



STRICTLY PRIVATE & CONFIDENTIAL

October 19, 2015

The Board of Directors
The Indian Hotels Company Ltd
 Mandlik House
 Mandlik Road
 Mumbai 400001

Re: Fairness Opinion on the proposed scheme of arrangement between Land End Properties Private Limited and The Indian Hotels Company Limited and their respective shareholders and creditors

Dear Sirs,

We refer to our engagement wherein the Management of The Indian Hotels Company Limited (hereinafter referred to as 'IHCL' or the 'Transferee Company') has requested Fortress Capital Management Services Private Limited ('us') to give a fairness opinion in connection with the draft scheme of arrangement between Land End Properties Private Limited (hereinafter referred to as 'LEPPL' or the 'Transferor Company'), IHCL (hereinafter collectively referred to as the "Companies") 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, and other relevant provisions of the Companies Act, 1956 and Companies Act, 2013, as applicable ("Scheme of Arrangement"), which provides for the amalgamation of LEPPL with IHCL and other connected matters.

1. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

1.1 THE INDIAN HOTELS COMPANY LIMITED

IHCL is a public limited company originally incorporated under the Indian Companies Act of 1882 and continuing its existence under the Companies Act 2013, having its registered office at Mandlik House, Mandlik Road, Mumbai 400001. The Transferee Company is primarily engaged in the business of owning,

Page 1 of 1

CIN U67120MH2004PTC145815

FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.

Daryanagar House, 2nd Floor, 69, Maharshi Karve Road, Marine Lines, Mumbai - 400 002 INDIA
 Tel: +91 (22) 2200 1924/25 • Fax: +91 (22) 2203 1609 • E-mail: fortress@fortress.co.in • Website: www.fortress.com





- 1.5.1 simplify management structure, leading to better administration;
 - 1.5.2 a reduction in costs from more focused operational efforts, rationalization, standardisation and simplification of business processes;
 - 1.5.3 the elimination of duplication, and rationalization of administrative expenses;
 - 1.5.4 simplify shareholding structure and reduce shareholding tiers; and
 - 1.5.5 facilitating a wider and stronger base for future growth through the addition of assets by leveraging upon benefits of scale, translating into increased business opportunities and reduced expenses.
- 1.6 As per the Scheme of Arrangement we understand that upon the Scheme of Arrangement becoming effective, the shares in LEPL held by IHCL will stand cancelled and no shares are proposed to be issued by IHCL, and no payment in cash or kind is proposed to be made by IHCL, in consideration of the amalgamation of LEPL with itself as LEPL is wholly owned subsidiary of IHCL as on date.
- 1.7 The shareholders of IHCL will continue to remain beneficial owners of IHCL in the same proportion as they held it prior to the proposed amalgamation.
- 1.8 As per the Scheme of Arrangement, we understand that the acquisition by the Transferee Company of the shares of the Transferor Company was at a premium to the face value of the shares. Upon cancellation of such shares consequent to the Scheme of Arrangement, the carrying amount of such investment in the books of the Transferee Company shall stand reduced accordingly and the difference between such carrying amount and the aggregate face value of such shares of the Transferor Company held by the Transferee Company shall be adjusted against the securities premium account of the Company. Further, the debit balance in profit and loss account of the Company shall also be adjusted against the securities premium account of the Company in accordance with provisions of Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Section 78 and Sections 100 to 103 of the Companies Act, 1956 and any other applicable provisions of law.





- (c) Provisional Financial Statements of LEPL for the period ended 30th September, 2015; and
- (d) Such other information and explanations as we required and which have been provided by the management of the Companies.

3. LIMITATIONS & EXCLUSIONS

- 3.1 Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 3.2 Our recommendation is dependent upon the information furnished to us being complete in all material respects. Our work does not constitute certification of the historical financial statements of the company referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.3 Our report is not nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.
- 3.4 No investigation on the Companies' claims to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of a legal nature.
- 3.5 The information contained herein and our report is intended only for the sole use and information of the Companies and only in connection with the proposed Scheme of Arrangement as aforesaid. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed Scheme of Arrangement as aforesaid, can be done only with our prior permission in writing.
- 3.6 We assume no responsibility for any errors in the information furnished by the Companies and consequential impact on the present exercise.

