



## India Hospitality Corp. Management Assumes Full Control of Operating Subsidiaries

MUMBAI, India, Aug. 5 /PRNewswire/ -- India Hospitality Corp. ("IHC" or "the Company") is pleased to announce that it has assumed direct operating control of its Indian subsidiaries, after the disengagement of the operating agreements between IHC's operating companies, Mars Restaurants Private Limited ("MRPL") and SkyGourmet Private Limited ("Sky Gourmet") (together the "Operating Companies") and Mars Catering Services Private Limited ("Mars Catering"), a company controlled by Sanjay Narang, as of 31 July 2009 (the "Agreements").

IHC entered into the Agreements with Mars Catering at the time of the reverse acquisition and re-admission to AIM on 24 July 2007 and the Agreements were scheduled to run for a minimum period of two years.

### Management

Mr Sanjay Narang and Mr Arvind Ghei have now ceased to act as President and Chief Financial Officer of the Operating Companies, respectively, following the disengagement of the Agreements. Mr Narang will be appointed the honorary non-executive chairman of Sky Gourmet, the airline catering business, for a period of 2 years for the purpose of providing a smooth transition and business continuity.

Over the previous two quarters, the Company taken the necessary steps to put in place an experienced operating and management team which will enable the Company to continue to run and further develop its operations going forward.

### Gordon House Brand

IHC, via its subsidiary MRPL, has also entered into a licence agreement with Mr Narang whereby it has allowed the continued use of the Gordon House brand for the Hotel Sahar, Mumbai, owned by Mr Narang, for a further period of 2 years. Additionally, the Company has extended the existing agreement with Mr Narang for IHC to continue to directly manage the operations of the Gordon House hotel in Colaba.

The Directors believe that these hotels, along with its third hotel property under the Gordon House brand in Pune, will be key drivers of the Company as it develops a pan-India hotel portfolio.

### Restaurants

Following the disengagement of the Agreements, the restaurant locations being used by Not Just Jazz by the Bay, Pizzeria Pasta Bar and Just around the Corner, owned by Sanjay Narang, will be transferred back to Mr Narang as per the original contract.

IHC has subsequently entered into an arrangement with Mr Narang whereby IHC will franchise the aforementioned restaurant brands to Mr Narang for a period of 1 year for a franchise fee in the initial three month period. This arrangement will provide IHC with the opportunity to maintain a continued presence of these restaurants in Mumbai whilst new locations are identified within the city. IHC will continue to directly own and operate the Birdy's bakery chain.

### Non Compete Agreement

As a result of the disengagement of the Agreements, Mr Narang and his affiliated entities shall be bound by exclusivity, non-compete and non-solicit restrictions relating to Sky Gourmet for a period of 2 years. This arrangement will enable the IHC management to continue to develop the existing airline relationships alongside Mr Narang.

IHC CEO, Ravi Deol, commented, "With this transition IHC moves to its next phase and acknowledges the valuable contribution made by Sanjay Narang and Arvind Ghei. Supported by a strong operating organisation, customers and a clear future strategy, we look ahead with optimism."

### For Further Information Contact:

India Hospitality Corp.  
Raghavendra Agarwal  
+91 22 4090 6148  
[ragarwal@ihcor.com](mailto:ragarwal@ihcor.com)

[www.indiahospitalitycorp.com](http://www.indiahospitalitycorp.com)

Nominated Adviser: Grant Thornton UK LLP

Fiona Owen

+44 20 7383 5100

Broker: Noble & Company Limited

Sunil Sanikop

+44 20 7763 2200

Media Contact: Mutual Public Relations Ltd.

Harsh Wardhan

+91 11 4362 0700

Investor Relations Contact: Sand Hill RP

Michael A. Tew

[mtew@sandhillrp.com](mailto:mtew@sandhillrp.com)

+1 (212) 445-7838

**About India Hospitality Corp.**

India Hospitality Corp. is a diversified pan-Indian hospitality and leisure company. In July 2007, IHC closed on the acquisition of India-based Mars Restaurants Private Limited, an emerging hotel and restaurant company, and SkyGourmet Catering Private Limited, an airline catering company with 2,800 employees across its facilities in India, from Navis Capital Partners and its affiliates.

SOURCE India Hospitality Corp.