambata, the Chairman stated that the consolidated debt in the year 2014 was Rs. 4252 crores and the debt in March 2015 was Rs. 4073 crores whereas the net debt was Rs. 3175 crores. He also informed that the Taj Dubai hotel was performing reasonably well.

To Mr. Naladaru, the Chairman commented that the Company too shares its concerns for the losses. With regard to the performance of Taj Dubai, he stated that Taj Dubai had been launched during the year and is performing well. He mentioned that the Sea Rock hotel had been razed to the ground and the Company is looking for permission at the moment to rebuild.

The Chairman informed Mr. Vinod Agarwal that for the turnaround of loss making hotels, the Company has formed a cross functional task force which reviews and takes corrective measures from time to time.

To Mr. Kirti Shah, the Chairman stated that the dividends were not possible out of reserves. He stated that there was no yield on major investments in the portfolio and the challenge the global investments in US and Orient Express Limited, however the Company was reviewing these actively at the moment. He further mentioned that last year the Directors had waived off their commission.

Addressing to Mr. Deepak Bhatt, the Chairman replied that the exceptional items that led to the losses were write down of select investments largely in Orient Express Limited and South Africa during the year 2014-15. He also clarified the relationship with Oriental Hotels Limited, Chennai stating that s 38% ownership is held in that Company.

Replying to Mr. Babulal Parekh, the Chairman stated that the new hotel at Santacruz Airport, Mumbai was nearly ready and progressing well and it is expected that the pre-approvals for opening would be received soon. He further stated that the occupancy of Taj Mahal, Mumbai was not close to 90% and wished it was that much. He also informed that the Taj Mahal hotel, Mumbai was fully renovated except the Tower wing.

To Mr. Kiran Mehta, the Chairman stated that Taj has a significant amount of business from seminars but some of our facilities have to be large enough to cater to individual, which are large. With regard to the medical tourism and wellness, it is a niche segment which would need special skills to manage the customer needs and all of these were being looked into as our strategy in future. He also stated that increased communication drives additional transactions globally and is positive for global business travel.

The Chairman thereafter proposed voting on the resolution and authorised Mr. Beejal Desai, Company Secretary to carry out e-voting process. He stated that the combined results will be announced on or before August 12, 2015.

The Chairman thanked the shareholders for attending the meeting and requested them to cast their votes. With the consent of the shareholders and other Board members the Chairman took a leave. The meeting thereafter concluded with a vote of thanks to the Chair.

Entered on: September 9, 2015

**CYRUS P. MISTRY**  
**CHAIRMAN**  
Signed on:

**Addendum to the Minutes of the Annual General Meeting of The Indian Hotels Company Limited held on Monday, August 10<sup>th</sup>, 2015 at 3.00 P.M. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020.**

The Scrutinizer, Mr. Shreepad M. Korde (C.P. No. 1079), submitted the report containing the combined results of e-voting, ballot and voting conducted at General Meeting to the Chairman on August 11, 2015. A summary of the said report is as under:

| Resolution No and type  | Title of the Resolution                                                                                                                                                  | Number of Votes |        |             |        |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------|-------------|--------|
|                         |                                                                                                                                                                          | For             | %      | Against     | %      |
| 1 – Ordinary Resolution | Adoption of Audited Standalone and Consolidated statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2015 | 57,83,52,244    | 100%   | 6,683       | 0.00%  |
| 2 – Ordinary Resolution | Reappointment of Mr. Shapoor Mistry as a Director of the Company                                                                                                         | 51,50,31,627    | 89.06% | 6,32,94,886 | 10.94% |
| 3 – Ordinary Resolution | Ratification of appointment of Statutory Auditors of the Company and to fix their remuneration                                                                           | 57,24,93,915    | 98.99% | 58,34,078   | 1.01%  |
| 4 – Ordinary Resolution | Appointment of Ms. Vibha Paul Rishi as an Independent Director of the Company                                                                                            | 57,83,12,125    | 100%   | 15,066      | 0.00%  |
| 5 – Ordinary Resolution | Appointment of Mr. Gautam Banerjee as an Independent Director of the Company                                                                                             | 57,83,21,296    | 100%   | 6000        | 0.00%  |
| 6 – Special Resolution  | Creation of Charge                                                                                                                                                       | 57,59,46,049    | 99.59% | 23,49,186   | 0.41%  |

Accordingly, all the above Resolutions were passed by the Members with the requisite majority.

**CYRUS P. MISTRY**  
**CHAIRMAN**

Signed on:

Entered on: September 9, 2015