

**PKF SRIDHAR & SANTHANAM LLP**

Chartered Accountants

To,  
**The Board of Directors,**  
 The Indian Hotels Company Limited  
 Mandlik House, Mandlik Road  
 Mumbai 400 001

**REPORT ON NON-APPLICABILITY OF VALUATION PROCESS**

1. We, PKF Sridhar & Santhanam LLP (Firm's Registration No. 003990S/S200018), one of the joint statutory auditors of The Indian Hotels Company Limited ("IHCL" or the "Company") having its Registered Office at Mandlik House, Mandlik Road, Mumbai 400001, have examined the proposed "Scheme of Arrangement between The Indian Hotels Company Ltd (hereinafter referred to as 'IHCL' or the 'Transferee Company') and International Hotel Management Services LLC (hereinafter referred to as the 'Transferor Company'), and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013, Section 78 and Sections 100 to 103 of the Companies Act, 1956", (the "Proposed Scheme") for merger of the Transferor Company with IHCL and other connected matters, for the purpose of reporting on whether valuation process is applicable to the transactions contemplated by the aforesaid Scheme as per para 4.2 of the Securities Exchange Board of India (SEBI) Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013.
2. The responsibility for the preparation of the Proposed Scheme and its compliance with the relevant laws and regulations is that of the boards of directors of the companies involved.
3. Our responsibility, for the purpose of this report, is limited to report on whether valuation process is applicable to the transactions contemplated by the aforesaid Scheme. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India.
4. We note that the Transferor Company is wholly-owned subsidiary of IHCL and the entire share capital of the Transferor Company is held by IHCL. As such, no consideration is payable and no shares of the Transferee Company are required to be issued and allotted by way of consideration for the transfer and vesting of the Transferor Company in the Transferee Company in terms of the aforesaid Scheme.
5. Taking under consideration the facts hereinabove, we are of the opinion that there will not be any change in the shareholding pattern of IHCL and hence no valuation process is applicable to the transactions contemplated by the Scheme as per para 4.2 of the SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013.
6. This report is issued at the request of the Management of the Company for submission to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited in terms of clause 24(f) of the listing agreement and should not be used for any other purpose without our prior written consent.

For **PKF SRIDHAR & SANTHANAM LLP**  
 Chartered Accountants  
 (Firm's Registration No. 003990S/S200018)



*J. Ramanarayanan*  
**Ramanarayanan J**  
 Partner  
 (Membership No. 220369)



Place: Mumbai  
 Date: October 19, 2015