Letter of Offer
Dated November 9, 2021
For Eligible Equity Shareholders only

THE INDIAN HOTELS COMPANY LIMITED

The Indian Hotels Company Limited was incorporated on April 1, 1902 in the Republic of India as a public limited company under the Indian Companies Act of 1882. For details of the changes in the address of the registered office, please see the section entitled "*General Information*" on page 41.

Registered Office: Mandlik House, Mandlik Road, Mumbai 400 001, Maharashtra, India; **Tel**: +91 22 6639 5515;
Corporate Office: 9th Floor, Express Towers, Barrister Rajni Patel Marg, Nariman Point, Mumbai 400 021, Maharashtra, India; **Tel**: +91 22 6137 1710;
Contact Person: Beejal Desai, Senior Vice President Corporate Affairs & Company Secretary (Group) and Compliance Officer
E-mail: investorrelations@tajhotels.com; **Website**: www.ihcltata.com
Corporate Identity Number: L74999MH1902PLC000183

PROMOTER OF THE COMPANY: TATA SONS PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE INDIAN HOTELS COMPANY LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO 13,21,39,827 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹1.00 EACH OF THE COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹150 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹149 PER EQUITY SHARE) AGGREGATING TO ₹1,982.10* CRORE ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF ONE RIGHTS EQUITY SHARE FOR EVERY NINE FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON SATURDAY, NOVEMBER 13, 2021 ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE SEE THE SECTION ENTITLED "*TERMS OF THE ISSUE*" ON PAGE 255.

**Assuming full subscription*

WILFUL DEFAULTERS

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the statement of "*Risk Factors*" on page 16 before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of the Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**"). The Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to the Issue through their letters dated November 2, 2021 and October 29, 2021, respectively. Our Company will also make applications to NSE and BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is the BSE.

LEAD MANAGERS		REGISTRAR TO THE ISSUE
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC Plot No. C - 27, 'G' Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 **Tel:** +91 22 4336 0000 **E-mail:** ihcl.rights@kotak.com **Investor Grievance e-mail:** kmccredressal@kotak.com **Contact person**: Ganesh Rane **Website:** www.investmentbank.kotak.com **SEBI Registration No.:** INM000008704	**HSBC Securities and Capital Markets (India) Private Limited** 52/60, Mahatma Gandhi Road, Fort Mumbai 400 001 **Tel:** +91 22 2268 5555 **E-mail**: ihclrights@hsbc.co.in **Investor Grievance e-mail:** investorgrievance@hsbc.co.in **Contact person**: Vinod Nagappan / Sanjana Maniar **Website**: https://www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback **SEBI Registration No.**: INM000010353	**Link Intime India Private Limited** C-101, 247 Park, 1st Floor L.B.S. Marg, Vikhroli West Mumbai 400 083 **Tel**: +91 22 4918 6200 **E-mail**: ihcl.rights2021@linkintime.co.in **Investor Grievance e-mail**: ihcl.rights2021@linkintime.co.in **Contact person**: Sumeet Deshpande **Website**: www.linkintime.co.in **SEBI Registration No.**: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION *	ISSUE CLOSES ON**
Wednesday, November 24, 2021	Thursday, December 2, 2021	Wednesday, December 8, 2021

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date.*

***Our Board or the Rights Issue Committee - 2021 will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

The following list of capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Provided that terms used in the sections entitled "Summary of this Letter of Offer", "Financial Statements", "Statement of Special Tax Benefits", "Outstanding Litigations and Defaults", "Terms of the Issue" on pages 108, 59, 235, 235 and 255 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
"Our Company", "the Company", "the Issuer" or "IHCL"	The Indian Hotels Company Limited, a public limited company incorporated under the provisions of the Indian Companies Act, 1882 and having its registered office at Mandlik House, Mandlik Road, Mumbai 400 001, Maharashtra, India
"We", "Our", or "Us"	The Indian Hotels Company Limited along with its subsidiaries, jointly controlled entities or joint ventures and associate companies, on a consolidated basis. For details of the subsidiaries, jointly ventures and associate companies of the Company, please see the section entitled "*Financial Statements*" on page 108

Company Related Terms

Term	Description
Annual Consolidated Financial Statements	The audited consolidated financial statements of the Company as at and for the financial years ended March 31, 2021 and March 31, 2020, which comprises the consolidated balance sheet as at March 31, 2021 and March 31, 2020, respectively, and the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. For details, please see the section entitled "*Financial Statements*" on page 108
Articles of Association or Articles	Articles of Association of the Company, as amended
Board of Directors or Board	Board of directors of the Company
Corporate Office	9th Floor, Express Towers, Barrister Rajni Patel Marg, Nariman Point, Mumbai 400 021, Maharashtra, India
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
ELEL	ELEL Hotels and Investments Limited
Equity Shares	Equity shares of face value of ₹1 each of the Company
Excalibur	Excalibur Assets and Capital Management Private Limited
Financial Statements	Annual Consolidated Financial Statements and Unaudited Limited Review Consolidated Financial Results. For details, please see the section entitled "*Financial Statements*" on page 108
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations
Memorandum of Association or Memorandum	Memorandum of Association of the Company, as amended

Term	Description
Promoter	The promoter of the Company being, Tata Sons Private Limited
Promoter Group	Promoter group of the Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of the Company situated at Mandlik House, Mandlik Road, Mumbai 400 001, Maharashtra, India
Shareholders	The shareholders of the Company
Statutory Auditors	Statutory auditors of the Company namely, B S R & Co. LLP, Chartered Accountants
Subsidiary(ies)	Subsidiaries of the Company in accordance with the Companies Act, 2013, being: 1. Roots Corporation Limited 2. Piem Hotels Limited 3. KTC Hotels Limited 4. United Hotels Limited 5. Benares Hotels Limited 6. ELEL Hotels and Investments Limited 7. Skydeck Properties and Developers Private Limited 8. Sheena Investments Private Limited 9. Luthria & Lalchandani Hotel & Properties Pvt. Ltd. 10. Taj Trade and Transport Company Limited 11. Indiatravel Limited 12. Northern India Hotels Limited 13. Taj Enterprises Limited *14.* Ideal Ice Limited *(Previously known as Ideal Ice and Cold Storage Limited)* 15. Taj Sats Air Catering Limited 16. Taj Madras Flight Kitchen Pvt Ltd 17. St. James Court Hotels Limited 18. Taj International Hotels Limited 19. United Overseas Holdings Inc (including its wholly owned LLCs) as below: a. IHMS LLC b. IHMS (USA) LLC c. IHMS (SF) LLC 20. IHOCO BV 21. Taj International Hotels (H.K) Limited 22. IHMS Hotels (SA) (Proprietary) Limited 23. Goodhope Palace Hotels (Proprietary) Limited 24. PIEM International Hotels (H.K) Limited 25. BAHC 5 Pte Limited
Unaudited Limited Review Consolidated Financial Results	The unaudited limited review consolidated financial results of the Company as at and for the six-month periods ended September 30, 2021 and September 30, 2020

Issue Related Terms

Term	Description
Abridged Letter of Offer/ ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment/ Allot/ Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Banks	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Axis Bank Limited and ICICI Bank Limited
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted Rights Equity pursuant to Issue
Applicant(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the

Term	Description
	website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application though R-WAP facility or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable at the time of Application i.e., ₹150 per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Applicant/ ASBA Investor	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Bankers to the Issue/ Escrow Collection Banks	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being Axis Bank Limited and ICICI Bank Limited
Bankers to the Issue Agreement	Agreement dated November 9, 2021 entered into by and among our Company, the Registrar to the Issue, the Lead Managers and the Bankers to the Issue for collection of the Application Money from Applicants/Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/ Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in the section entitled "*Terms of the Issue*" on page 255.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	BSE Limited
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, please see the section entitled "*Notice to Investors*" on page 8
Equity Shareholder(s)	Holder(s) of the Equity Shares of the Company
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility.
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, Axis Bank Limited and ICICI Bank Limited
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
HSBC	HSBC Securities and Capital Markets (India) Private Limited
Investor(s)	Eligible Equity Shareholder(s) of the Company on the Record Date, i.e. Saturday, November 13, 2021 and the Renouncee(s)
Issue	This issue of up to 13,21,39,827 Rights Equity Shares for cash at a price of ₹150 per Rights Equity Share aggregating to ₹1,982.10* crore on a rights basis to the Eligible Equity Shareholders of the Company in the ratio of one Rights Equity Share for every nine fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date **Assuming full subscription*

Term	Description
Issue Agreement	Issue agreement dated November 9, 2021 between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	Wednesday, December 8, 2021
Issue Opening Date	Wednesday, November 24, 2021
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹150 per Rights Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to 13,21,39,827 Rights Equity Shares aggregating to an aggregating to ₹1,982.10* crore **Assuming full subscription*
Kotak	Kotak Mahindra Capital Company Limited
Lead Managers	Collectively, Kotak Mahindra Capital Company Limited and HSBC Securities and Capital Markets (India) Private Limited
Letter of Offer	This letter of offer dated November 9, 2021 filed with the Stock Exchanges and SEBI
Listing Agreement	The listing agreements entered into between the Company and the Stock Exchanges in terms of the SEBI LODR Regulations
Monitoring Agency	Axis Bank Limited
Monitoring Agency Agreement	Agreement dated November 9, 2021 between our Company and the Monitoring Agency in relation to monitoring of Net Proceeds.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please see the section entitled "*Objects of the Issue*" on page 48
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before Thursday, December 2, 2021.
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being Saturday, November 13, 2021
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being Axis Bank Limited and ICICI Bank Limited
Registrar Agreement	Agreement dated November 9, 2021 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility
Registrar to the Issue / Registrar	Link Intime India Private Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
Rights Entitlement	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being one Rights Equity Share for every nine Equity Shares held by an Eligible Equity Shareholder
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP and on the website of our Company

Term	Description
Rights Issue Committee - 2021	Rights Issue Committee of the Board constituted for the Issue
R-WAP	Registrar's web based application platform accessible at www.linkintime.co.in, instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021 for accessing/ submitting online Application Forms by resident Investors in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed *i.e.* BSE and NSE
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI
WOS	Wholly owned subsidiary

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
₹ or Rs. or Rupees or INR	Indian Rupee
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CIN	Corporate identity number
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made thereunder
CY	Calendar Year
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director identification number
DP / Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository participant identity
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year / FY	Period of 12 months ending March 31 of that particular year
FVCI	Foreign Venture Capital Investors registered under the SEBI FVCI Regulations
GOI	Government of India
Government	Central Government and/ or the State Government, as applicable
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015

Term/Abbreviation	Description/ Full Form
India	Republic of India
ISIN	International securities identification number
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NAV	Net asset value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
NCDs	Non-convertible debentures
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NGT	National Green Tribunal
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
PAN	Permanent account number
RBI	Reserve Bank of India
RoC	Registrar of Companies, Maharashtra at Mumbai
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 read with SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/2020/78 dated May 6, 2020, bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
State Government	Government of a State of India
U.S./USA/United States	United States of America, including the territories or possessions thereof

Industry Related Terms

Term/Abbreviation	Description/ Full Form
ADR	Average daily rate
ARR	Average room rate

Term/Abbreviation	Description/ Full Form
BFSI	Banking, financial services and insurance
CAGR	Compound annual growth rate
COVID	Coronavirus disease
CRM	Customer relationship management
CSR	Corporate social responsibility
DMRC	Delhi Metro Rail Corporation
ECR	East Coast Road
EIH	East India Hotels
F&B	Food and beverage
FTA	Foreign tourist arrivals
GDP	Gross domestic product
H1	First half
H2	Second half
HR	Human resource
Horwath HTL Report	The report entitled "*Industry Report - Upper Tier and Economy Hotels*" dated October 28, 2021 prepared by Horwath HTL India
IHG	InterContinental Hotels Group
IMF	International Monetary Fund
IT	Information Technology
ITeS	Information Technology Enabled Services
JV	Joint venture
K	Thousand
LTH	Lemon Tree Hotels
MICE	Meetings, incentives, conventions and events
MoSPI	Ministry of Statistics and Programme Implementation
MoT	Ministry of Tourism, Government of India
NCP	National Commission on Population
NCR	National Capital Region
OMR	Old Madras Road
PPP	Purchasing Power Parity
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
RCL	Roots Corporation Limited
RevPAR	Revenue per available room
SAARC	South Asian Association of Regional Cooperation
SME	Small and Medium Enterprises
STR	Smith Travel Research
T&T	Travel and tourism
UDAN	Ude Desh Ka Aam Naagrik
UK	United Kingdom
UNWTO	United Nations World Tourism Organization
UP	Uttar Pradesh
USA	United States of America
USD	US Dollars
UT	Union Territory
YTD	Year to Date

NOTICE TO OVERSEAS INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlement and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may come, are required to inform themselves about and observe such restrictions. For details, please see the section entitled "*Restrictions on Purchases and Resales*" on page 287.

In accordance with the SEBI ICDR Regulations, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Managers, the Stock Exchanges and on R-WAP.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any offering materials or advertisements in connection with the Issue may not be distributed, whole or in part, in or into in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer or the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the section entitled "*Restrictions on Purchases and Resales*" on page 287.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Managers or its affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Abridged Letter of Offer and the Application Form, only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'UK' or 'U.K.' or the 'United Kingdom' are to the United Kingdom of Great Britain and its territories and possessions; and (iv) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Financial Data

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Financial Statements. The Company's Fiscal commences on April 1 of each calendar year and ends on March 31 of the following calendar year. For details of the financial statements, please see the section entitled "*Financial Statements*" on page 108. Unless otherwise stated, references in this Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31.

The Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. The Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees in crores and lakhs.

Non-GAAP Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA and total expenses have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Further, the information has also been derived from report entitled "*Industry Report - Upper Tier and Economy Hotels*" dated October 28, 2021 (the "**Horwath HTL Report**") prepared by Horwath HTL India. The Horwath Report has been commissioned and paid for by the Company, for an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue.

The Horwath HTL Report is subject to the following disclaimer:

"*Crowe Horwath HTL Consultants Pvt. Ltd. (CHHTL) does not accept any liability arising out of reliance by any person or entity on contents of its report, or any information contained in its report, or for any errors or omissions in its report. Any use, reliance or publication by any person or entity on contents of its report or any part of it is at their own risk. In no event shall CHHTL or its directors or personnel be liable to any party for any damage, loss, cost, expense, injury or other liability that arises out of or in connection with this report including, without limitation, any indirect, special, incidental, punitive or consequential loss, liability or damage of any kind.*

Our opinions are based on information available to us at the time of preparation of the report and economic, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. Should circumstances change significantly, or additional information become available, after the issuance of this report, the conclusions and opinions expressed herein may require revision.

There is no requirement for CHHTL to update this report in any such circumstances. The statements and opinions expressed in this report are made in good faith and in the belief that such statements and opinions are not false or misleading. Recipients should make their own enquiries and evaluations they consider appropriate to verify the information contained in the Industry Report. This Industry Report does not purport to provide all of the information the recipient may require in order to arrive at a decision."

Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information.

This information is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, and thus we have relied on internally developed estimates.

Currency of Presentation

All references to

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India
- 'US$', 'USD', '$' and 'U.S. dollars' are to the legal currency of the United States of America
- "GBP" and "£" are to the legal currency of the United Kingdom
- "ZAR" are to the legal currency of South Africa

Please note:

- One million is equal to 1,000,000 or 10 lakhs;
- One crore is equal to 10 million or 100 lakhs; and
- One lakh is equal to 100,000.

Conversion Rates for Foreign Currency:

The conversion rate for the following foreign currency is as follows:

Sr. No.	Name of the Currency	As of September 30, 2021 (in ₹)	As of September 30, 2020 (in ₹)	As of March 31, 2021 (in ₹)	As of March 31, 2020 (in ₹)	As of March 31, 2019 (in ₹)	As of March 31, 2018 (in ₹)
1.	1 USD	74.30	73.56	73.18	75.31	69.18	65.11
2.	1 GBP	99.94	95.19	100.88	93.24	89.94	91.19
3.	1 ZAR	4.91	4.40	4.94	4.22	4.79	5.49

(Source: www.reuters.com, and www.oanda.com)

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to' 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding the Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by the Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Company's expectations include, among others:

- Extent to which the COVID-19 outbreak impacts our Company's business, cash flows, results of the operations and financial condition will depend on future developments which are uncertain and cannot be predicted
- Any deterioration in the quality or reputation of our brands
- Increased competition in the hotel sector with no assurance that new or existing competitors, hotels and homestays aggregators will not significantly expand or improve facilities in the markets in which we operate
- Inability to renew the license/lease period or amend to terms and conditions of the license/lease under which some of our hotels are maintained, by our licensors or lessors
- Contraction of the global economy or low levels of economic growth in the domestic and overseas markets where we operate
- Adverse developments affecting hotels or key geographies or regions from which we realise a large portion of our revenue
- Inability to attract and retain qualified employees or deterioration in our relationship with employee unions at one or more of our properties

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled "*Risk Factors*" and "*Our Business*" on pages 16 and 92, respectively. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of the Company. Whilst the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the Lead Managers will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchange.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, the sections entitled "*Objects of the Issue*", "*Our Business*", "*Outstanding Litigation and Defaults*" and "*Risk Factors*" beginning on pages 48, 92, 235 and 16, respectively.

For updates in relation to financial and operational performance as of and for the period ended September 30, 2021, please see the section entitled "*Material Developments*" on page 244.

Primary Business of the Issuer

We are one of the leading hospitality chains in India by number of hotels (*Source: Horwath HTL Report*) focussed on being a dynamic hospitality ecosystem. We are primarily engaged in the business of owning, operating and managing hotels and resorts primarily under our flagship brand "*Taj*".

Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

(in crore)

Particulars	Estimated amount (up to)
Repayment, pre-payment or redemption, in full or part, of certain borrowings availed by the Company	1,200.00
Payment for the acquisition of 3,48,51,356 equity shares (aggregating 37.07% of the paid-up equity share capital) of RCL from its existing shareholders, namely, Omega TC Holdings Pte Limited, Tata Capital Limited and Piem Hotels Limited	454.11
Part payment for the acquisition of 4,02,846 equity shares (aggregating 14.28% of the paid-up equity share capital) of ELEL from Excalibur	175.00
Investment in our step-down Subsidiary, namely, United Overseas Holding Inc. through our WOS namely IHOCO BV, for repayment or pre-payment of certain borrowings availed by such Subsidiary	75.00
General corporate purposes*	66.63
Total Net Proceeds**	**1,970.74**

* *Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

** *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

For further details, please see the section entitled *"Objects of the Issue"* on page 48.

Intention and extent of participation by our Promoter/ Promoter Group with respect to (i) their rights entitlement; and (ii) their intention to subscribe over and above their right entitlement

Our Promoter has undertaken and confirmed in relation to this Issue to subscribe on its own account, and not through any nominated entity or person to:

a. the full extent of their Rights Entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations;

b. the full extent of any rights entitlement in the Issue that may be renounced in their favor by any of the members of the promoter group of the Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations; and

c. any unsubscribed portion in the Issue, in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations, to ensure subscription to the extent of 100% of the Issue.

The Promoter has confirmed that such acquisition of Equity Shares will not result in a change of control or the management of the Company, and any such acquisition shall be subject to the aggregate shareholding of the Promoter and Promoter Group of the Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of the Company after the Issue.

Our Promoter Group, to the extent that they hold Equity Shares in the Company, undertake to either (i) subscribe on their account, and not through any nominated entity or person, to the full extent of their rights entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations, as amended; or (ii) renounce, any or all, of their rights entitlement in the Issue in favour of Tata Sons Private Limited. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations.

Any participation by our Promoter, over and above its Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

Summary of outstanding litigation and defaults

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Letter of Offer is set forth in the table below:

Nature of Cases	Number of Cases	Amount Involved* (₹ Crores)
Litigations involving our Company		
Proceedings involving moral turpitude or criminal liability on our Company	8	0.0015
Proceedings involving material violations of statutory regulation by our Company	46	77.05
Matters involving economic offences where proceedings have been initiated against our Company	NIL	-
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold defined in the section entitled "*Outstanding Litigation and Defaults*" on page 235 or are otherwise material in terms of the Materiality Policy, and other pending matters which, if result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	7	474.26
Litigations involving our Subsidiaries		
Proceedings involving moral turpitude or criminal liability on our Subsidiaries.	4	0.10
Proceedings involving material violations of statutory regulation by our Subsidiaries.	NIL	-
Matters involving economic offences where proceedings have been initiated against our Company	NIL	-
Other proceedings involving our Subsidiaries which involve an amount exceeding the Materiality Threshold defined in the section entitled "*Outstanding Litigation and Defaults*" on page 235 or are otherwise material in terms of the Materiality Policy, and other pending matters which, if result in an adverse outcome would materially and adversely affect the operations or the financial position of our Subsidiaries	2	62.35

**To the extent quantifiable*

For further details, please see section entitled "*Outstanding Litigation and Defaults*" on page 235.

Risk Factors

For details, please see the section entitled "*Risk Factors*" on page 16. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent liabilities

For details regarding our contingent liabilities as per Ind AS 37 for the Fiscal 2021 and Fiscal 2020, please see the section entitled "*Financial Statements*" on page 108.

Related party transactions

For details regarding our related party transactions as per Ind AS 24 entered into by our Company for Fiscal 2021 and Fiscal 2020 please see the section entitled "*Financial Statements*" on page 108.

Issue of Equity Shares for consideration other than cash

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of filing this Letter of Offer.

SECTION II: RISK FACTORS

The risks described below together with other information contained in this Letter of Offer should be carefully considered before making an investment decision. The risks described below are not the only ones which are relevant to us or investments in securities of Indian issuers. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and the section entitled "Forward Looking Statements" on page 12.

All financial information used in this section is derived from the Financial Statements. For additional details, please refer to the section titled "Financial Statements" beginning on page 108.

Risks specific to our Business

1. ***The extent to which the recent coronavirus (COVID-19) outbreak impacts our Company's business, cash flows, results of the operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted.***

   In late calendar year 2019, COVID-19, commonly known as "novel coronavirus" was first reported in Wuhan, China. Since then, the virus has progressively spread globally. During the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. On March 14, 2020, India declared COVID-19 as a "notified disaster" for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown beginning on March 25, 2020. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. The rapid and diffused spread of the recent coronavirus (COVID-19) and global health concerns relating to this outbreak has had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period, that could, in turn, have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity, asset quality and growth. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial situation will depend on future developments, including the timeliness and effectiveness of actions taken to contain and mitigate the effects of COVID-19. Efforts initiated in India and internationally by governments, central banks, healthcare providers, health system participants, other businesses, and individuals are uncertain and cannot be predicted. A rapid increase in severe cases and deaths where government measures fail or are lifted prematurely may cause economic disruption in India and the rest of the world. The scope, duration and frequency of such actions and the adverse effects of COVID-19 remain uncertain and are likely to be severe. New mutations of the virus have given rise to another COVID-19 wave in the fourth quarter of the financial year 2021, affecting India, the United States of America, Brazil, Turkey, and France amongst other countries.

   The COVID-19 pandemic may affect our Company in many ways, and we expect the potential magnitude and duration of each to be dynamic:

   - shut down of our hotels during the time that the Government considered hotels a 'non-essential service;
   - reduced operations of our hotels due to a decrease in domestic tourism decreased domestic business travel and limited international travel;
   - reduced F&B business due to changing consumer behaviour towards dining out, restrictions on number of persons in banquet functions and greater usage of food delivery services.
   - high fixed costs or high leverage, leading to the restructuring of their loans and additional stress;
   - large scale furloughs, or terminations of employees or reductions in salaries;
   - in the event a member or members of our management team contracts COVID-19, it may potentially affect our operations;
   - on account of the lockdown ordered by the Government of India, many of our offices and employees, continue to work from home or different locations utilising remote working technologies. As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. In

particular, we face heightened cyber-security risks, with many of our employees working from home.

- the requirement to work from home has required changes to specific operating procedures, which are relatively new. Any unforeseen weaknesses in these processes expose us to operational risk.
- our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts.
- employee or customer needs to be quarantined if suspected of being infected or identified as a source of COVID-19. Other employees who had come into contact with them may also be required to isolate and disinfect the affected operational & office areas therefore suffering a temporary suspension of business operations.
- lenders or investors may take a prolonged negative view of the hospitality sector/company, which may hamper company's ability to raise funds in future.
- the Company's digital initiatives may fail to be competitive; and
- the Company's strategic projects may be severely delayed or postponed indefinitely.

We have in our operations invoked the force majeure clauses in respect of our contracts and drawn down lines of credit including Emergency Credit Line Guarantee Scheme offered by the Government of India.

Any of these factors could have a material adverse effect on our operations and financial condition, including its revenues, cost structure, liquidity, cash flows, asset quality, and growth.

2. Any deterioration in the quality or reputation of our brands could have an adverse impact on our reputation, business, financial condition and results of operations.

Our brands and our reputation are among our most important assets. Our ability to attract and retain guests depends, in part, on the public recognition of our brands and their associated reputation. In addition, the success of our hotel owners' businesses and their ability to make payments to us may indirectly depend on the strength and reputation of our brands. Such dependence makes our business susceptible to risks regarding brand obsolescence and reputational damage. If our brands are found to be lacking in consistency and quality, we may be unable to attract guests to our hotels, and further, we may be unable to attract or retain our hotel owners.

In addition, there are many factors which can negatively affect the reputation of any of our individual brands or our overall brand. Occurrence of accidents or injuries, natural disasters, crime, individual guest notoriety, or similar events can have a substantial negative impact on our reputation, create adverse publicity and cause a loss of consumer confidence in our business. Due to the broad expanse of our business and hotel locations, events occurring in one location could have a resulting negative impact on the reputation and operations of otherwise successful individual locations. The performance and quality of services at our hotels are critical to the success of our business. Any decrease in the quality of services rendered by us including due to reasons beyond our control, or allegations of defects, even when false, at any of our hotel properties could tarnish the image of our brands, result in negative reviews and feedback from our guests on online travel portals and may cause guests to choose the services of our competitors. In addition, the considerable expansion in the use of social media over recent years has compounded the potential scope of the negative publicity that could be generated by such incidents. We could also face legal claims, along with adverse publicity resulting from such legal claims. If the perceived quality of our brands declines, or if our reputation is damaged, our business, financial condition and results of operations could be adversely affected.

3. Increased competition in the hotel sector may adversely affect our operations and there can be no assurance that the new or existing competitors and hotels and homestays aggregators will not significantly expand or improve facilities in the markets in which we operate.

Hotels owned, operated and managed by us compete for guests with other hotels in a highly competitive industry. The success in the hotel industry is mainly dependent upon the ability of the hotel operators to compete in areas such as room rates, quality of accommodation, brand recognition, service level, the convenience of location and the quality and scope of other amenities, including food and beverage facilities. Hotels compete with existing hotel facilities in their geographic markets and future hotel facilities that may be developed in proximity to the existing hotels. The hotels owned and operated and managed by us are generally located in intensely competitive regions. Demographic, geographic or other changes in one or more of our markets could impact the convenience or desirability of the sites of certain hotels, which would adversely affect the operations of those hotels. Further, we may face competition from other hotel chains and aggregators which may have larger portfolios than us. There is sizeable hotel inventory in India outside the chain-affiliated space with a mix of product types, positioning, service and operating standards and varied degree of competitiveness. Some of these hotels are in the luxury, upper upscale and upscale segments and may have competitive relevant to some Vivanta hotels, and to Ginger hotels. (*Source: Horwath HTL Report*)

We also face competition in overseas markets from companies or hotels that may have more experience with operations in those countries or with international operations generally. Further, our competitors may have more sophisticated distribution and sales channels or, through higher expenditures on offline and online advertising and marketing placements, may attract new customers or our existing customers.

Additionally, we believe that, the Indian subcontinent, South East Asia and the Asia Pacific with high growth rates have become the focus area of major international chains and hotel aggregators. These entrants are expected to intensify the competitive environment. Furthermore, in the past few years, certain international hotel chains and hotel and homestay aggregators have established their presence in India, mainly through the management and/or marketing arrangements.

With increased international presence and strategy of growing internationally, we face competition from hotel facilities and hotel aggregators in such geographic markets, including major international hotel chains. The major international hotel chains and hotel aggregators have some competitive advantages over us due to their global operations, greater brand recognition and more significant marketing and distribution networks. There can be no assurance that new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or significantly expand or improve facilities in a market in which we operate.

4. ***Some of our hotels are maintained under license/lease arrangements with third parties including governmental bodies. License or lease arrangements are subject to various risks including non-renewal of the license/lease period or amendment to terms and conditions of the license/lease by our licensors or lessors which may adversely affect our business.***

Some of our hotels, including certain vital hotels, are maintained under license or lease arrangements entered with third parties including private parties, governmental and quasi-governmental authorities. Whilst we typically have long term license or lease arrangements, there can be no assurance that our license or leasehold arrangements will be renewed upon expiry of the license or lease period or such agreements are terminated prior to the completion of the term. Further, there can be no assurance that these license or lease arrangements will be renewed on the same terms and conditions, or the revised conditions would not be unfavourable to us. We are currently in a dispute with certain licensors or lessors, which are governmental bodies, for non-renewal of a long term license or lease and payment of arrears for rent. Please see the section entitled "*Outstanding Litigation and Defaults*" for details concerning these disputes on page 235. Non-renewal of license or lease or unfavourable amendment to terms and conditions of license or lease may adversely affect our business.

5. ***Contraction of the global economy or low levels of economic growth in the domestic and overseas markets where we operate could adversely affect our revenues and profitability as well as limit or slow our future growth.***

We operate in the hotel services sector, which is sensitive to changes in economic conditions. Consumer demand for our services is closely linked to the performance of the general economy and is exposed to business and personal discretionary spending levels. The decreased global or regional market for hotel services can be especially pronounced during periods of economic contraction or low economic growth levels, and our industry's recovery period may lag behind the overall economic improvement. The decline in demand for our products and services due to general economic conditions could negatively impact our business by decreasing the revenues and profitability of our owned and managed properties, limiting the amount of fee revenues we can generate from our managed properties, and reducing overall growth of our services. In addition, many of the expenses associated with our business are relatively fixed, and there can be no assurance that we will be able to meaningfully decrease these costs during a period of overall economic weakness.

There can be no assurance that such macroeconomic and other factors which are beyond our control would not significantly affect demand for products and services in the future, including demand for rooms at properties that we manage, own, lease or develop, and such factors would not adversely affect our revenues and profitability as well as limit or slow our future growth.

6. A large portion of our revenue is realised from our range of hotels operating in key geographies and any adverse development affecting these hotels or the regions in which they operate, may adversely affect our business.

During the year ended March 31, 2021 and March 31, 2020, we derived 90.79% and 76.02% of our consolidated revenue from our operations in India, respectively. We heavily depend upon income derived from our operations in India, and we intend to continue to increase our presence and market share in India in the future. However, we may not achieve the estimated growth in India due to various factors such as intense competition, the decline in tourist arrivals and economic slowdown, which could adversely affect our growth prospects.

We are subject to risks inherent in concentrating our operations in specific geographic locations. These risks include, among other things:

- lack of improvement or worsening of global economic conditions;
- reduction in the number of foreign tourists visiting India;
- reduction in corporate travel and events;
- requirement of higher capital expenditure and funding; and
- intense competition from other hotels.

Further, some of our key hotels are located in Mumbai and New Delhi. These hotels are likely to continue to account for a large portion of our business in the future. Accordingly, we are subject to certain risks associated with the concentration of our crucial hotel properties in these cities, such as an increase in the supply of hotels and room capacity and competition, which could have a material adverse effect on our business, financial condition and results of operations.

7. Our operations may be adversely affected if we are unable to attract and retain qualified employees. Further our operations may be impacted if there is deterioration in our relationship with employee unions at one or more of our properties.

We operate hotel properties that strive to provide our guests with high levels of service and personal attention. We, therefore, must maintain a large, well-trained service staff to be successful, which entails attracting, training and retaining employees qualified to provide the standard of service we have become known for. Due to our high standards of service and extensive training, many of our competitors may hire our staff members. Additionally, we face challenges in recruiting suitably qualified staff for our operations. Shortage of skilled labour could adversely affect our ability to provide these services and lead to reduced occupancy or potentially damage our reputation. If we cannot hire or retain qualified personnel, the business expansion will be impaired.

Further, over the years, our key managerial personnel have built relations with customers and other persons who are connected with us and have assisted us in achieving the desired growth. Our performance is majorly dependent upon the services of our key managerial personnel. If our critical administrative personnel are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Additionally, whilst we believe we presently share good relations with employees, our relationship with employees could deteriorate due to disputes related to, among other things, wage or benefit levels. Whilst we have not recently had any conflicts with our employee unions, and we believe that our labour relations are good, we cannot assure you that there will not be any employee disputes in the future. A shortage of skilled labour or stoppage caused by disagreements with employees, strikes or lock-outs could adversely affect our ability to provide these services and could lead to reduced occupancy or potentially damage our reputation. Further, we periodically enter into wage settlement agreements with our employee unions at our hotels, and if we are unable to renew these wage settlement agreements or negotiate favourable terms, we could experience a material adverse effect on our operations.

8. As a part of our long-term strategy, we propose to achieve future expansion largely through operating and management contracts which may expose us to a variety of risks such as termination and non-renewal.

We intend to achieve future expansion primarily through operating and management contracts. Our success in achieving desired results from the management contracts depends on our ability to establish and maintain long-term and positive relationships with third party property owners and our ability to renew existing agreements and enter into new management agreements. Whilst the operating or management contracts we enter into with the third-party owners are typically long term arrangements, the third party may terminate the agreement under certain circumstances, including termination in cases of failure to meet specific financial or performance criteria. Our ability to meet these financial and performance criteria is subject to, among other things, risks common to the overall hotel industry, which may be outside our control. Further, at any given time, we may be in disputes with one or more of our hotel owners about interpretation and compliance with the performance and financial standards. Any such conflict could be costly for us, even if the outcome is ultimately in our favour. We cannot predict the outcome of any arbitration or litigation, the effect of any negative judgment against us or the amount of any settlement that we may enter into with any third party. An adverse result in any of these proceedings could adversely affect our results of operations.

The property owners also create charges or collateral on the hotel property under management to purchase or refinance the purchase of the hotel property. If these property owners cannot repay or refinance maturing indebtedness on favourable terms or at all, their lenders could declare a default, accelerate the related debt and repossess the property. Any such re-possessions could result in the termination of our management agreements or eliminate revenues and cash flows from such property, which could negatively affect our business and the results of operations.

Furthermore, the property owners of managed hotels could depend on financing to buy, develop and improve hotels and in some cases, fund operations during down cycles. Our hotel owners' inability to obtain adequate funding could materially adversely impact the maintenance and improvement plans for existing hotels and result in the delay or stoppage of the development of the existing pipeline.

If any of these risks materialise, it could adversely affect our business, financial condition and results of operations.

9. Our reservation system is an important component of our business operations and a disruption to its functioning could have an adverse effect on our performance and results.

We have arrangements for a global reservation system that communicates reservations to our branded hotels when made by individuals directly, either online or by telephone to our call centres, or through intermediaries such as travel agents, internet travel websites and other distribution channels. The reservation system's cost, speed, and efficiency are important aspects of our business and are an important consideration for hotel owners in choosing to affiliate with our brands. Any failure to maintain or upgrade and any other disruption to our reservation system may adversely affect our business.

10. A portion of our hotel reservations originate from online travel agents and intermediaries. In the event such companies continue to gain market share compared to our direct reservation system or our competitors are able to negotiate more favorable terms with such online travel agents and intermediaries, our business and results of operations may be adversely affected.

A portion of our hotel reservations originate from large multinational, regional and local online travel agents and intermediaries, such as online aggregators, with whom we have contractual arrangements and to whom we pay commissions. These third-parties, including online travel agents, offer a wide range of services, often across multiple brands, have growing reservation and review capabilities, and may create the perception that they offer the lowest prices when compared to our direct reservation systems. Some of these online travel agents and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers and may seek to commoditize hotel brands through price and attribute comparison.

In the event these companies continue to gain market share, they may impact our profitability, undermine our direct booking channels and online web presence and may be able to increase commission rates and negotiate other favorable contract terms. Negative reviews and feedback on online travel portals may cause guests to choose the services of our competitors. Further, our competitors may be able to negotiate better or more favourable terms with such online travel agents and intermediaries, impacting our reservations from these channels, which in turn may adversely affect our business and results of operations.

11. We have, and propose to continue to have, certain exposure in relation to a property in Mumbai on which the erstwhile Hotel Sea Rock stood.

We have applied for certain approvals, such as Environmental Clearance/ Coastal Regulation Zone Clearance from the Ministry of Environment and Forests under the Coastal Regulation Zone Notification, 2011, for the Sea Rock Property which are still pending without which we will not be able to begin construction of the property. For details of the approvals which are still pending, please see the section entitled "*Government and other Approvals*" on page 243. In the event we do not receive these approvals in a timely manner or at all, it may have an adverse effect on the business, financial results and operations of the Company.

Further, there is outstanding litigation concerning approvals to be obtained for the Sea Rock Property and a proceeding before the NGT which is currently pending before the Supreme Court. Please see the section entitled "*Outstanding Litigation and Default*s" for details concerning this litigation on page 235. Any adverse outcome in this litigation may affect our interest in the Sea Rock Property.

12. We propose to utlise a portion of our Net Proceeds towards acquisition of the remaining equity shares of ELEL Hotels & Investments Limited and Roots Corporation Limited

We intend to use a particular portion of the Net Proceeds for investment in 14.28% of the equity shares of ELEL Hotels & Investments Limited. Currently, we hold 85.72% equity stake in ELEL Hotels & Investments Limited, which is held through our wholly owned subsidiary Skydeck Properties and Developers Private Limited (Skydeck), in which the Company's investment aggregates to ₹ 1,168.88 crores as at March 31, 2021.

We also propose to use a particular portion of the Net Proceeds towards payment for the acquisition of 37.07% of the paid- up equity share capital of RCL from its existing shareholders, namely, Omega TC Holdings Pte Limited, Tata Capital Limited and Piem Hotels Limited, being related parties of the Company. Further, the Company has agreed to purchase 26,14,379 equity shares of RCL aggregating 2.78% of the issued and paid-up share capital of RCL from Tata Investment Corporation Limited in one or more tranches, subject to necessary approvals, which could be consummated by June 2022. Currently, we hold 61.16% equity share capital of Roots Corporation Limited, in which the Company's investment aggregates to ₹ 101.11 crores as at March 31, 2021.

The details of the share purchase agreement in relation to the acquisition of equity shares of ELEL Hotels & Investments Limited and the term sheets in relation to acquisition of equity shares of Roots Corporation Limited have been disclosed in the section entitled "*Objects of the Issue*" on page 48. However, there is no assurance that any definitive agreements will be entered into for the purchase of the remaining equity shares of Roots Corporation Limited.

Consequent to the proposed investment in ELEL Hotels & Investments Limited and Roots Corporation Limited, our Company's overall investment in ELEL Hotels & Investments Limited (directly and indirectly) and Roots Corporation Limited will be ₹ 1,418.88 crores and ₹ 589.29 crores, respectively. We cannot assure you that the value of our investment will not decline in the future, and any such decline may adversely affect our financial condition.

13. The Company's long-term strategic investments have witnessed a decline in their fair value in the past and we cannot assure you that there will be no diminution in the value of our investments in the future.

In the past, some of our investments have witnessed a decline in their respective fair values on account of the past global recessionary conditions that have continued unabated in recent years. Accordingly, the Company has recognised a diminution in the value of its investments in the past. We cannot assure you that the value of these investments will not further decline in the future, and any additional diminution in the value of these investments may adversely affect our financial condition. For instance, in respect of our investment in one of our overseas Subsidiaries, the recoverable value of the underlying assets approximates the carrying cost; hence cash losses incurred in The Pierre, New York, are considered as the basis of provision for impairment, as this may be funded and/or supported by the Company.

14. We have undertaken, and may continue to undertake, strategic investments, acquisitions and joint ventures, which may not perform in line with our expectations.

We have historically entered into partnerships and joint ventures to expand our service offering. Depending on our management's view and market conditions, we may pursue additional strategic investments, undertake acquisitions, and enter into joint ventures. We cannot assure you that we will be able to launch such strategic investments, or joint ventures in the future, either on terms acceptable to us or at all. Moreover, we require regulatory approval for acquisitions, and we cannot guarantee that we will receive such permissions on time or subject to any conditions or at all. Any inability to identify suitable acquisition targets or investments or failure to complete such transactions may adversely affect our competitiveness or growth prospects.

We regularly conduct feasibility studies and evaluate the commercial risks of any planned acquisition, investment and joint venture arrangement to ensure that such a transaction aligns with our strategy and business plan. However, there can be no assurance that our strategy or related evaluative processes will successfully ensure that the expected strategic benefits of our current or future acquisitions, investments or joint ventures will be realised or that our profitability will not be adversely affected.

Acquisitions, joint ventures or strategic investments may involve several unique risks, including, but not limited to:

- the obligation to maintain our shareholding level or to comply with maximum or minimum shareholding levels, which could require us to infuse funds/capital through the purchase of shares in rights issues or other capital raising activities;
- recruitment, training and retention of management;
- operational and financial systems and controls to handle the increased complexity and expanded the breadth and geographic area of our newly acquired operations;
- satisfactory performance by our joint venture partners of their contractual obligations, and any disagreement or deadlock with them;
- difficulties assimilating and integrating our operations with that of the acquired entity or investment or joint venture partner;
- difficulties determining, evaluating and managing the risks and uncertainties in entering new markets and acquiring new businesses;
- difficulties in evaluating the contractual, financial, regulatory, environmental and other obligations and liabilities associated with our acquisitions, joint ventures and investments, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that conform with our accounting policies;
- unanticipated liabilities or contingencies relating to the acquired entity, investment or joint venture partner;
- accurately judging market dynamics, demographics, growth potential and competitive environment; and
- obtaining, maintaining and complying with the conditions prescribed under necessary permits, certificates, licences and approvals from governmental and regulatory authorities and agencies.

If we cannot manage one or more of the events or challenges listed above, it could have a material adverse effect on our ability to complete our acquisitions, investments or joint ventures successfully. It could prevent us from achieving our strategic and financial goals and operational synergies or could result in us not achieving the objective of such acquisitions, investments or joint ventures, which could have a material adverse effect on our business, results of operation, prospects and financial condition.

15. Our business is subject to seasonal and cyclical volatility, which may contribute to fluctuations in our results of operations and financial condition.

We operate in an industry that is seasonal in nature. The periods during which our hotel properties experience higher revenues vary from property to property, depending principally upon location and the customer base served. Our revenues are generally higher during the second half of theFinancial Year as compared to first half of the Financial Year. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the complete Financial Year. The seasonality and cyclicality of our industry may contribute to fluctuations in our results of operations and financial condition.

16. ***We have incurred and may continue to incur capital expenditure in development of hotels and if development of these hotels is not completed within the estimated time or in accordance with the planned expenditure, it may adversely affect our business, financial condition and results of operations.***

Development of our hotels are subject to potential risks and uncertainties, including changes in economic conditions, delays in completion, cost overruns, shortages in materials or labour, defects in design or construction, market or site deterioration after the acquisition, delays in obtaining or inability to obtain necessary permits and licenses, changes in location advantages of our existing and proposed properties, the possibility of unanticipated future regulatory restrictions such as stricter environmental regulations and the diversion of management resources. For instance, certain approvals for the Sea Rock Property which are still pending without which we will not be able to begin construction of the property.

Further, the development of our hotels is normally performed by independent third-party contractors. We do not have direct control over the day to day activities of such contractors and rely on such contractors to perform these services in accordance with the relevant contracts. If we fail to enter into such contracts or if the contractors fail to perform their obligations in a manner consistent with their contracts or to the standards we require, our hotels may not be completed in accordance with the standard, and the timeframe envisaged or may not be completed at all, which would cause time and cost overruns. If a contractor engaged in construction of our hotel becomes insolvent, it may prove impossible to recover compensation for such defective work or materials, and we may incur losses as a result of funding the repair of the defective work or paying damages to persons who have suffered loss as a result of such defective work.

If any of these risks materialize, it may have a material adverse effect on our business, financial condition and results of operations.

17. ***If we are unable to obtain the requisite approvals, licenses, registrations and permits to develop and operate our hotels and other related businesses or are unable to renew them in a timely manner, our operations may be adversely affected*.**

We require a number of regulatory approvals, licenses, registrations and permits for operating hotels and other businesses undertaken by us. These approvals pertain to, amongst others, environmental clearances, licenses from local authorities for manufacturing and sale of eatables and for operating eating and lodging houses, land acquisition and no-objection from the Chief Fire Officer for fire safety. Whilst we have obtained a number of required approvals, certain approvals such as the license for star classification and re-classifications, lodging house license, licenses to serve liquor for some of our material properties may have expired in the ordinary course of our business and we would have applied for renewal of such approvals. Additionally, we have applied and may also need to apply for additional approvals in the ordinary course of our business.

Further, the approvals and licenses we have received in relation to our hotel business are subject to numerous conditions, some of which are onerous and require us to incur substantial time and expenditure, for instance, no expansion of the hotel can be carried out without prior approval from the Maharashtra Pollution Control Board or obtaining prior permission each time for replacement of any pollution control equipment or any extension thereto. Additionally, in relation to our new property i.e., sea rock hotel, we have applied for certain approvals from relevant regulatory authorities in relation to redevelopment of the sea rock hotel, We cannot assure you that the approvals, licenses, registrations and permits issued would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may adversely affect our business, financial condition and results of operations.

18. ***Operation of our hotels entail certain costs that we may not be able to adjust in a timely manner in response to reduction in demand and revenues and rising expenses and which could materially adversely affect our business, financial condition and results of operations.***

The costs associated with owning hotels, including committed maintenance costs, property taxes, leasehold payments and maintaining minimum levels of services, may be significant. We may not be able to reduce these costs in a timely manner in response to changes in demand for services. Further, our properties could be subject to an increase in operating and other expenses due to adverse changes in terms of our hotel management contracts, increasing age of our property and increases in property and different tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance and administrative expenses, which could adversely affect our business, financial condition and results of operations.

19. Failure to keep pace with developments in technology could adversely affect our operations or competitive position.

The hotel industry demands use of sophisticated technology and systems for property management, brand assurance and compliance, procurement, reservation systems, operation of our customer loyalty programs, distribution of hotel resources to current and future customers and guest amenities. These technologies may require refinements and upgrades. The development and maintenance of these technologies may require significant investment by us. We cannot assure you that as various systems and technologies become outdated or new technology is required, we will be able to replace or introduce them as quickly as required or in a cost-effective and timely manner. We also cannot assure you that we will achieve the benefits we may have been anticipating from any new technology or system.

20. We are vulnerable to failure of our information technology systems or cyber threats, which could adversely affect our business, financial condition and results of operations.

Our information technology systems are a critical part of our business, and sophisticated technology and systems are used for property management, revenue management, brand assurance and compliance, procurement, reservation systems, operation of our customer loyalty programme, distribution and guest amenities. Whilst a centralized data recovery system is maintained at different locations, damage or interruption to our information systems may require a significant investment to update or replace with alternate systems, and we may suffer interruptions in our operations as a result. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations. Any material interruptions or failures in our systems, including those that may result from our failure to adequately develop, implement and maintain a robust disaster recovery plan and backup systems, could severely affect our ability to conduct normal business operations and, as a result, may have a material adverse effect on our business operations and financial performance. Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, data sharing, errors, hacking and system failures. Further, our mobile and internet-based customer applications and interfaces may be open to being hacked or compromised by third parties. If we suffer from any of such cyber threats, it could materially and adversely affect our business, financial condition and results of operations.

We may also have to make substantial additional investments in new technologies or systems to remain competitive and protect our data. The technologies or systems that we choose may not be commercially successful or the technology or system strategy employed may not be sufficiently aligned with the needs of the business or responsive to changes in business strategy. As a result, we could lose customers, fail to attract new customers or incur substantial costs or face other losses, any of which could have a material and adverse effect on our business operations and financial performance.

21. We are exposed to a variety of risks associated with safety, security and crisis management.

There are inherent risks of accidents or injuries at our hotels caused by events such as extreme weather, occurrence of natural disasters including floods, earthquakes, tornadoes, explosions, pandemics, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cybercrime, fire and day-to-day accidents, health crisis of guests, sexual harassment at the workplace and petty crimes which could affect guest or employee experience, cause the damage to the hotel(s), cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact our reputation. Further, terror attacks at hotels in India in the past and concerns around women's safety led to a decline in foreign tourist arrival in India. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose us to significant reputational damage. Any accidents or criminal activity at our hotels may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could also subject us to litigation, which may increase our expenses if we are found liable and adversely impact our results of operation and financial condition. Such events could also affect our reputation and cause a loss of consumer confidence in our business.

22. We are subject to risks associated with the domestic and international property markets.

Our operations involve participation in the hotel and serviced apartment property market. As a participant in such a market, we may be unfavourably affected by factors specific to property markets, such as changes in interest rates, availability of financing sources, the general cost of land and buildings, legislation in the construction industry and hotel location requirements. Further, the cost and availability of suitable property may be affected by certain macroeconomic factors such as a change in the domestic and regional economic situation in the countries where a hotel property is located, changes in the status of the local markets where hotels are situated, such as a surplus of hotel rooms, a reduction in local demand for rooms, the related services or increased competition in the sector.

23. Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own, lease or intend to acquire in connection with the development or acquisition of new hotels.

There is no central title registry for real property in India, and the documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and in local languages and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated promptly, maybe illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In addition, there may be a discrepancy between the duration of the principal lease under different orders issued by state governments regarding a particular parcel of revenue land.

The difficulty of obtaining title guarantees in India means that title records only provide presumptive rather than guaranteed titles. The original title to lands may often be fragmented. The land may have multiple owners, concerning land owned by our Company or Subsidiaries on which our hotel assets are located, . In addition, title insurance is not commercially available in India to guarantee title or development rights regarding land. The absence of title insurance, coupled with the difficulties in verifying title to land, may increase our exposure to third party claims to the property.

The title may also suffer from irregularities, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subjected to encumbrances that we are unaware of. Any defects in or irregularities of, title or leasehold rights that we enjoy may prejudice our ability to continue to operate our hotels on such land and require us to write off substantial expenditures in respect of establishing such hotels. Further, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. As a result, potential disputes or claims over title to the land on which our hotels are or will be situated may arise. Also, whether resolved in our favour or not, such disputes may divert management's attention, harm our reputation, or otherwise disrupt our business.

We may not be able to assess, identify or address all the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights.

24. Demand for rooms in our hotels may be adversely affected by the increased use of business-related technology or change in preference of our guests.

Businesses' increased use of teleconference and video-conference technology could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without travelling to a centralized meeting location, such as our hotels. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, demand for our hotel rooms may decrease from business travellers. Similarly, changes in tourism and preferences of our guests due to evolving cost of travel, spending habits, and consumption patterns may change the perceived attractiveness of our hotels, services, and locations at which our hotels are situated. Such changes may impact the demand for our hotel rooms from tourists and guests at our leisure hotels, and our business may be adversely affected.

25. Our contingent liabilities could adversely affect our financial condition.

We have disclosed certain contingent liabilities in our financial statements. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future and that our existing contingent liabilities will not have material adverse effect on our business, financial condition and results of operations. For further details in relation to our contingent liabilities, please see the section entitled "*Financial Statements – Audited Consolidated Financial Statements as at and for the year ended March 31, 2021 - Note 32*" on page 160.

26. A substantial portion of the Net Proceeds will be utilized for the repayment / prepayment of loans availed by our Company and our Subsidiary.

Our Company intends to deploy ₹1,200 crore out of the Net Proceeds to repay, prepay or redemption, in full or part, certain borrowings availed by the Company and ₹75 crore out of the Net Proceeds to invest in our step-down Subsidiary, namely, United Overseas Holding Inc. through our WOS namely IHOCO BV, for repayment or pre-payment of certain borrowings availed by such Subsidiary(including accrued interest). For further details, see "*Objects of the Offer*" on page 48. The proposed repayment, prepayment or redemption of certain borrowings is subject to various factors, including (i) cost of the borrowing to our Company and our Subsidiary including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay or repay the borrowings and time taken to fulfil, or obtain waivers for the fulfilment of such conditions;; (iii) terms and conditions of prepayments; (iv) levy of any prepayment penalties and the quantum thereof; (v) provisions of any laws, rules and regulations governing such borrowings; and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Some of our financing agreements provide for levy of pre-payment or early redemption penalties or premiums at the rates determined by lenders. During this Fiscal, the Company will take pre-payment or early redemption penalties or premiums, that will be payable by the Company, applicable interest rates and other factors as set out above into consideration and decide the portion of borrowings to be repaid, pre-paid or redeemed from the Net Proceeds. In the event Net Proceeds are insufficient for the said payment of prepayment or early redemption penalty or premiums, such payment shall be made from the internal accruals of the Company.

Accordingly, such portion of the Net Proceeds will not be available for any capital expenditure or creation of tangible assets by our Company or the Subsidiary.

27. Our existing leverage may impair our ability to obtain additional financing in future and subject us to the risk of fluctuating interest rates and our cash flows may be insufficient to meet required payments. Further, we are not in compliance with certain covenants under certain of our loan agreements, and such non-compliance if not waived, may adversely affect our business and financial condition.

We have incurred high leverage in the past. Our Company operates in a sector which is capital intensive and accordingly, there can be no assurance that we will continue to maintain our current levels of leverage. Over a period of time, we have strategically endeavoured to reduce our level of borrowings, and we believe that we will be able to repay or refinance existing debt and any other indebtedness when it matures. However, our existing level of indebtedness subjects us to important consequences, including but not limited to, the following:

- requirement to dedicate a portion of our cash flow toward repayment of our existing debt (including interest payment), which will reduce the availability of our cash flow to fund working capital, capital expenditures and other general corporate requirements; and

- fluctuations in market interest rates which may adversely affect the cost of our borrowings.

Further, certain of our indebtedness has been either (i) availed in foreign currency under the external commercial borrowing route; or (ii) effectively converted into foreign currency commitments. The payment of interest and repayment of the principal amount of such loans may become costlier due to prevailing exchange rate fluctuations. Additionally, some borrowings have floating interest rates linked to

LIBOR or similar other benchmarks, which subjects us to the variability and uncertainty of future interest payment.

Furthermore, some of our fixed assets, both present and future, have been charged by way of first *pari-passu* charge, in favour of lenders in connection with certain of our financing agreements. Our inability to repay our loans may result in lenders exercising their rights under these agreements.

Certain of our borrowings require us to maintain certain financial covenants and in case of any breach of these covenants and in the absence of a waiver of such breach by the concerned lender, such lender may call for immediate repayment of the entire outstanding amount of the loan or may result in an event of default under other loan agreements, which may adversely affect our financial condition and results of operation. For the financial year 2021, due to the impact of COVID-19, our Company and some of its Subsidiaries are not compliant with certain financial covenants under their respective financing agreements , which was duly reported to the respective lenders and, for which we have received communications over e-mails from the respective lenders. These communications from such lenders waived breaches of such financial covenants. However, we cannot assure that we will get similar waivers or favourable considerations, in case of any potential breach of financial covenants, in the future. In case, the lenders do not provide waivers in the future, the breach may constitute an event of default under the financing arrangements, which may have an adverse effect on our business, financial condition and results of operations.

28. Our Statutory Auditors have provided certain matters of emphasis relating to the Audited Consolidated Financial Statements of our Company. We cannot assure you whether such matter of emphasis will not arise in the future.

Our Statutory Auditors have included an emphasis of matters in their audit reports on our standalone and consolidated financial statements for the financial year 2021, noting that given the uncertainties due to the outbreak of COVID-19, the impact on the Company's standalone and consolidated financial statements is significantly dependent on future developments. Investors should consider these matters in evaluating our financial position, cash flows and results of operations. There is no assurance that our auditors' reports for any future Fiscals will not contain such matters of emphasis.

29. We may require additional equity or debt financing in the future in order to continue to grow our business, which may not be available on favourable terms, or at all.

Our growth strategy may require us to raise additional funds or refinance our existing debt. We cannot assure you that such funds will be available to us on favourable terms or at all. The amount and timing of such additional financing needs will vary depending on the timing of our new hotel launches, potential acquisitions of new hotel assets, renovation and refurbishment costs for new and existing hotels and the amount of cash flow from our operations. Further, any incurrence of additional debt may increase our financing costs.

Our ability to obtain additional capital on acceptable terms is subject to several uncertainties, including:

- investors' or lenders' perception of, and demand for our services;
- conditions of the Indian and other capital markets in which we seek to raise funds;
- our future results of operations, financial condition and cash flows;
- governmental regulation of foreign investment in the hospitality industry and the construction development of hotel projects;
- economic, political and other conditions in India; and
- governmental policies concerning external commercial borrowings.

Further, our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness. If we are unable to raise additional funds on favourable terms, or at all, our business, results of operations and financial condition may be adversely affected. Any downgrade in our credit ratings could also increase borrowing costs and adversely affect our access to capital and debt markets. In addition, any such downgrade could increase the probability that our lenders may impose additional terms and conditions to any financing or refinancing arrangements that we enter into in the future and adversely affect our business, results of operations, financial condition and cash flows

30. ***Our ability to exercise management control over our joint ventures and associates is often dependent upon the consent of other participants who are not under our control. Disagreements or unfavourable terms in agreements governing those joint ventures and associates could adversely affect our operations.***

We have entered into several joint venture arrangements and derive significant revenue from operation of these joint venture arrangements. Our level of participation in each joint venture arrangement differs. We also have certain associates which are not controlled by us. Our ability to exercise management control over these arrangements and investments made in the joint ventures and associates may depend upon receiving the consent or co-operation of our joint venture partners or controlling shareholders of the associates, respectively. While the precise terms of the arrangements vary, our operations may be affected if disagreements develop with the joint venture partners or controlling shareholders of the associates.

Further, we typically enter into shareholders agreements for these joint venture arrangements which provide the responsibilities and obligations of the partners. It is possible that our joint venture partners may not comply with their obligation under the respective arrangements which could subject us to a variety of risks including, but not limited to:

- partners may not be able to meet their capital contribution obligations;
- partners may subject the property of the joint venture arrangement to liabilities exceeding those contemplated;
- partners may take actions that reduce our return on investment; or
- partners may take actions that harm our reputation or restrict our ability to run our business.

Additionally, investment in third party entities exposes us to certain legal and business risks relating to these entities. As minority shareholders in these entities, we do not control their decision making or operations, and there can be no assurance that the business decisions of such entities will always be in our interest. We also do not control dividend decisions of these entities as decisions regarding dividend payment require majority consent. These entities are legally distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations, or to make funds available for such payments. The ability of these entities to make such payments to the Company will be subject to, among other things, availability of funds, terms of each indebtedness and applicable local laws. This may result in significant overdues from such entities. If dividend payments do not materialise in the amounts that we expect, we may not be able to recover our investment in these, which could have an adverse effect on our business, financial condition and results of operations.

31. ***There are outstanding legal proceedings against the Company, certain of its Directors and Subsidiaries which may adversely affect our business, financial condition and results of operations.***

There are outstanding legal proceedings against us that are incidental to our business and operations, including certain criminal proceedings against the Company, certain of its executives and its Subsidiaries. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. Additionally, some properties on which we are developing projects are subject to litigation. For details in relation to certain material litigation, please see the section entitled "*Outstanding Litigation and Defaults*" on page 235.

A summary of the outstanding legal proceedings against the Company, its Directors and executives and its Subsidiaries as disclosed in this Letter of Offer along with the amount involved, to the extent quantifiable, have been set out below:

Nature of Cases	Number of Cases	Amount Involved* (₹ Crores)
Litigations involving our Company		
Proceedings involving moral turpitude or criminal liability on our	8	0.0015

Company		
Proceedings involving material violations of statutory regulation by our Company	46	77.05
Matters involving economic offences where proceedings have been initiated against our Company	NIL	-
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold defined in the section entitled "*Outstanding Litigation and Defaults*" on page 235 or are otherwise material in terms of the Materiality Policy, and other pending matters which, if result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	7	474.26
Litigations involving our Subsidiaries		
Proceedings involving moral turpitude or criminal liability on our Subsidiaries.	4	0.10
Proceedings involving material violations of statutory regulation by our Subsidiaries.	NIL	-
Matters involving economic offences where proceedings have been initiated against our Company	NIL	-
Other proceedings involving our Subsidiaries which involve an amount exceeding the Materiality Threshold defined in the section entitled "*Outstanding Litigation and Defaults*" on page 235 or are otherwise material in terms of the Materiality Policy, and other pending matters which, if result in an adverse outcome would materially and adversely affect the operations or the financial position of our Subsidiaries	2	62.35

**To the extent quantifiable*

32. ***New brands or services that we launch in the future may not be as successful as we anticipate, which could have a material adverse effect on our business, financial condition and results of operations.***

Our brands, Vivanta, SeleQtions,Ginger, Qmin, amã Stays & Trails, have been introduced in the past. We may launch additional branded hotel products and services in the future. We cannot assure you that any new hotel brands launched by us will be accepted by the hotel owners, franchisees or customers, or that we will be able to recover costs we incurred in developing such brands, or that our new brands, products or services will be successful. If new brands, products and services are not as successful as we anticipate, it could have a material adverse effect on our business, financial condition and results of operations.

33. ***Our operations require the services of third parties on which we depend. There is no assurance in the performance of their obligations in a timely manner or at all.***

We require the services of third parties for our operations. These third parties include contractors, sub-contractors, architects, engineers, suppliers of labour and materials such as linen, furniture, carpeting, food, beverages and other consumables. We have outsourced, and may in the future continue to outsource, several services required in our operations such as cleaning, technology and security services to third parties. Further, our business involves providing services to our customers. Maintaining an inventory of items such as food items or other consumables demands significant logistical effort. If our service providers fail to perform their respective obligations satisfactorily, or if there are shortages, whether caused by factors outside our control or otherwise, we may be unable to deliver our services within the intended timeframe, at the intended cost, or at all. In such circumstances, any remedial measures that we may undertake may require us to incur additional cost or time, which could result in reduced profits, which may in turn materially and adversely affect our business, reputation, financial condition, results of operations and prospects.

34. ***The Company had losses in the past and we cannot assure you that the Company would not have losses in the future.***

As of the six month period ended September 30, 2021, and the year ended March 31, 2021, on a consolidated basis, the Company had loss after tax of ₹ 397.92 crores and ₹ 720.11 crores, respectively, which are attributable to the 'owners of the Company'. In this regard, it may be noted that the aforesaid loss after tax for the year ended March 31, 2021 and six month period ended September 30, 2021, was largely due to the impact of COVID-19 and related disruptions and restrictions. We cannot assure you that the Company would not experience losses in the future, and this may adversely affect our ability to pay dividends

35. Our business operations are subject to significant regulation in India.

Our business operations are subject to numerous laws and regulations in all of the locations in which we operate, including those relating to the preparation and sale of food and beverages, such as health and liquor licensing laws and environmental laws. Our hotels are also subject to laws and regulations governing relationships with employees in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Monitoring legal developments and maintaining internal standards and controls to abide by local rules and regulations can be costly for us which could adversely affect our operations.

Further, our hotels are subject to extensive government and environmental laws and regulations which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our businesses. These laws and regulations include the Environmental Protection Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. We are required to conduct an environmental assessment for most of our hotel projects before receiving regulatory approval for these projects. These environmental assessments may reveal material environmental problems, which could result in us not obtaining the required approvals. Additionally, if environmental problems are discovered during or after the development of a project, we may incur substantial liabilities relating to cleanup and other remedial measures and the value of the relevant hotels could be materially and adversely affected.

Additionally, with a focus on sustainable development, we may be required to comply with certain additional requirements, including in other jurisdictions which we may not be able to comply with in a timely manner or at all.

Any failure to comply with these rules and regulations could adversely affect our reputation and fines or penalties may have an adverse effect on our financial condition and results of operations.

36. Climate change may have an impact on the hospitality industry and may adversely affect our financial condition.

Changing climate conditions may have a significant impact on the reduction in number of tourists visiting certain destinations and also result in an increase in our cost of operations. While local and national policies are being implemented or have already been implemented, compliance with such requirements will lead to an increased cost and accordingly, adversely affect our financial condition.

Further, due to climate change, the impact of increased physical weather events may result in damage to infrastructure and may also lead to disruption in business. Any damage to property or suspension of business due to such physical weather events could result in increased costs and adversely affect our financial condition.

37. Any failure to protect our trademarks and other intellectual property could reduce the value of our brands and harm our business.

We believe that trademarks and service marks are important assets to our business. In the course of our business, we have been using trademarks, which are material to our business operations. As of September 30, 2021, we have filed applications or obtained registrations of approximately 176 trademark and 258 service marks for our brands under several classes of the Trade Marks Act, 1999. Some of our brands for which we have obtained or have applied for trademarks include: ‘Taj’, ‘Tajness’ ‘Taj Mahal Palace & Tower Mumbai’ ‘Taj Lands End Mumbai’, ‘Qmin’, ‘Souk’, ‘Wasabi’ and ‘Vivanta by Taj’ ‘Epicure’ ‘Gateway Hotel” and the image registration of the ‘The Taj Mahal Palace and Tower Wing Exterior” ‘Main Dome of Taj Mahal Palace” and “Taj Mahal Palace (image)”.

Whilst we take necessary steps to use, control and or protect our trademarks or other intellectual property in India and other jurisdictions, we cannot assure you that the pending trademark applications will be granted or that these will always be adequate to prevent third parties from copying or using the trademarks or other intellectual property without authorization. For various reasons, we may either not seek or not obtain or not maintain registration for all or some of our trademarks in all or some of our jurisdictions. Third parties may also challenge our rights to certain trademarks or oppose our trademark applications. Defending any such proceedings may be costly, and if unsuccessful, could result in the loss of important intellectual property rights.

Our intellectual property may also be vulnerable to unauthorized copying or use in some jurisdictions outside India, where local law, or lax enforcement of law, may not provide adequate protection. If our trademarks or other intellectual property are improperly used, the value and reputation of our brands could be harmed. There are times when we may need to resort to litigation to enforce our intellectual property rights. Litigation of this nature could be costly, force us to divert our resources, lead to counterclaims or other claims against us or otherwise harm our business or reputation. In addition, we license certain of our trademarks to third parties. Failure to maintain, control and protect our trademarks and other intellectual property could adversely affect our ability to attract guests or third-party owners, and could adversely impact our results.

38. Our insurance coverage may not adequately protect us against risks including operating hazards and natural disasters.

Our hotel properties are covered by insurance policies. Such insurance policies typically cover physical loss or damage to our property and equipment arising from a number of specified risks. These risks may pertain to burglary, fire, riot, strike, other material damage to property and development sites, business interruption, cyber attacks, terrorism and public liability. Whilst we believe that we maintain reasonable insurance cover for all foreseeable contingencies and which are consistent with industry practices, the occurrence of any event that is uninsurable or not adequately insured could have a material adverse effect on our business, financial condition and results of operations.

Further, whilst we believe that our insurance coverage is adequate, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. To the extent that we suffer any consequential loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

39. We may choose to divest certain of our investments which we may not be able to achieve on commercially profitable basis and which may materially affect our business, financial condition and results of operations.

In the past, we have divested certain of our investments which were not compatible with our strategy. We may continue to evaluate sale opportunities and in the event that we are able to agree on commercially acceptable terms, we may choose to divest certain of our investments in order to realise value for such businesses as well as achieve desired growth levels. It is possible that we may not be able to identify suitable divestment opportunities, or if we do identify suitable opportunities, we may not be able to complete those transactions on terms commercially acceptable to us or at all. In certain circumstances, sale of properties or other assets may also result in lower than expected returns. Upon sale of our properties or assets, we may become subject to contractual indemnity obligations, incur material tax liabilities or, as a result of required debt repayment, face a shortage of liquidity. Additionally, any dispositions could demand significant attention from our management that would otherwise be available for business operations, which could harm our business.

40. We are required to comply with data privacy regulations.

The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information. Compliance with these regulations may require changes in the way data is collected, monitored, shared and used, which could increase operating costs or limit the advantages from processing such data. In addition, non-compliance with data privacy regulations may result in fines, damage to reputation or restrictions on the use or transfer of information.

In addition, breaches in security could expose us, our customers or the individuals affected, to a risk of loss or misuse of this information, reulting in litigation and potential liability for us, as well as the loss of existing or potential customers and damage to our reputation. The cost and operational consequences of implementing further data protection measures could be significant, and this may have a material adverse effect on our business, financial condition and results of operations.

41. Our future success depends on our ability to achieve synergies across our businesses, replicate successful models across jurisdictions and effectively manage our operational systems, procedures and internal controls.

In the past, we have acquired significant interest in hotel assets in India and various overseas markets such as the United States, the United Kingdom, South Africa and Maldives. Pursuant to these acquisitions, we have sought to identify and achieve synergies and operational efficiencies across business verticals in the various jurisdictions in which we operate. In addition, we have sought to replicate successful business models from one jurisdiction in other jurisdictions across our international network. However, there can be no assurance that we will be able to achieve the synergies that we seek and generate the expected benefits. Further, we may not be able to effectively integrate our acquired businesses into our existing operations, or we may incur higher than anticipated costs, or incur unknown liabilities that could materially and adversely affect our business, financial condition and results of operations.

42. We have, in the past, entered into related party transactions and may continue to do so in the future.

The Company has entered and continue to enter into transactions with certain of its related parties. For further details, please see the section entitled "*Financial Statements – Audited Consolidated Financial Statements as at and for the year ended March 31, 2021 - Note 43*" on page 187. Whilst we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.

We also propose to use a particular portion of the Net Proceeds towards payment for the acquisition of 37.07% of the paid- up equity share capital of RCL from its existing shareholders, namely, Omega TC Holdings Pte Limited, Tata Capital Limited and Piem Hotels Limited, being related parties of the Company. Currently, we hold 61.16% equity share capital of Roots Corporation Limited, in which the Company's investment aggregates to ₹ 101.11 crores as at March 31, 2021.

43. Renovation work, repair and maintenance or physical damage of our hotels may disrupt our operations and revenue.

We undertake renovation of our hotel properties from time to time in order to retain their attractiveness to customers and may also require unscheduled maintenance or repairs due to wear and tear or requirements of laws or regulations. The costs of maintaining the hotel properties and the risk of unforeseen maintenance or repair requirements may increase over time for various reasons. The business and operations of our hotel properties may be disrupted for an extended period of time as a result of renovation works and it may result in a partial or full loss of income from such properties during the time of such renovation works. The required works may impose unbudgeted costs on us, to the extent not covered by insurance, and may adversely affect our business, financial condition, results of operations and prospects.

External Risks

44. We are subject to certain hotel industry related risks applicable in domestic and overseas markets.

Since our primary business is ownership and management of hotels in and outside India, we are subject to certain risks typical to the hotels which are beyond our control. Some of these risks inter alia include:

- increases in operating costs due to escalation of labour costs, utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs owing to acts of nature;
- inflation which could increase our costs and decrease our operating margins;
- increases in transportation and fuel costs for sustained periods and impediments to means of transportation that could adversely affect domestic and international travel;
- political instability in India and overseas markets;
- changes in interest rates and in the availability, cost and terms of financing; and

- changes in governmental laws and regulations, fiscal policies and incentives and the costs of compliance.

The hotel industry has, in the past, been affected by some of the risks stated above. If in the future, one or more of these risks materialise, our business, financial condition and results of operations would be adversely affected.

45. *Benefits and incentives enjoyed by the hotel industry in India and other countries may not continue and such change could have an adverse impact on our business.*

There are certain incentives and concessions granted or provided by the Central and/ or State Governments in India or Governmental authorities in overseas jurisdictions to the hotel industry (for example the company receives incentive under Government of India's Service Exports from India Scheme (SEIS)). There is no guarantee that such incentives or concessions will continue or will not be withdrawn by such Governments in the future, and such change could have an adverse impact on our business.

46. *Enforcement of foreign judgments against the Company or its management may not be possible or may require additional legal proceedings.*

The Company is a limited liability company incorporated under the laws of India. Majority of the Directors and certain executive officers of the Company are residents of India. A substantial portion of our assets and the assets of the Directors and the executive officers of the Company, who are Indian residents, are located in India. As a result, it may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained against the Company or such parties outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against the Company or its officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to execute such a judgment or to repatriate any amount recovered.

47. *Fluctuation of the Rupee against other currencies may affect our financial results and may influence the destinations visited by travellers.*

We own, manage and operate hotels in various countries and accordingly, receive payments in the respective local currencies, such as U.S. Dollars, Pounds Sterling or in Euros. Changes in the value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees, and a possible fluctuation of the aforementioned currencies with respect to the Rupee may have an unfavourable impact on such results. Appreciation of the Rupee could also affect realizations in other currencies as it may not always be possible for prices (quoted in foreign currencies) to be revised upward to compensate for Rupee appreciation. In the ordinary course of business, we may cover foreign exchange risks using standard market instruments. Furthermore, the revenues of resort hotels operated by us are subject to changes in exchange rates to the extent that one of the factors that influences the choice of destination by leisure travellers is the strength of their local currency with respect to the currency of their destination, making certain destinations more attractive when this relation is favourable to the traveller.

48. ***Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact the Company's business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact the Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of the Equity Shares.

49. ***Hostilities, political instability, wars and other acts of violence or manmade disasters (in India or other countries) could adversely affect the financial markets and our business.***

Hostilities , wars, political instability, terrorism and other acts of violence or manmade disasters (in India or other countries) may adversely affect our business and the Indian markets in which the Equity Shares trade or the Equity Shares are proposed to be listed. These acts may result in a loss of business confidence, make travel and other services more difficult, and have other consequences that could adversely affect our business. For instance, previous terrorist attacks in India have resulted in an overall reduction in the number of visitors to India since several countries issued travel advisories against travelling to India and many companies curtailed travel. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability, which could adversely affect the price of our Equity Shares.

In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

50. ***The occurrence of natural disasters, the frequency of which may increase due to climate change, could adversely affect our results of operations and financial condition.***

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease, could adversely affect our results of operations or financial condition. We cannot assure prospective investors that such events will not occur in the future or that our results of operations and financial condition will not be adversely affected.

51. ***We have referred to the data derived from the industry report commissioned and paid for by our Company from Horwath HTL India which have been used for industry-related data in Letter of Offer.***

Unless otherwise indicated, the industry-related information contained in this section is derived from an executive summary of a report entitled "Industry Report - Upper Tier and Economy Hotels" dated October 28, 2021 (the "**Horwath HTL Report**") prepared by Horwath HTL India ("**Horwath**"). We commissioned Horwath for the Horwath HTL Report in September 2021, and paid for such report an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue. We have no direct or indirect association with Horwath other than as a consequence of such an engagement. The Horwath HTL Report is not exhaustive and are based on certain assumptions, parameters and conditions made and identified by Horwath. They also use certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

Risks Relating to the Equity Shares and this Issue

1. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

2. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

3. ***Our Company will not distribute this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other Issue related materials to certain categories of overseas Equity Shareholders.***

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Managers, the Stock Exchange and on R-WAP.

However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of the Issue materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. However, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

4. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

5. ***The R-WAP facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.***

In accordance with SEBI Relaxation Circulars, a separate R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors (only in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, please see the section entitled *"Terms of the Issue - Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process"* on page 258. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policies effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of the COVID-19 pandemic. While our Company shall ensure to conduct a vulnerability test for optional mechanism provided to accept the applications in Rights Issue (facility provided by RTA), from an independent IT Auditor, and shall submit the report to Stock Exchange(s), we cannot assure you that R-WAP will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or may be rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP.

6. ***SEBI has by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020 and January 19, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has been introduced by the SEBI in 2020. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, July 24, 2020 and January 19, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. Further, while in accordance with the SEBI Rights Issue Circulars, the credit of Rights Entitlements shall be made into the demat accounts of the Eligible Equity Shareholders as on the Record Date, such Eligible Equity Shareholders shall be participating in the Issue only in accordance with the applicable laws in their respective jurisdictions. For details, please see the section entitled "*Terms of the Issue*" beginning on page 255.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority;

or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned, reversed or failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

7. ***Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

8. ***Overseas shareholders may not be able to participate in our Company's future rights offerings or certain other equity issues.***

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company is not offering the rights (including their credit) in this offering to the holders of Equity Shares who have a registered address in the United States. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in this offering or in future rights offerings and may experience a dilution in their holdings as a result.

9. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Previously, any gain realised on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India if securities transaction tax ("**STT**") was paid on the sale transaction. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares Rights Entitlements.

Further, the Finance Act, 2019, which has been notified with effect from April 1, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019, however these amendments will come into effect from July 1, 2020. The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Further, the Government of India has announced the union budget for the financial year 2022, pursuant to which the Finance Bill, 2021 ("**Finance Bill**") has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021 ("**Finance Act**").

We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

10. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in, does not permit the exercise of such pre-emptive rights, without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

11. ***Fluctuations in the exchange rate between the Rupee and the U.S. Dollar could have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Our Equity Shares are quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Rupees and subsequently converted into U.S. Dollars for repatriation, as required. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors in terms of domicile currency of the investor. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares, independent of our operating results.

12. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

13. ***Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.***

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

14. ***The Equity Shares to be allotted may not be credited to your demat account in a timely manner and cannot be traded unless the listing and trading approval is received or at all.***

The Equity Shares that you purchase in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of resolutions passed by our Board on August 23, 2021 and October 21, 2021, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by the Rights Issue Committee – 2021 at its meeting held on November 9, 2021.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section entitled "*Terms of the Issue*" on page 255.

Rights Equity Shares being offered by the Company	Up to 13,21,39,827 Equity Shares
Rights Entitlement for the Rights Equity Shares	One Rights Equity Share for every nine fully paid-up Equity Shares held on the Record Date
Record Date	Saturday, November 13, 2021
Face Value per Equity Share	₹1 each
Issue Price	₹150 per Rights Equity Share (including a premium of ₹149 per Rights Equity Share)
Dividend	Such dividend as may be recommended by our Board and declared by our Shareholders, in accordance with applicable law
Issue Size	Up to ₹1,982.10* crore #*Assuming full subscription*
Equity Shares issued, subscribed, paid-up and outstanding prior to the Issue	1,18,93,07,472 Equity Shares issued and 1,18,92,58,445 Equity Shares subscribed and paid-up. For details, please see the section entitled "*Capital Structure*" on page 46
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	132,13,98,272# Equity Shares #*Assuming full subscription*
Security Codes for the Equity Shares	ISIN: INE053A01029 BSE: 500850 NSE: INDHOTEL
ISIN for Rights Entitlements	INE053A20011
Terms of the Issue	For further information, please see the section entitled "*Terms of the Issue*" on page 255
Use of Issue Proceeds	For further information, please see the section entitled "*Objects of the Issue*" on page 48

For details in relation fractional entitlements, please see the section entitled "*Terms of the Issue – Fractional Entitlements*" on page 273.

Terms of Payment

Due Date	Amount payable per Rights Equity Shares (including premium)
On the Issue application (i.e. along with the Application Form)	₹150

GENERAL INFORMATION

The Company was incorporated on April 1, 1902 in the Republic of India as a public limited company under the Indian Companies Act, 1882.

The Registered Office of our company changed from Wellington Mews, 33, Nathalal Parekh Marg, Bombay 400 039 to Mandlik House, Mandlik Road, Mumbai 400 001, Maharashtra with effect from March 22, 1994.

Registered Office of the Company

The Indian Hotels Company Limited
Mandlik House
Mandlik Road
Mumbai 400 001
Maharashtra, India
Tel: +91 22 6639 5515
Website: www.ihcltata.com
Corporate Identity Number: L74999MH1902PLC000183
Registration Number: 000183
E-mail: investorrelations@tajhotels.com

Corporate Office of the Company

9th Floor, Express Towers
Barrister Rajani Patel Marg
Nariman Point
Mumbai 400 021
Maharashtra, India

Address of the RoC

The Company is registered with the RoC, which is situated at the following address:

Registrar of Companies
Everest, 5th Floor
100, Marine Drive
Mumbai 400 002

Company Secretary and Compliance Officer

Beejal Desai is the company secretary and compliance officer of the Company. His details are as follows:

Beejal Desai
Senior Vice President Corporate Affairs & Company Secretary (Group) and Compliance Officer
The Indian Hotels Company Limited
9th Floor, Express Towers
Barrister Rajani Patel Marg
Nariman Point
Mumbai 400 021
Tel: +91 22 6137 1710
E-mail: investorrelations@tajhotels.com

Lead Managers to the Issue

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC
Plot No. C - 27, ‘G’ Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Tel: +91 22 4336 0000
E-mail: ihcl.rights@kotak.com

HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi Road, Fort
Mumbai 400 001
Tel: +91 22 2268 5555
E-mail: ihclrights@hsbc.co.in
Investor Grievance e-mail:

Investor Grievance e-mail: kmccredressal@kotak.com
Contact person: Ganesh Rane
Website: www.investmentbank.kotak.com
SEBI Registration No.: INM000008704

investorgrievance@hsbc.co.in
Contact person: Vinod Nagappan / Sanjana Maniar
Website: https://www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback
SEBI Registration No.: INM000010353

Legal Advisor to the Company as to Indian law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Tel: +91 22 2496 4455

Legal Advisor to the Lead Managers as to Indian law

Shardul Amarchand Mangaldas & Co.
24th Floor, Express Towers
Nariman Point
Mumbai, 400 021
Maharashtra, India
Tel: +91 22 4933 5555

Statutory Auditors of the Company

B S R & Co. LLP, Chartered Accountants
14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway, Goregaon (East)
Mumbai 400 063
India
Tel: +91 22 3091 3193
E-mail:tkinger@bsraffiliates.com
Firm Registration Number: 101248W/W-100022

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park, 1st Floor
L.B.S. Marg, Vikhroli West
Mumbai 400 083
Tel: +91 22 4918 6200
E-mail: ihcl.rights2021@linkintime.co.in
Investor Grievance e-mail: ihcl.rights2021@linkintime.co.in
Contact person: Sumeet Deshpande
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process or R-WAP may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, please see the section entitled "*Terms of the Issue*" on page 255.

Experts

The Company has received consent from its Statutory Auditors, B S R & Co. LLP, Chartered Accountants through its letter dated November 9, 2021 to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the Annual Consolidated Financial Statements and Unaudited Limited Review Consolidated Financial Results, of the Statutory Auditors, the audit reports in respect of the Annual Consolidated Financial Statements and Unaudited Limited Review Consolidated Financial Results and the reports issued by them, and the Statement of Possible Tax Benefits and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term "expert" shall not be construed to mean an "Expert" as defined under the U.S. Securities Act.

Bankers to the Issue

Axis Bank Limited
Ground Floor, Maker Chamber IV
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 91670 01731 / 2684 9561/ 62/ 63
Contact person: Mohan Santhanam
E-mail: narimanpoint.branchhead@axisbank.com
Website: https://www.axisbank.com/

ICICI Bank Limited
Capital Market Division, 1st Floor
122, Mistry Bhavan, DinshawVachha Road
Backbay Reclamation, Churchgate
Mumbai 400 020
Tel: +91 22 6681 8911/23/24
Contact person: Sagar Welekar
E-mail: sagar.welekar@icicibank.com
Website: www.icicibank.com

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

Last Date for credit of Rights Entitlements	Thursday, November 18, 2021
Issue Opening Date	Wednesday, November 24, 2021
Last date for On Market Renunciation of Rights Entitlements #	Thursday, December 2, 2021
Issue Closing Date*	Wednesday, December 8, 2021
Finalization of Basis of Allotment (on or about)	Thursday, December 16, 2021
Date of Allotment (on or about)	Friday, December 17, 2021
Date of credit (on or about)	Monday, December 20, 2021
Date of listing (on or about)	Wednesday, December 22, 2021

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* *Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Managers.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, *i.e.*, Friday, December 3, 2021 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, Tuesday, December 7, 2021.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Managers or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, please see the section entitled "*Terms of the Issue - Process of making an Application in the Issue*" on page 255.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.linkintime.co.in. after keying in their respective details along with other security control measures implemented thereat. For further details, please see the section entitled "*Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 269.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements the will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

Inter se allocation of responsibilities among the Lead Managers

The following table sets forth the responsibilities of the Lead Managers for various activities in relation to the Issue:

S. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.	Kotak and HSBC	Kotak
2.	Coordination for drafting and design of the Letter of Offer, Abridged Letter of Offer and Application Form as per the SEBI ICDR Regulations, SEBI LODR Regulations and other stipulated requirements and completion of filings with the Stock Exchanges and SEBI.	Kotak and HSBC	Kotak
3.	Drafting, design and distribution of the Rights Entitlement Intimation.	Kotak and HSBC	Kotak
4.	Selection of various agencies connected with the Issue, namely Registrar to the Issue, Escrow Bank/ Banker(s) to the Issue, Advertising Agency, Monitoring Agency and coordination of execution of related agreements.	Kotak and HSBC	Kotak
5.	Drafting and approval of all statutory advertisement.	Kotak and HSBC	Kotak
6.	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc. and coordination for filing of media compliance report, if any,	Kotak and HSBC	HSBC
7.	Formulating and Coordination of International and Domestic Institutional marketing strategy	Kotak and HSBC	HSBC
9.	Formulating retail strategy which will cover, inter alia, distribution of publicity and Issue materials including application form, brochure and Letter of Offer and coordination for queries related to retail investors.	Kotak and HSBC	Kotak
10.	Submission of 1% security deposit	Kotak and HSBC	HSBC
11.	Co-ordination with stock exchanges and formalities for use of online software, bidding terminal, mock trading, trading of Rights Entitlement etc.	Kotak and HSBC	HSBC
12.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Escrow Bank/ Bankers to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, finalization of the Basis of Allotment, technical rejections or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post issue activity such as Registrar to the Issue, Escrow Bank/ Bankers to the Issue, SCSBs, etc. and release of 1% security deposit	Kotak and HSBC	HSBC

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

The Company has appointed Axis Bank Limited as the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

Axis Bank Limited
Ground Floor, Maker Chamber IV
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 91670 01731 / 2684 9561/ 62/ 63
Contact person: Mohan Santhanam
E-mail: narimanpoint.branchhead@axisbank.com
Website: https://www.axisbank.com/

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Minimum Subscription

The objects of the Issue involve (i) repayment, pre-payment or redemption, in full or part, of certain borrowings availed by the Company; (ii) payment for the acquisition of 3,48,51,356 equity shares (aggregating 37.07% of the paid-up equity share capital) of RCL from its existing shareholders, namely, Omega TC Holdings Pte Limited, Tata Capital Limited and Piem Hotels Limited; (iii) part payment for the acquisition of 4,02,846 equity shares (aggregating 14.28% of the paid-up equity share capital) of ELEL Hotels and Investments Limited from Excalibur Assets and Capital Management Private Limited; (iii) investment in our step-down Subsidiary, namely, United Overseas Holding Inc., through our WOS, namely, IHOCO BV, for repayment or pre-payment of certain borrowings availed by such Subsidiary and (iv) general corporate purposes. Further, our Promoter and Promoter Group have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoter and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI LODR Regulations. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

Any participation by our Promoter and Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

Underwriting

This Issue is not underwritten.

Filing

This Letter of Offer is being filed with Stock Exchanges and SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

CAPITAL STRUCTURE

The equity share capital of the Company as at the date of this Letter of Offer is as set forth below:

(In ₹ crores, except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	2,00,00,00,000 Equity Shares of ₹ 1 each	200.00	NA
B	**ISSUED CAPITAL BEFORE THE ISSUE**		
	1,18,93,07,472 Equity Shares of ₹ 1 each	118.93	NA
C	**SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE***		
	1,18,92,58,445 Equity Shares of ₹ 1 each	118.93	NA
D	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**		
	Up to 13,21,39,827Rights Equity Shares of ₹ 1 each	13.21	Up to 1,982.10
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE****		
	Up to 132,13,98,272 Equity Shares of ₹ 1 each	Up to 132.14	

SECURITIES PREMIUM ACCOUNT	*(in ₹ crores)*
Before the Issue	2,702.05
After the Issue	4,670.93

**As of March 31, 2021, 49,027 Equity Shares were issued but not subscribed to, and have been kept in abeyance pending resolution of legal dispute*

***Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue expenses.*

The present Issue has been authorized by the Board of Directors, pursuant to its resolutions dated August 23, 2021 and October 21, 2021.

Further, our Board has, pursuant to the resolution passed at its meeting dated October 21, 2021, and subject to the approval of our Shareholders, approved raising of funds through equity issuance for an amount not exceeding ₹2,000 crore though a qualified institutional placement in terms of the SEBI ICDR Regulations, post conclusion of the Issue.

Notes to the Capital Structure

1. **Shareholding Pattern of the Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI LODR Regulations**

   a) The shareholding pattern of our Company as on September 30, 2021, can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/indian-hotels-coltd/indhotel/500850/shareholding-pattern/; and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern;

   b) The statement showing holding of Equity Shares of persons belonging to the category "Promoter and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as on September 30, 2021, can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=500850&qtrid=111.00&QtrName=September 2021 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern;

   c) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2021, as well as details of shares which remain unclaimed for public can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=500850&qtrid=111.00&

QtrName=September 2021 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern

2. No Equity Shares have been acquired by the Promoter or members of the Promoter Group in the year immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges and submission to SEBI.

3. As on date of this Letter of Offer, none of the Equity Shares held by any of the Shareholders of the Company are locked in.

4. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.

5. **Subscription to the Issue by the Promoter and the Promoter Group**

Our Promoter has undertaken and confirmed in relation to this Issue to subscribe on its own account, and not through any nominated entity or person to:

a. the full extent of their Rights Entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations;

b. the full extent of any rights entitlement in the Issue that may be renounced in their favor by any of the members of the promoter group of the Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations; and

c. any unsubscribed portion in the Issue, in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations, to ensure subscription to the extent of 100% of the Issue.

The Promoter has confirmed that such acquisition of Equity Shares will not result in a change of control or the management of the Company, and any such acquisition shall be subject to the aggregate shareholding of the Promoter and Promoter Group of the Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of the Company after the Issue.

Our Promoter Group, to the extent that they hold Equity Shares in the Company, undertake to either (i) subscribe on their account, and not through any nominated entity or person, to the full extent of their rights entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations, as amended; or (ii) renounce, any or all, of their rights entitlement in the Issue in favour of Tata Sons Private Limited. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations.

The Company is in compliance, and shall remain in compliance, with the minimum public shareholding requirements as prescribed under the SEBI LODR Regulations after the Issue.

6. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 186.85.

7. Our Company shall ensure that any transaction in the Equity Shares by the Promoter and the Promoter Group during the period between the date of filing this Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

8. At any given time, there shall be only one denomination of the Equity Shares of the Company.

Except as disclosed in this Letter of Offer, all Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "*Terms of the Issue*" on page 255.

OBJECTS OF THE ISSUE

The Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Repayment, pre-payment or redemption, in full or part, of certain borrowings availed by the Company;

2. Payment for the acquisition of 3,48,51,356 equity shares (aggregating 37.07% of the paid-up equity share capital) of RCL from its existing shareholders, namely, Omega TC Holdings Pte Limited, Tata Capital Limited and Piem Hotels Limited;

3. Part payment for the acquisition of 4,02,846 equity shares (aggregating 14.28% of the paid-up equity share capital) of ELEL Hotels and Investments Limited from Excalibur Assets and Capital Management Private Limited;

4. Investment in our step-down Subsidiary, namely, United Overseas Holding Inc., through our WOS, namely, IHOCO BV, for repayment or pre-payment of certain borrowings availed by such Subsidiary; and

5. General corporate purposes.

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable the Company to undertake its existing activities and the activities for which the funds are being raised by the Company through this Issue. The main objects clause of the respective memorandum of association of the Subsidiaries (as identified below) enables each of them (i) to undertake its existing business activities; and (ii) to undertake activities for which the borrowings were availed by it and which are proposed to be repaid, prepaid or redeemed (earlier or scheduled) from the Net Proceeds.

The details of the Net Proceeds are summarized in the table below:

(In ₹ crore)

Particulars	Amount
Gross Proceeds*	1,982.10
Less: Estimated Issue related expenses**	(11.36)
Net Proceeds**	**1,970.74**

* *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

** *Estimated and subject to change for factors. See "- Estimated Issue Related Expenses" on page 56.*

Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

(in ₹ crore)

Particulars	Estimated amount (up to)
Repayment, pre-payment or redemption, in full or part, of certain borrowings availed by the Company	1,200.00
Payment for the acquisition of 3,48,51,356 equity shares (aggregating 37.07% of the paid-up equity share capital) of RCL from its existing shareholders, namely, Omega TC Holdings Pte Limited, Tata Capital Limited and Piem Hotels Limited	454.11
Part payment for the acquisition of 4,02,846 equity shares (aggregating 14.28% of the paid-up equity share capital) of ELEL from Excalibur	175.00
Investment in our step-down Subsidiary, namely, United Overseas Holding Inc. through our WOS namely IHOCO BV, for repayment or pre-payment of certain borrowings availed by such Subsidiary	75.00
General corporate purposes*	66.63
Total Net Proceeds**	**1,970.74**

* *Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

** *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

Means of Finance

The funding requirements mentioned above are based on the internal management estimates of the Company and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and the Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the funding requirements of the Company and deployment schedules are subject to revision in the future at the discretion of the management. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, the Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws.

The Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, the Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Proposed Schedule of Implementation or Deployment of Net Proceeds

The following table provides the schedule of utilisation of the Net Proceeds:

(in ₹ crore)

Particulars	Amount to be funded from the Net Proceeds (up to)	Estimated deployment of the Net Proceeds^
		Fiscal 2022
Repayment, pre-payment or redemption, in full or part, of certain borrowings availed by the Company	1,200.00	1,200.00
Payment for the acquisition of 3,48,51,356 equity shares (aggregating 37.07% of the paid-up equity share capital) of RCL from its existing shareholders, namely, Omega TC Holdings Pte Limited, Tata Capital Limited and Piem Hotels Limited	454.11	454.11
Part payment for the acquisition of 4,02,846 equity shares (aggregating 14.28% of the paid-up equity share capital) of ELEL from Excalibur	175.00	175.00
Investment in our step-down Subsidiary, namely, United Overseas Holding Inc. through our WOS namely IHOCO BV, for repayment or pre-payment of certain borrowings availed by such Subsidiary	75.00	75.00
General corporate purposes*	66.63	66.63
Total Net Proceeds**	**1,970.74**	**1,970.74**

** Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

*** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

In the event that the Net Proceeds are not completely utilized for the purposes stated above by Fiscal 2022, the same would be utilized in subsequent Fiscals for achieving the objects of the Issue.

Details of the activities to be financed from the Net Proceeds

The details in relation to objects of the Issue are set forth herein below.

I. Repayment, pre-payment or redemption, in full or part, of certain borrowings availed by the Company

The Company has, in the ordinary course of business, entered into financing arrangements with various banks, financial institutions, and other entities. The borrowing arrangements entered into by the Company comprise, among others, working capital facilities, term loans and non-convertible debentures. As of September 30, 2021, the Company had a total borrowing amounting to ₹2,886.00 crore on a standalone basis. The Company proposes to utilize an amount of ₹1,200.00 crore from the Net Proceeds towards full or partial repayment, pre-payment or redemption, in full or part, of certain borrowings availed by the Company.

The selection of borrowings proposed to be repaid/prepaid/redeemed by us shall be based on various factors including: (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, (iii) provisions of any laws, rules and regulations governing such borrowings; and (iv) other commercial considerations including, among others, the interest/ coupon rate on the borrowings, the amount of the borrowings outstanding, the prepayment / redemption charges, terms and conditions of consents and waivers, presence of onerous terms and conditions and the remaining tenor of the borrowings. We may utilise the Net Proceeds for part or full repayment of any such additional borrowings or borrowings obtained to refinance any of our existing borrowings. We will choose to repay or pre-pay certain borrowings from those identified in the table below. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time.

The following table provides the details of the borrowings availed by the Company, which are currently proposed to be fully or partly repaid, pre-paid or redeemed from the Net Proceeds:

Sr. No.	Name of the Lender / NCDs	Tenure of Loan	Nature of Loan	Sanctioned amount (in ₹ crores)	Total outstanding amount as on September 30, 2021 (in ₹ crores)	Interest Rate	Repayment Schedule	Prepayment clause (if any)	Purpose
1.	10.10% Secured NCD	10 years	Non-Convertible Debentures	300.00	300.00	10.10%	Bullet repayment on November 18, 2021	None	• Capital Expenditure • Refinance of existing debt • General Corporate Purposes
2.	Kotak Bank Limited.	6 years	Term Loan	500.00	475.00	7.75%	Over a period of six years commencing from December 6, 2020 as under: 1st year - 5% 2nd - 3rd year - 10% 4th-6th year - 25% Maturity - December 5, 2025	Borrower can prepay entire facility with a prior written notice of 15 days without any penalty	Reimbursement of capex incurred in Fiscal 2019 and Fiscal 2020 or any other purpose acceptable to the bank
3.	Axis Bank Limited	6 years	Term Loan	380.00	361.00	7.30%	Over a period of six years commencing from December 8, 2020 as under: 1st year - 5% 2nd - 3rd year - 10% 4th - 6th year - 25% Maturity - December 8, 2025	Full/partial prepayment of the facility shall be permitted without any prepayment penalty with a notice of seven days.	To refinance existing non-convertible debentures and or borrowing used for capital expenditure in earlier years.

Sr. No.	Name of the Lender / NCDs	Tenure of Loan	Nature of Loan	Sanctioned amount (in ₹ crores)	Total outstanding amount as on September 30, 2021 (in ₹ crores)	Interest Rate	Repayment Schedule	Prepayment clause (if any)	Purpose
4.	HDFC Limited	9 years	Term Loan	850.00	400.00	8.70%	Repayment in 28 equal quarterly instalments commencing from December 31, 2022 as under: 0-2 years – Nil 3-9 years Equal quarterly instalments. Maturity 30 September, 2029	The borrower shall have the option to prepay the facility or part thereof without any prepayment charges / penalty provided that an irrevocable notice to prepay the facility or part thereof has been given by the borrower to the lender 30 days prior to the prepayment.	• General Corporate Purpose • Capital Expenditure • Augmentation of working capital • Refinancing of the existing financial indebtedness • Providing loans to/investment in the equity shares of its subsidiaries, joint ventures, associate companies (Indian or overseas (provided such investment in equity shares is capped at ₹200 crore) • Providing loans to/investment in the equity shares of the companies or hotels managed, leased or licensed by the borrower, and/or Such other purposes as approved by the lender in writing
5.	Kotak ECLGS*	6 years	Working Capital Term Loan	72.00	72.00	7.25%	Repayment in 48 equal monthly instalments commencing from September 30, 2023 Maturity - June 30, 2027	Partial or full prepayment permitted without any penal charges.	For working capital purposes - Augmenting long term working capital needs, paying off creditors, to meet out liquidity mismatches, to use for other business requirement, supporting liquidity position impacted by COVID-19 crisis, etc.
6.	Axis ECLGS	6 years	Working Capital Term Loan	72.00	72.00	6.80%	Repayment in 48 equal monthly instalments	Partial or full prepayment permitted without any penal charges.	To meet operational expenditure or long term working capital or cash flow mismatches

Sr. No.	Name of the Lender / NCDs	Tenure of Loan	Nature of Loan	Sanctioned amount (in ₹ crores)	Total outstanding amount as on September 30, 2021 (in ₹ crores)	Interest Rate	Repayment Schedule	Prepayment clause (if any)	Purpose
							commencing from September 30, 2023 Maturity - June 30, 2027		
7.	7.85% Secured NCD	5 years 2 months and 26 days	Non-Convertible Debentures	495.00	495.00	7.85%	Bullet repayment on April 15, 2022	None	• Re-financing existing debt of the Issuer and its subsidiaries • Capital expenditure • Working capital Expenditure in relation to its general corporate purposes
8.	6.70% Unsecured NCD	3 years	Non-Convertible Debentures	250.00	250.00	6.70%	Maturity - July 7, 2024	The Issuer will have a right to exercise a call option such that the NCDs may be redeemed on call option date(s) along with the accrued interest up to the call option date. Call option date is date falling after every 6 months from the deemed date of allotment.	• Working capital • General corporate purpose • Capital Expenditure • Repayment/re-financing of the existing debt and/or for paying up the settlement amount of the cross currency derivatives. Placing ICD's and/or Investments in equity shares of Subsidiaries/Associates/ Joint Venture Companies

**As certified by PKF Sridhar & Santhanam LLP, Chartered Accountants, vide their certificate dated November 9, 2021. Further, PKF Sridhar & Santhanam LLP, Chartered Accountants, have confirmed that the above borrowings have been utilized for the purposes for which they were availed.*

 # Kotak Mahindra Capital Company Limited, one of the Lead Managers to the Issue, is affiliated to Kotak Mahindra Bank Limited, who we propose to repay out of the Net Proceeds.

The amounts outstanding against the loans and the interest rates as disclosed above may vary from time to time, in accordance with the amounts drawn down and the prevailing interest rates.

Some of our financing agreements provide for levy of pre-payment or early redemption penalties or premiums at the rates determined by lenders. The Company will take pre-payment or early redemption penalties or premiums, that will be payable by the Company, applicable interest rates and other factors as set out above into consideration and decide the portion of borrowings to be repaid, pre-paid or redeemed from the Net Proceeds. However, the Net Proceeds to be utilised for such prepayments/repayments, will not exceed ₹ 1,200 crores. In the event Net Proceeds are insufficient for the said payment of prepayment or early redemption penalty or premiums, such payment shall be made from the internal accruals of the Company. For details, please see the section entitled "*Risk Factors – A substantial portion of the Net Proceeds will be utilized for the repayment / prepayment of loans availed by our Company and our Subsidiary*" on page 26.

The non-convertible debentures issued by the Company which are proposed to be redeemed from the Net Proceeds are listed and traded on the Stock Exchanges and the affiliates of the Lead Managers may purchase and hold such non-convertible debentures at the time of redemption of the non-convertible debentures from the Net Proceeds.

II. Payment for the acquisition of 3,48,51,356 equity shares (aggregating 37.07% of the paid-up equity share capital) of RCL from its existing shareholders, namely, Omega TC Holdings Pte Limited, Tata Capital Limited and Piem Hotels Limited

Subject to receipt of the requisite approvals, the Board, pursuant to its resolution dated October 21, 2021, have approved the purchase of 3,74,65,735 equity shares of RCL (aggregating 39.84% of the equity share capital of RCL) from the existing shareholders of RCL, namely, Omega TC Holdings Pte Limited, Tata Capital Limited, Tata Investment Corporation Limited and Piem Hotels Limited.

We intend to utilise a part of the Net Proceeds amounting to ₹ 454.11 crores to make payment for the acquisition of 3,48,51,356 equity shares (aggregating 37.07% of the paid-up equity share capital) of RCL from its existing shareholders, namely, Omega TC Holdings Pte Limited, Tata Capital Limited and Piem Hotels Limited (collectively, the "**Sellers**").

The objects and effects of acquisition are as follows:

- Consolidation and simplification of business;
- Both the companies are in similar business i.e., hospitality; and
- Post acquisition from the Sellers and Tata Investment Corporation Limited, RCL will become a wholly owned subsidiary of the Company

Key terms of non-binding term sheets entered into between the Company and the Sellers are as follows:

a) In terms of the non-binding term sheet dated October 19, 2021 between our Company, Omega TC Holdings Pte Limited and Tata Capital Limited, our Company has agreed to purchase:

  - 27.68% of the issued and paid-up share capital of RCL comprising of 2,60,23,954 equity shares from Omega TC Holdings Pte Limited, and
  - 2.44% of the issued and paid-up share capital of RCL comprising of 22,91,454 from Tata Capital Limited.

b) In terms of the non-binding term sheet dated October 27, 2021 between our Company and Piem Hotels Limited, our Company has agreed to purchase 65,35,948 equity shares of RCL aggregating 6.95% of the issued and paid-up share capital of RCL from Piem Hotels Limited.

Pursuant to the aforementioned term sheets, the said acquisition will be on an as is basis. The acquisition is subject to the terms and conditional of definitive documents.

Pursuant to the terms of the term sheet dated October 19, 2021 between our Company, Omega TC Holdings Pte Limited and Tata Capital Limited and term sheet dated October 27, 2021 between our Company and Piem Hotels Limited, reasonable efforts shall be made to enter into definitive documents no later than December 31, 2021, subject to necessary approvals, if any.

Further, the balance equity shares of RCL will be purchased by the Company from Tata Investment Corporation Limited out of internal accruals/ other sources of the Company. In terms of the non-binding term sheets dated October 20, 2021 and November 9, 2021 between our Company and Tata Investment Corporation Limited, our Company has agreed to purchase 26,14,379 equity shares of RCL aggregating 2.78% of the issued and paid-up share capital of RCL from Tata Investment Corporation Limited in one or more tranches, subject to necessary approvals, which could be consummated by June 2022. Pursuant to the terms of the term sheet dated November 9, 2021 between our Company and Tata Investment Corporation Limited, reasonable efforts shall be made to enter into definitive documents by November 30, 2021, in any case, no later than June 30, 2022, subject to necessary approvals, if any.

For risk factors in this regard, "*Risk Factors - We propose to utlise a portion of our Net Proceeds towards acquisition of the remaining equity shares of ELEL Hotels & Investments Limited and Roots Corporation Limited*" on page 21.

III. Part payment for the acquisition of 4,02,846 equity shares (aggregating 14.28% of the paid-up equity share capital) of ELEL Hotels and Investments Limited from Excalibur Assets and Capital Management Private Limited

The Net Proceeds amounting to ₹175 crore are proposed to be utilized towards part payment for the acquisition of 4,02,846 equity shares (aggregating 14.28% of the paid-up equity share capital) of one of our existing Subsidiaries, ELEL, either directly or indirectly, from the Excalibur.

In terms of the share purchase agreement dated July 21, 2020 (the "**Execution Date**") executed among our Company, Claridges Hotel Private Limited, Excalibur Assets and Capital Management Private Limited, ELEL Hotels and Investments Limited ("**ELEL**"), Suresh Nanda, Sheena Investments Private Limited and Skydeck Properties & Developers Private Limited (the "**SPA**"), our Company and/or its permitted nominees, propose to acquire to acquire 4,02,846 equity shares of ELEL aggregating 14.28% of the issued, subscribed and paid-up equity shares of ELEL ("**ELEL Shares**"). As of date, our Company, directly and indirectly, holds 85.72% of the issued, subscribed and paid-up equity share capital of ELEL.

Key terms of the SPA are as follows:

a) Such acquisition is proposed to be undertaken for an aggregate purchase consideration not exceeding ₹250.00 crore (the "**Aggregate Consideration**"), in three tranches, subject to closing adjustments and certain terms and conditions. Further, the acquisition of the ELEL Shares is proposed to be completed on, or before, December 31, 2021.

b) The acquisition of the ELEL Shares is subject to completion of certain condition precedents including obtaining certain governmental approvals as disclosed in the section entitled "*Government and Other Approvals*" and disposal of the public interest litigation as disclosed in the section entitled "*Legal and Other Information*" on page 235.

c) Pursuant to the terms of the SPA, in the event some or none of the aforesaid three milestones occur before December 31, 2021, our Company shall purchase the balance or entire shareholding in ELEL, as the case may be, from the Nanda Group on December 31, 2021. The obligation of our Company to purchase the ELEL Shares on December 31, 2021 is absolute and not dependent on the fulfilment of the conditions precedents.

Further, see "*Risk Factors - We have, and propose to continue to have, certain exposure in relation to a property in Mumbai on which the erstwhile Hotel Sea Rock stood*." on page 21.

Upon completion of the acquisition, our Company and its Subsidiaries, namely, Sheena Investments Private Limited and Skydeck Properties & Developers Private Limited, shall collectively hold 100% of the issued and paid-up share capital of ELEL, and consequently will derive benefits from it, to the extent of its shareholding and any dividend payments on such investment, as well as any other returns that the Company may realise from Sheena, such as bonus shares, etc.

IV. Investment in our step-down Subsidiary, namely, United Overseas Holding Inc. through our WOS namely IHOCO BV, for repayment or pre-payment of certain borrowings availed by such Subsidiary

We intend to utilise a part of the Net Proceeds amounting to ₹75 crores to make an investment in our step-down Subsidiary, namely, United Overseas Holding Inc., through our WOS, namely IHOCO BV. The Company will invest such amounts in United Overseas Holding Inc. in the form of equity/ shareholders' loans/ inter-corporate deposits or advances which will be routed through IHOCO BV, a wholly owned subsidiary of the Company, which owns 100% in United Overseas Holding, Inc. Consequent to the proposed investment and the subsequent repayment or pre-payment of certain term loans availed by United Overseas Holding Inc, there will be a reduction in the outstanding indebtedness of the Company, on a consolidated basis. The selection of borrowings proposed to be repaid/prepaid by us shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, and (ii) other commercial considerations including, among others, the interest rate on the borrowings, the amount of the borrowings outstanding, the prepayment / redemption charges, terms and conditions of consents and waivers, presence of onerous terms and conditions and the remaining tenor of the borrowings. We may utilise the Net Proceeds for part or full repayment of any such additional loan or loans obtained to refinance any of our existing loans.

The following table sets forth provides details of the borrowings availed by United Overseas Holding Inc. which are proposed to be repaid or pre-paid from the investment proposed to be made by the Company in such Subsidiaries by utilising the Net Proceeds:

Sr. No.	Name of the Lender / NCDs	Tenure of Loan	Nature of Loan	Sanctioned amount (in $ millions)	Total outstanding amount as on September 30, 2021 (in $ millions)	Interest Rate	Repayment Schedule	Repayment Clause (If any)	Purpose
1.	J P Morgan Chase Bank N.A.	1 year	Corporate Line of Credit	15.00	11.00	4% + Libor	On maturity i.e 20 December, 2021	None	General Corporate Purpose

**As certified by PKF Sridhar & Santhanam LLP, Chartered Accountants, vide their certificate dated November 9, 2021. Further, PKF Sridhar & Santhanam LLP, Chartered Accountants, have confirmed that the above borrowing has been utilized for the purposes for which it was availed.*

During this Fiscal, the Company will take pre-payment penalties or premiums, that will be payable by the Company, applicable interest rates and other factors as set out above into consideration and decide the portion of loans to be repaid from the Net Proceeds. In the event Net Proceeds are insufficient for the said payment of pre-payment penalty or premiums, such payment shall be made from the internal accruals of the Company. For details, please see the section entitled "*Risk Factors*" on page 16.

V. General corporate purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹66.63 crore towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Net Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things, brand building and other marketing expenses, acquiring assets, such as furniture and fixtures, and vehicles, meeting any expenses incurred in the ordinary course of business by the Company and its Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties, repair, maintenance, renovation and upgradation of our existing hotels, strategic initiatives, leasehold improvements, working capital requirements, meeting of exigencies which our Company may face in the course of any business, other marketing expenses and any other purpose as permitted by applicable laws, subject to meeting regulatory requirements and obtaining necessary approvals / consents, as applicable and other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof for funding growth opportunities.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Estimated Issue Related Expenses

The estimated Issue related expenses is as follows:

(unless otherwise specified, in ₹crore)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fee of the Lead Managers	3.54	31	0.18
2.	Fee to the legal advisors, other professional service providers	3.67	32	0.18
2.	Fee of Registrar to the Issue	0.13	1	0.01
3.	Advertising, marketing and shareholder outreach expenses	0.08	1	0.00
4.	Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	2.26	20	0.11
5.	Printing and stationery, distribution, postage etc.	1.37	12	0.07
5.	Other expenses (including miscellaneous expenses and stamp duty)	0.31	3	0.02
Total estimated Issue related expenses*		**11.36**	**100**	0.57

**Includes applicable taxes. Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted with the amount allocated towards general corporate purposes.*

Bridge Financing Facilities

The Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

The Company shall deposit the Net Proceeds, pending utilisation of the Net Proceeds for the purposes described above, by depositing the same with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

Monitoring Utilization of Funds from the Issue

The Company has appointed Axis Bank Limited as the Monitoring Agency in relation to the Issue. Our Board will monitor the utilization of the Net Proceeds and submit its report to our Company in terms of Regulation 82 of the SEBI ICDR Regulations. The Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI LODR Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to our Board for further action, if appropriate.

Further, in terms of the SEBI LODR Regulations, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above and details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after review by the Audit Committee and its explanation in the directors' report in the annual report.

The Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised has been appraised.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Other confirmations

The Promoter, the Promoter Group and the Directors do not have any interest in the objects of the Issue, except in the ordinary course of business.

There are no material existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoter, Directors or key managerial personnel or associate companies (as defined under the Companies Act, 2013).

We intend to utilise a part of the Net Proceeds amounting to ₹ 454.11 crore to make payment for the acquisition of 3,48,51,356 equity shares (aggregating 37.07% of the paid-up equity share capital) of RCL from its existing shareholders, namely, Omega TC Holdings Pte Limited, Tata Capital Limited and Piem Hotels Limited. Our Company has entered into related party transactions with Piem Hotels Company, Tata Capital Limited and Tata Investments Corporation Limited, which are related parties. For further details, see "Financial Statements" on page 108.

STATEMENT OF SPECIAL TAX BENEFITS

[*The remainder of this page has intentionally been left blank*]

Report on the Statement of Possible Special Tax Benefits

Date: 30 September 2021

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

Dear Sirs,

Subject: Statement of possible special tax benefits ("the Statement") available to The Indian Hotels Company Limited ("the Company"), its Material Domestic Subsidiaries and its shareholders in connection with the proposed rights issue of equity shares of the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations") (the "Proposed Offer" or "Issue")

This report is issued in accordance with the Engagement Letter dated 29 September 2021.

We hereby report that the enclosed Annexure I prepared by the Company, signed by us and the Company for identification purpose, states the possible special tax benefits available to the Company, PIEM Hotels Limited, Skydeck Properties & Developers Private Limited and ELEL Hotels and Investments Limited ("its Material Domestic Subsidiaries") and its Shareholders under the Income-tax Act, 1961, as amended ('the Act') read with Income-tax Rules, 1962, as amended (together referred to as "Direct Tax Law") applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India as on the signing date. The Material Domestic Subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, includes a subsidiary whose income or net worth in the immediately preceding year ended i.e. 31 March 2021 exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

These possible special tax benefits are dependent on the Company, its Material Domestic Subsidiaries and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its Material Domestic Subsidiaries and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and its Material Domestic Subsidiaries may face in the future and accordingly, the Company, its Material Domestic Subsidiaries and its shareholders may or may not choose to fulfill.

Report on the Statement of Possible Special Tax Benefits *(Continued)*

The Indian Hotels Company Limited

The benefits discussed in the enclosed Annexure I cover the possible special tax benefits available to the Company, its Material Domestic Subsidiaries and its shareholders and do not cover any general tax benefits available to them. Further, the preparation of the enclosed Annexure I and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ("the **Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

i) the Company, its Material Domestic Subsidiaries and its shareholders will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of enclosed Annexure are based on the information, explanation and representations obtained from the Company and its Material Domestic Subsidiaries, and on the basis of our understanding of the business activities and operations of the Company and its Material Domestic Subsidiaries.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

Report on the Statement of Possible Special Tax Benefits *(Continued)*

The Indian Hotels Company Limited

We hereby give consent to include this Statement in the Letter of Offer and in any other material used in connection with the Proposed Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
ICAI firm registration number: 101248W /W-100022

Tarun Kinger
Partner
Membership No: 105003
ICAI UDIN: 21105003AAAAEH3886

Place: Mumbai
Date: 30 September 2021

ANNEXURE I

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL DOMESTIC SUBSIDIARIES AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAW IN INDIA

Outlined below are the possible special tax benefits available to The Indian Hotels Company Limited (the "Company"), its Material Domestic Subsidiaries and its Shareholders under the Income-tax Act, 1961 ('the Act') read with Income-tax Rules, 1962 (together referred to as "Direct Tax Law") applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23.

UNDER THE DIRECT TAX LAWS

A. Special tax benefits available to the Company

No special tax benefits are available to the Company.

B. Special tax benefits available to the Material Domestic Subsidiaries of the Company

No special tax benefits are available to the to the Material Domestic Subsidiaries of the Company.

C. Special tax benefits available to Shareholders

No special tax benefits are available to shareholders of the Company.

NOTES:

1. The above is as per the current Direct Tax Law, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
2. The above Statement of possible special tax benefits sets out the provisions of Direct Tax Law in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement is intended only to provide general information to the investor and is neither designed or intended to be a substitute for professional tax advice.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For **The Indian Hotels Company Limited**

Authorized Signatory
Name:
Place: Mumbai
Date: 30 September 2021

For **B S R & Co. LLP**
Chartered Accountants
ICAI firm registration number: 101248W /W-100022

SIGNED FOR IDENTIFICATION BY

Tarun Kinger
Partner
Membership No: 105003
Place: Mumbai
Date: 30 September 2021

REPORT ON THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS UNDER INDIRECT TAX LAWS IN INDIA

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

Date: 30 September 2021

Dear Sirs,

Subject: Statement of possible special tax benefits under Indirect Tax Laws in India ("the Statement") available to The Indian Hotels Company Limited ("the Company") and its material domestic subsidiaries and its shareholders in connection with the proposed rights issue of equity shares of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations") (the "Proposed Offer" or "Issue")

This report is issued in accordance with the Engagement Letter dated 21st September 2021.

We hereby report that the enclosed **Annexure A** prepared by the Company, signed by us and the Company for identification purpose, states the possible special tax benefits available to the Company, PIEM Hotels Limited, Skydeck Properties & Developers Private Limited and ELEL Hotels & Investments Limited ("its Material Domestic Subsidiaries") and its Shareholders under the Central Goods and Service Tax Act 2017, Integrated Goods and Service Tax Act 2017, Value Added Tax Act of the respective states of India, Customs Act 1962, Foreign Trade policy and handbook of procedures, and rules framed thereunder (together referred to as "Indirect Tax Laws") applicable for the Financial Year 2021-22, presently in force in India as on the signing date. The Material Domestic Subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, includes a subsidiary whose income or net worth in the immediately preceding year ended i.e. 31 March 2021 exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

These possible special tax benefits are dependent on the Company, its material domestic subsidiaries and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its material domestic subsidiaries and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company, its material domestic subsidiaries and its shareholders may face in the future and accordingly, the Company, its material domestic subsidiaries and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed **Annexure A** cover the possible special tax benefits available to the Company, its material domestic subsidiaries and its shareholders and do not cover any general tax benefits available to them. Further, the preparation of the enclosed **Annexure A** and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ("**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

i) the Company, its material domestic subsidiaries and its shareholders will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of enclosed Annexure are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company, its material domestic subsidiaries.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Letter of Offer and in any other material used in connection with the Proposed Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

This report has not been prepared in connection with, nor is it intended for use in any connection with, any offer or sale of securities in United States of America. We will accept no duty or responsibility to and deny any liability to any party in respect of any use of this letter in connection with an offer or sale of the Securities in United States of America.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No.: 003990S/S200018

Ramanarayanan J
Partner
Membership No. **220369**

Place: Mumbai
Date: 30-Sep-2021
UDIN: 21220369AAAAMD7035

ANNEXURE A

The Indian Hotels Company Limited (the "Company")

List of Indirect tax regulations applicable

1. Central Goods and Service Tax Act 2017 and rules framed thereunder
2. Integrated Goods and Service Tax Act 2017 and rules framed thereunder
3. Value Added Tax Act of the respective states of India
4. Customs Act 1962
5. Foreign Trade policy and handbook of procedures

Special tax benefits available to the Company, its Material Domestic Subsidiaries and its Shareholders under the Indirect tax regulations

A. ***Special tax benefits available to the Company***

No special tax benefits are available to the Company.

B. ***Special tax benefits available to the Material Domestic Subsidiaries of the Company***

No special tax benefits are available to the Material Domestic Subsidiaries of the Company.

C. ***Special tax benefits available to Shareholders***

No special tax benefits are available to Shareholders of the Company.

NOTES:

1. The above is as per the current Indirect Tax Laws of Central and State Governments, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
2. The above Statement of possible special tax benefits sets out the provisions of Indirect Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement is intended only to provide general information to the investor and is neither designed or intended to be a substitute for professional tax advice.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the shares of the Company.

To be read along with our report of even date attached

For **The Indian Hotels Company Limited**

Nabakumar N. Shome
Vice-President Finance

Place: Mumbai
Date: 30-Sep-2021

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Regn. No. 003990S/S200018

Ramanarayanan J
Partner
Mem. No. **220369**
Place: Mumbai
Date: 30-Sep-2021
UDIN: 21220369AAAAMD7035

Certificate on Statement of Tax Benefits

To,

The Board of Directors
The Indian Hotels Company Limited
Mandlik House, Mandlik Road
Mumbai 400 001
Maharashtra, India

Ladies and Gentlemen:

Subject: Statement of possible special tax benefits (the "Statement") available to The Indian Hotels Company Limited's (the "Company") Foreign Material Subsidiary, prepared in accordance with applicable requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

This report is issued in accordance with the terms of our engagement letter with United Overseas Holdings Inc.

We hereby report that the accompanying Statement provides information on possible special tax benefits (if any) available to United Overseas Holdings Inc. (i.e. subsidiary of the Company determined to be material in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Foreign Material Subsidiary**")) under the Internal Revenue Code and the relevant state tax laws presently in force in the United states (collectively referred to as the "**Tax Laws**"). The possible special tax benefits (if any) would generally be dependent on the Foreign Material Subsidiary fulfilling certain conditions prescribed under the relevant Tax Laws. Hence, the ability of the Foreign Material Subsidiary to derive any possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Foreign Material Subsidiary may face in the future and accordingly, Foreign Material Subsidiary may or may not choose to fulfill.

Our comments on special tax benefits in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits (if any) available to the Foreign Material Subsidiary. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

For the avoidance of doubt, the enclosed Annexure does not capture the general tax benefits available to the Foreign Material Subsidiary.

We do not express any opinion or provide any assurance as to whether:

1. Foreign Material Subsidiary will continue to obtain these possible special tax benefits in future; or
2. the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met

The contents of this Statement are based on the information, explanations and representations obtained from The Indian Hotels Company Limited and on the basis of our understanding of the business activities and operations. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We hereby give consent to include this Statement in the letter of offer in connection with the proposed rights issue of the Company.

This certificate may be relied upon by the legal counsels and the lead managers appointed in relation to the Issue. We consent to this letter and the content hereof being retained for the records to be maintained by the lead managers in connection with the Issue and in accordance with applicable laws.

For and on behalf of KNAV

Shishir Lagu
Partner

Place:
Date:

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE FOREIGN MATERIAL SUBSIDIARY

There are no special tax benefits (direct or indirect) available to United Overseas Holdings Inc. under the relevant Tax Laws in the United States as a result of the additional shares issued by The Indian Hotels Company Limited (India) to its existing shareholders.

To,

The Board of Directors
The Indian Hotels Company Limited
Mandlik House, Mandlik Road
Mumbai 400 001
Maharashtra, India

Ladies and Gentlemen:

Subject: **Statement of possible special tax benefits (the "Statement") available to The Indian Hotels Company Limited's (the "Company") Foreign Material Subsidiary, prepared in accordance with applicable requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")**

This report is issued in accordance with the terms of our engagement letter dated 22 October 2019 with IHOCO B.V.

We hereby report that the accompanying Statement provides information on possible special tax benefits (if any) available to IHOCO B.V. (i.e. a subsidiary of the Company determined to be material in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Foreign Material Subsidiary**")) under the direct and indirect tax legislation presently in force in the Netherlands (collectively referred to as the "**Tax Laws**"). The possible special tax benefits (if any) would generally be dependent on the Foreign Material Subsidiary fulfilling certain conditions prescribed under the relevant Tax Laws. Hence, the ability of the Foreign Material Subsidiary to derive any possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Foreign Material Subsidiary may face in the future and accordingly, Foreign Material Subsidiary may or may not choose to fulfil.

Our comments on special tax benefits in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits (if any) available to the Foreign Material Subsidiary. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

For the avoidance of doubt, the enclosed Annexure does not capture the general tax benefits available to the Foreign Material Subsidiary.

We do not express any opinion or provide any assurance as to whether:

1. the Foreign Material Subsidiary will continue to obtain these possible special tax benefits in future; or
2. the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met.

The contents of this Statement are based on the information, explanations and representations obtained from The Indian Hotels Company Limited and on the basis of our understanding of the business activities and operations. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We hereby give consent to include this Statement in the letter of offer in connection with the proposed rights issue of the Company.

This certificate may be relied upon by the legal counsels and the lead managers appointed in relation to the Issue. We consent to this letter and the content hereof being retained for the records to be maintained by the lead managers in connection with the Issue and in accordance with applicable laws.

For **Kraaijeveld Coppus Legal B.V.**
Tax Attorney Firm

Firm registration no.: 34298595

Managing Partner

By: Ceriel Coppus
Place: Amsterdam, the Netherlands
Date: 30-09-2021

ANNEX: STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE FOREIGN MATERIAL SUBSIDIARY

To the best of our knowledge, there is no special tax benefit (direct or indirect) available to IHOCO B.V. under the relevant Tax Laws in the Netherlands as a result of the additional shares issued by The Indian Hotels Company Limited (India) to its existing shareholders, whereas the term "special tax benefit" means a tax regime, treatment or consequences other than those which are made available, prescribed by or result from the application of the Tax Laws of the Netherlands.

Certificate on Special UK Tax Benefits

Date: 1 October 2021

The Indian Hotels Company Limited
Mandlik House
Mandlik Road
Mumbai, 400001
India
("**IHCL**")

St. James Court Hotel Limited
Buckingham Gate
Westminster
London – SW1E 6AF
United Kingdom
("**SJCHL**")

Dear Sirs

Introduction

1. We have been asked to prepare this Certificate by PKF Sridhar & Santhanam LLP whose client, ICHL, has proposed a rights issue (the "**Rights Issue**"). We have not been involved in any other matter relating to the Rights Issue, either for the company or the shareholders and our role has been limited to the writing of this letter.

2. We have been advised that IHCL considers SJCHL to be a material foreign subsidiary of IHCL and have been asked to opine on whether any special UK tax benefits arise to SJCHL as a consequence of IHCL undertaking the referred Rights Issue.

3. This letter may be relied upon only by IHCL and SJCHL and may be used or disclosed in an offer document only in connection with the Rights Issue by IHCL. Neither its contents nor its existence may be disclosed to any other person for any other purpose without our prior written consent. Our Consent is granted for disclosure to the lead managers and legal Counsel of SJCHL and IHCL assisting IHCL in the Rights Issue.

Opinion

4. **We confirm that there are no special UK tax benefits (direct and indirect) available to St. James Court Hotel Limited (SJCHL) as a result of the Rights Issue being undertaken by IHCL.**

5. This Letter has been prepared based on the laws, regulations and judicial interpretations in force in England and Wales as at the date of this letter, in so far as they relate to the Opinion in (4) above. It does not purport to address all possible tax considerations that may be relevant.

Yours faithfully,
For and on behalf of PKF Littlejohn LLP

Howard Jones
Tax Partner

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from an Industry Report "Industry Report - Upper Tier and Economy Hotels" dated October28, 2021 prepared by Horwath HTL India, which has been commissioned and paid for by the Company, for an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Macroeconomic Overview of India

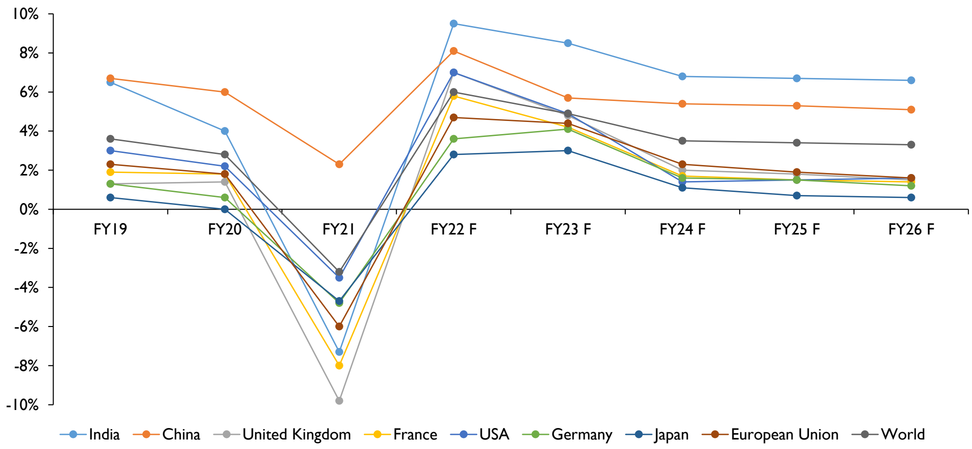
In FY19, India was the 6th largest economy globally with GDP of USD 2.9 trillion (Source: World Bank) at current prices; per MOSPI press release dated 23 June 2020, India retained 3rd rank in terms of Purchasing Power Parity (PPP). Due to the COVID-19 pandemic, India's economy declined by 8% in FY21, as against 4% growth for FY20 (Source: IMF 2020). Several major countries across the world also declined – for example, France, UK and USA suffered GDP decline by 8.2%, 9.9% and 3.5% respectively.

India GDP Forecast

Per World Economic Outlook update released by IMF in July 2021, India is poised for rapid recovery in terms of FY22 GDP growth at 9.5%, higher than the rest of the world. Average growth at ~7% forecast for FY23-FY26 will put the GDP back on a substantial growth. India remains among the leading nations from the viewpoint of relative pace of growth and recovery from the COVID-19 crisis.

Chart below provides IMF forecast for GDP growth rate (at constant prices) for India and the top seven global economies for the next 5 years.

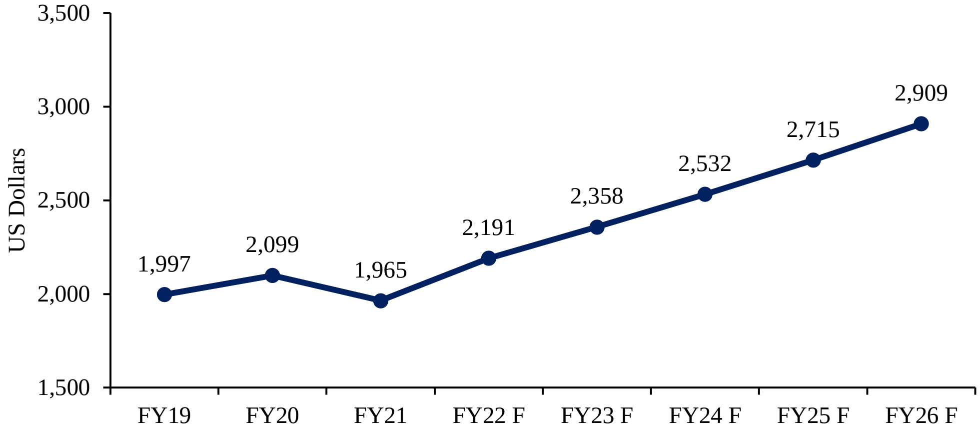
India and Top 7 Global economies GDP Forecast



Source: IMF

As per World Economic Outlook Update - July 2021 report by IMF the forecast GDP growth for India is at 9.5% for FY22 and 8.5% for FY23. As per World Economic Outlook – April 2021 report by IMF forecast GDP growth for India is at 6.8%, 6.7% and 6.6% from FY24 to FY26 respectively. These are reflected in Chart above. In August 21, RBI retained its real GDP projection for FY22 at 9.5% based on improved domestic economic activity as the 2nd wave of COVID-19 in India subsided, India's rate of vaccination and stabilizing number of COVID-19 cases. State Bank of India's economic research department concurred with this growth sentiment for FY22 stating that investments of around 5.6 lakh crore were announced from Apr-Aug for various projects, with 70% coming from the private sector.

India Per Capita GDP Forecast



Source: IMF

Per capita GDP for India is expected to grow at a compound annual growth rate ("CAGR") of 8.2% between FY21 and FY26, as reflected in Chart above.

Increased income levels in the hands of individuals can reasonably be expected to create additional discretionary spend capacity for individuals.

Key characteristics of India's hospitality industry

Some key characteristics of India's hospitality industry, relevant for a better understanding of the market as a whole are briefly set out in this section

- India has only 157k chain affiliated hotels as at 30 September 2021. Material additional supply by way of independent hotels is widely fragmented, substantially of midscale and lower positioning, and with smaller hotels.

- Foreign Tourist Arrivals (FTA) crossed 10 mn in FY18. In 2019, India had only 0.73% of global tourist arrivals (Source: MoT, India and UNWTO World Tourism Barometer, Jan-20). On the other hand, the domestic travel industry in India has been robust and has grown materially.

- The hotel sector has faced several growth and operating limitations including heavy indirect taxation, high land costs, limited entitlements, limited duration leases of government land and hotels, multiple approval requirements and regulatory changes, high cost of debt and shorter loan terms (till about 2016), and lack of convention centres and event support.

- Since 2000, hotel chains have pursued growth through management contracts and franchising, reducing own investment in hotels. Supply is also more balanced across different price and positioning segments, as compared to an earlier structure that was heavily weighted towards luxury and upper upscale hotels.

- Institutional ownership of hotels is yet limited, partly constrained by a modest secondary market, valuation mismatch, and long development cycles. Distress arising from the COVID-19 pandemic could drive some ownership consolidation efforts.

- Evolving guest preferences, with greater appreciation of quality, exclusivity, new destinations, lifestyle aspects and well-curated F&B experiences have enabled newer product types and elements such as Postcard Hotels, conversions though soft brands, amã bungalows by IHCL, food delivery services such as Qmin and Marriott on Wheels, wellness resorts etc.

- Improved and new airports and roads have enabled multiple opportunities for the hotel sector, and demand growth.

- Increased urbanisation has created demand in several cities and towns, initially for hotels in the mid-priced and economy segments; several such markets have or will evolve to create upscale hotel potential over the foreseeable future. India's urban population share grew from 27% in 2001, to 31% in 2011 (per 2011 Census of GOI), 34% in 2018 (Per World Urbanisation Prospects Report (The 2018 Revision) published by United Nations) and is projected at 38.2% by 2036 (Per Population Projections for India and States 2011-2036 Report (July 2020) of Technical Group constituted by the National Commission on Population (NCP) under the Ministry of Health and Family Welfare). Urban population is projected at 594 mn for 2036, adding 309 urban dwellers from 2001. This growth of existing urban areas and development of new urban areas, will create material opportunities for the hotel sector. Growth of cities has also created multiple micro-markets with hotel needs, enabling hotel chains with multiple brands to achieve deeper penetration and to create service clusters for operational efficiency.

- Widening middle class and changing demographics, with millennials and younger travellers who seek variety of experiences and are willing to spend on entertainment and recreation will be a major driver for the future.

- Domestic leisure and weddings are a vital demand source and have been key to reviving hotel sector in the aftermath of COVID-19 pandemic. With sharply reduced business travel, absence of foreign visitors, absence of MICE and diplomatic travel, and much reduced airline crew demand, domestic leisure and weddings demand have enabled reasonable recovery of occupancy and revenues.

Industry size – chain affiliated hotels

All-India chain-affiliated inventory as at September 2021 is estimated at 157k rooms. Inventory build-up and segmental composition of supply, are reflected in Table below:

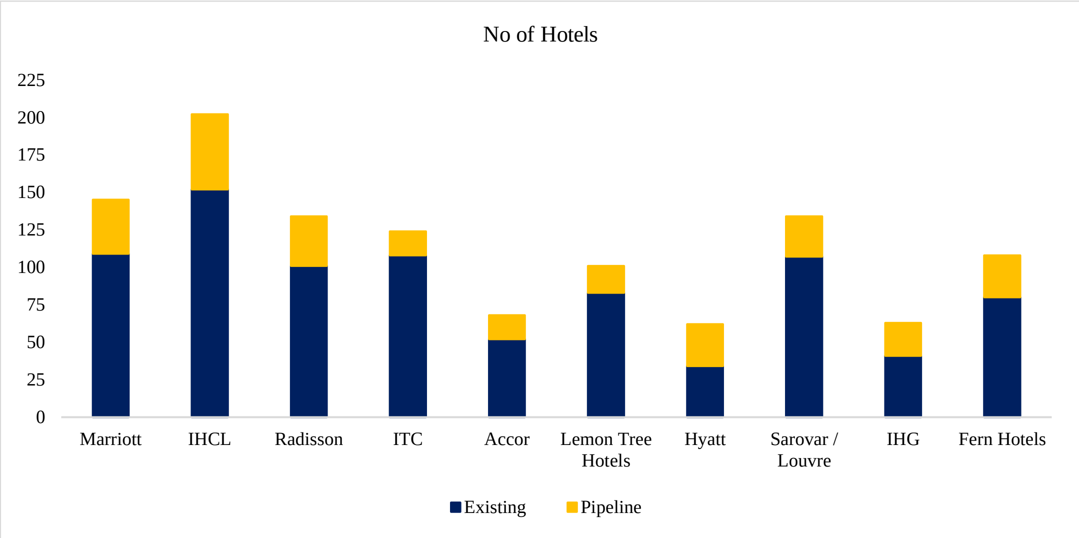
Segmental Growth (Inventory in '000)								
Category	**FY01**	**FY08**	**FY15**	**FY21**	**Sep21**	**CAGR**		
						FY01-08	**FY08-15**	**FY15 - Sep21**
Luxury	6	10	17	25	26	6.9%	7.8%	6.3%
Upper Upscale	7	10	25	30	31	6.2%	13.5%	3.0%
Upscale	5	8	22	31	32	5.7%	16.3%	6.1%
Upper Midscale	4	7	20	28	29	9.7%	16.1%	5.8%
Midscale-Economy	2	5	24	41	40	17.1%	24.2%	9.1%
Total	24	40	108	155	157	7.9%	15.0%	6.7%
% of Total								
Luxury	27.0%	25.4%	16.1%	16.1%	16.3%			
Upper Upscale	28.8%	25.8%	23.4%	19.4%	19.5%			
Upscale	21.5%	18.6%	20.1%	20.3%	20.2%			
Upper Midscale	15.5%	17.4%	18.5%	17.8%	18.3%			
Midscale-Economy	7.2%	12.9%	21.9%	26.4%	25.7%			

Source: Horwath HTL Report

Supply has deepened across different segments, reducing the supply concentration in the Luxury-Upper Upscale segment, from 56% in 2001 to 36% at Sept-21. This reduction in supply share is in spite of 43k new rooms added in this segment; better balance has arisen due to material supply growth by 27k, 25k and 39k rooms respectively in upscale, upper midscale and midscale-economy segments.

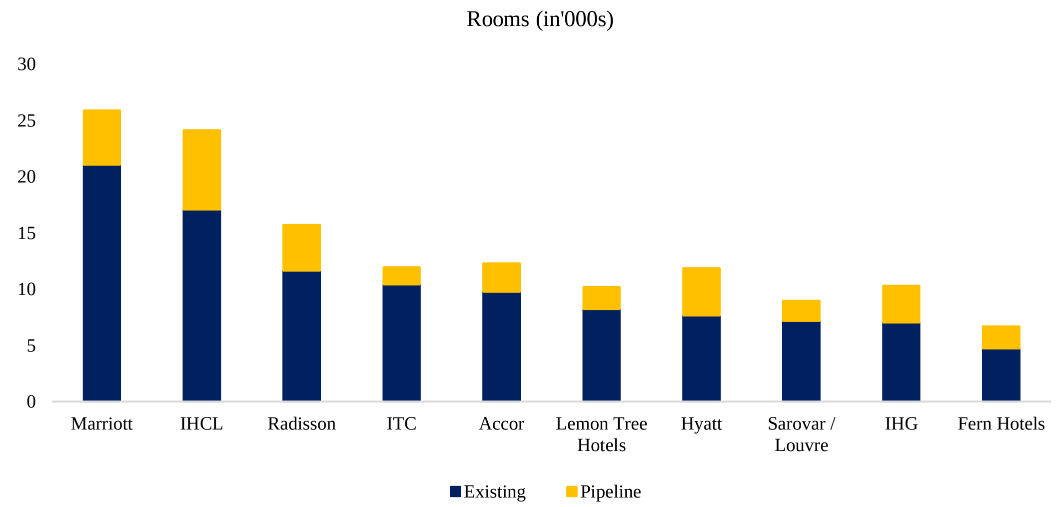
The top 10 hotel chains have 105k rooms, i.e. approximately 2/3rds of total supply. These rooms are comprised in 869 hotels. Pipeline inventory for these chains through to FY26 is nearly 34k rooms, out of total pipeline of 51k rooms for all chains. This pipeline inventory is comprised in 278 hotels Inventory of top 10 chains, as at Sep 21, is reflected in Charts below:

Top 10 Chains – number of hotels



Source: Horwath HTL Report

Top 10 Chains – number of hotel rooms



Source: Horwath HTL Report

Notes: (a) Marriott excludes hotels under Luxury Collection franchise; these are included under ITC; (b) Sarovar includes other Louvre group hotels; (c) Radisson franchises under Sarovar management are included in Radisson.

Comments:

Marriott and IHCL, as the top 2 chains, control 17% of hotel inventory and 24% of rooms inventory.

The top 5 chains control nearly 45% of chain affiliated room inventory.

Rooms Supply - by Markets

Markets	Rooms Total
Bengaluru	**15.2**
Mumbai	**13.8**
NCR	**23.4**
Chennai	**9.9**
Hyderabad	**7.7**
Kolkata	**4.7**
Goa	**7.6**
Rajasthan	**11.0**
Kerala	**5.2**
Ahmedabad	**4.0**
Pune	**7.0**
Others	**47.9**
Total	**157.3**
Major Markets % of Total Supply	**70%**
Inventory	
Top 3 Markets	52.3
5 Megacities	66.9
Emerging Megacities	11.7
Share of chain inventory	
Top 3 Markets	**33%**
5 Megacities	**43%**
Emerging Megacities	**7%**

Source: Horwath HTL Report

Note: (1) Per World Urbanisation Prospects Report (The 2018 Revision) published by United Nations five Megacities are Mumbai, Delhi NCR, Bengaluru, Kolkata and Chennai; emerging Megacities are Ahmedabad and Hyderabad (2) Top 3 markets - Mumbai, Delhi NCR and Bengaluru

Chain coverage of state capitals

Table below reflects the presence of top 5 hotel chains in the 35 state / UT capitals in India, with one or more brands:

Chain Coverage – State Capitals

Hotel Chain	State / UT Capitals (Number)
Marriott	16
IHCL	25
Radisson	15
ITC	13
Accor	11

Source: Horwath HTL Report

The leisure sector

The leisure sector has been important in driving demand and revenue revival after lockdowns during the COVID-19 pandemic. Leisure supply for the Top 5 chains in the Luxury-upper upscale segment is comprised as:

Leisure supply – Top 5 chains

	All India; All segment			All India; Luxury-Upper Upscale		
	Hotels	**Rooms (in'000s)**	**Destinations**	**Hotels**	**Rooms (in'000s)**	**Destinations**
Total	**594**	**43.9**	**126**	**126**	**13.6**	**52**
Marriott	24	3.6	13	14	2.3	8
IHCL	61	5.1	38	41	3.7	30
Radisson	35	3.7	21	10	1.5	10
ITC	50	2.8	37	3	0.7	3
Accor	12	1.9	6	2	0.3	2

Source: Horwath HTL Report

Comments:

a. On all India basis, less than 30% of inventory of rooms is in the leisure segment. Destinations are classified as leisure destinations based on their core character although certain hotels and cities may also have an element of business travel (e.g, Jaipur, Kochi).

b. 21% of hotels and nearly 31% of rooms, in the leisure properties, are at Luxury Upper Upscale level.

c. The Top 5 chains have 31% and 39% share in total leisure supply of hotels and rooms respectively. IHCL is the only chain with double-digit share on both counts.

d. At the Luxury- Upper Upscale level, (i) the top 5 chains have a material share of supply of hotels and rooms, at 56% and 63% respectively; (ii) IHCL has nearly 1/3rd of the total number of Luxury-Upper Upscale leisure hotels and over 1/4th of rooms inventory; (iii) IHCL also has much wider geographic coverage, with a spread over 30 destinations while Marriott, ITC and Accor have concentration on fewer markets.

e. IHCL inventory includes heritage palaces that have been converted to resorts; inventory of the other four chains entirely comprises properties built as hotels / resorts; (b) IHCL inventory includes resorts at five game parks. ITC inventory includes several smaller heritage hotels.

f. Leisure properties have been very beneficial in the revival of the sector during the pandemic, with strong demand, occupancy and ADR. Chains such as IHCL with reasonable owned inventory of leisure properties has gained; of course, the recent and continuing expansion by hotel chains through an asset light model has enabled owners to gain from strong earnings, with chains getter higher management fees and recognition of brand strength towards further expansion through management contracts.

International presence

IHCL is an India-owned chain, with presence in several overseas markets besides the second largest India based inventory. International presence of leading domestic chains, as at Sep 21, is summarised in the Table below:

Major domestic chains - International presence as at Sep 21

Chains	Hotels	Rooms	Remarks
IHCL	17	2,654	Resorts in Maldives, Bhutan, Sri Lanka, Nepal, Langkawi, Dubai. Hotels in London, New York, San Francisco, Cape Town and Zambia
EIH (Oberoi group)	10	1,101	Hotels in Bali, Lombok, UAE, Egypt, Marrakesh, Madina, & Mauritius. Includes 2 luxury cruises on the Nile. Upcoming in UK, Qatar, Greece.
Sarovar	3	246	Managed Hotels in Nairobi and Zambia
Lords Hotels	3	184	Three operating and one under development hotel in Nepal
Fern	5	154	Nepal, Seychelles and China; 1 upcoming in Bhutan
LTH	2	141	Hotels in Dubai and Bhutan; 3 upcoming hotels in Nepal

Chains	Hotels	Rooms	Remarks
Lalit	1	70	In UK
ITC	Nil	Nil	352 room hotel and serviced apartments under development in Sri Lanka
Leela	Nil	Nil	

Source: Horwath HTL Report

Conversions

Conversions are an important element of supply changes. Between FY15 and Sep-21, about 19.3k rooms at independent hotels were converted into chain affiliated hotels, while about 15k chain-affiliated rooms were de-flagged (i.e. chain affiliation was withdrawn); conversions have added about 4.3k rooms (net) to chain affiliated inventory.

Operating Structures

Hotels with the Top 10 chains comprise owner operated hotels, hotels under management contracts and franchise. Certain chains (mainly international chains) only operate under management contracts and franchises, while domestic chains have historically owned their hotels and have then moved to add an asset light model to their core of owned hotels. Table below reflects the operating structures of Top 10 chains based on current supply and currently available pipeline data.

Top 10 Chains – Operating Structures (based on hotels signed at date)

	31 March 15			30 Sep -21			31 March-26		
	Owned / Leased	**Managed / Franchised**	**Total**	**Owned / Leased**	**Managed / Franchised**	**Total**	**Owned / Leased**	**Managed / Franchised**	**Total**
Marriott	-	12.8	**12.8**	-	21.1	**21.1**	-	26.4	**26.4**
IHCL	10.3	2.7	**13.0**	11.9	5.2	**17.2**	13.7	10.5	**24.2**
Radisson	-	8.2	**8.2**	-	11.8	**11.8**	-	15.7	**15.7**
ITC	4.1	4.9	**9.0**	5.1	5.3	**10.4**	5.6	6.3	**11.9**
Accor	-	6.4	**6.4**	-	9.7	**9.7**	-	12.3	**12.3**
LTH	2.6	0.2	**2.8**	5.2	3.0	**8.2**	5.9	4.3	**10.2**
Hyatt	-	5.7	**5.7**	-	7.7	**7.7**	-	11.9	**11.9**
Sarovar	-	1.0	**1.0**	0.2	7.0	**7.2**	0.2	8.7	**8.9**
IHG	-	4.1	**4.1**	-	7.0	**7.0**	-	10.3	**10.3**
Fern Hotels	-	1.5	**1.5**	-	4.7	**4.7**	-	6.7	**6.7**
Total	**17.0**	**47.5**	**64.5**	**22.4**	**82.5**	**104.9**	**25.5**	**113.0**	**138.5**

Source: Horwath HTL Report

Notes: (a) Marriott excludes Luxury Collection franchise to ITC Hotels as the hotels are included under ITC owned hotels; (b) Radisson is Radisson Hotels Group and Radisson franchises under Sarovar management are *included in Radisson; (c) Sarovar includes other Louvre hotels; (d) Accor minority investment in several hotels is not considered*

Comments:

a. Hotel chains are rapidly adopting an asset-light model; managed / franchised hotels comprised 74% of total inventory at end FY15; this has increased to 79% at Sep-21 and is expected at 82% by end FY26.

b. It is possible that additional hotels will be contracted in the future, upto FY26, either through conversions or branding and management of brownfield projects taken and completed by investors and developers – to that extent the total share of asset-light hotels in total supply, and supply of individual chains, could be greater than stated above.

c. IHCL portfolio had 79% of owned / leased inventory at end FY15, which reduced to 69% at Sep-21 and would further reduce to 57% by FY26 as per the current pipeline. IHCL has doubled its room inventory of managed hotels between FY15 and Sep-21; per the current pipeline, it would again double the Sep-21 rooms inventory under management by FY26. ITC had 46% owned share at end FY15; this increased to 49% at Sep-21 and will slightly drop to 47% by FY26. LTH is also expected to significantly grow through the management contract route.

d. An asset light model insulates hotel chains from ownership cost burdens and working capital obligations; it also enables faster growth as the reliance is on third party capital for building and operating hotels. At a practical level, however, the chains must respond to business and funding issues of owners particularly in times of deep stress such as the COVID-19 pandemic; chains must render operating / policy support of course without actual funding obligations. This could result in delayed realisation of accrued fees and the occasional closure of hotels for temporary or long-term periods or sale of distressed assets.

e. Asset ownership by hotel chains enables the chains to benefit more fully from strong (and some years of even exceptional) profitability. The larger asset base itself creates an advantage unless the assets are unduly leveraged; the hotel chain also enjoys asset appreciation. While asset ownership requires the chain to carry payroll, debt service and other fixed cost burdens during low or negative business periods, the chains have potentially better ability to control the risks and related operations. As owners, the chains can implement brand standards, HR practices and philosophies and cost efficiencies without reference to another party.

f. Management contracts are a valuable growth route, providing an income stream by way of fees based on revenue and operating profits of the managed hotels. Additionally hotels make contributions to sales and marketing costs which provide a larger pool of funds for chain-wide sales and marketing efforts. Pressure for chain growth has made fees very competitive; however, the more reputed chains are more selective of their clients and are able to derive superior fees. Selectivity of contracted properties and their owners is also important to satisfy meaningful funding of the hotels, ability to cope with occasional financial stress, timely payment of management fees and achievement of longer contract durations. Hotels sold due to debt default could cause the management contract to be terminated, possibly combined with non realisation of fees for a sizeable period.

g. It is also important to highlight that IHCL, ITC and LTH are India based chains with their principal assets and business in India; several international chains in the top 10 above have sizeable India presence but this is a small share of their global portfolio.

Future supply

Supply growth was expected to regain some momentum starting FY21 to FY23, with an average of about 11.5k new rooms expected in each years. Only 3.6k rooms were added in FY21, and only 2.8k rooms in the first half of FY22. FY22 and FY23 may yet see reasonable supply growth, mainly projects in advanced completion and therefore best carried to opening (at least with partial inventory) unless the promoters have lost their funding ability; per current indications, 7.7k and 12.9k rooms are expected to be added in FY22 and FY23 respectively.

Typically, the longer duration projects see completion delays so that the effective supply growth may be smaller as projects are either dropped, delayed or downsized. As such, supply growth reflected below does not consider all the projects announced. It is important to recognise that growth of chain- affiliated supply will also occur through conversions that may be signed and implemented over a shorter period –only considering properties that are signed at date, but additional conversions can be expected to occur.

Some de-growth would likely occur as existing hotels are closed; it is expected that majority of these will be transacted as hotels with possible change of brand or positioning; as such, no reductions from permanent closure of hotels have been considered . For future demand calculation, only modest temporary closure of hotels has been considered.

Based on data available, assessment of expected project status and timings, and likely phased completion of larger projects, the future supply of chain-affiliated hotels is summarised below.

Future Supply (inventory in '000s)

Category	FY19	FY21	Sep-21	FY26	CAGR			
					FY15 - FY19	FY01-FY21	FY19 - FY26	Sep21 - FY26
Luxury	23	25	26	31	7.6%	7.0%	4.4%	5.8%
Upper Upscale	28	30	31	38	3.0%	7.7%	4.1%	6.0%
Upscale	30	31	32	44	8.1%	9.5%	5.8%	9.7%
Upper Midscale	28	28	29	39	9.3%	10.6%	4.7%	9.2%
Midscale-Economy	34	41	40	56	9.7%	17.2%	7.4%	9.9%
Total	**144**	**155**	**157**	**208**	8.2%	9.8%	7.7%	8.4%
Segmental share								
Luxury	16.1%	16.1%	16.3%	15.0%				
Upper Upscale	19.7%	19.4%	19.5%	18.0%				
Upscale	20.6%	20.3%	20.2%	21.1%				
Upper Midscale	19.8%	17.8%	18.3%	18.8%				
Midscale-Economy	23.8%	26.4%	25.7%	27.1%				

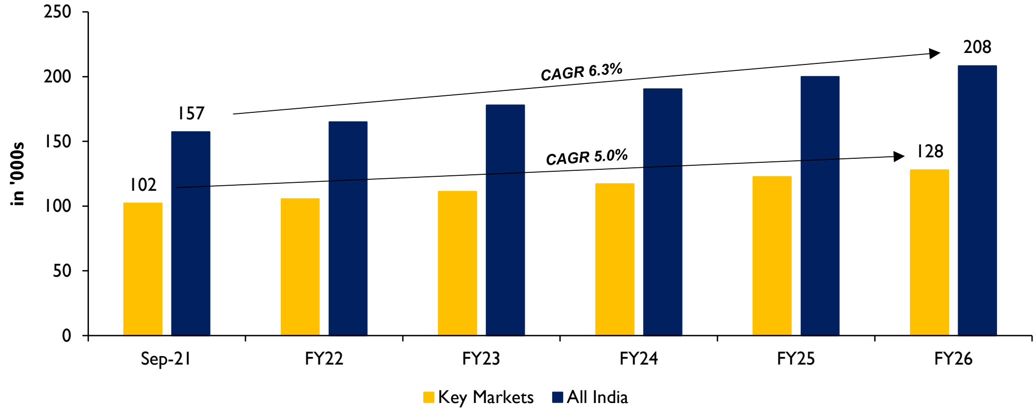
Source: Horwath HTL Report

The pace of supply growth is materially slower than the average pace of growth for the previous 2 decades; the upscale segment is the only segment where growth is expected to outpace the past average.

While growth between Sep-21 and FY26 may appear sizeable, it must be recognised that projects due for completion in FY20 and FY21 have been materially delayed and have piled up for completion; the pace of this completion will be moderated over the next 24 to 30 months. It must also be highlighted that 7% CAGR for FY15-Sep-21 is materially lower than previously anticipated because of the sharp slowdown since March 20.

Projected supply growth is reflected in the chart below:

Expected Supply – All India, All Segments (Inventory in 000s)



Source: Horwath HTL Report

Key Markets: Mumbai, Delhi NCR, Bengaluru, Chennai, Hyderabad, Kolkata, Goa, Rajasthan and Kerala

Key elements of projected supply are summarised in table below

Projected Supply Key Elements (inventory in '000s)

	Sep 21	FY26
Key Markets	98	124
Other Markets	59	85
Total	**157**	**208**
Key Markets supply share - overall	63%	59%
IHCL inventory - % in Key Markets	64%	62%

Source: Horwath HTL Report

<u>Comments on Future Supply</u>

a. Supply growth is mainly expected in upscale, mid-priced and economy segments; these comprise about 75% of pipeline inventory.

b. Material supply growth will occur outside the Key markets, which will see a three percentage point decline in overall supply share. This bodes positively for the industry as newer towns and leisure destinations will be covered by chain affiliated hotels.

c. The top 10 chains have about 66% of pipeline inventory. The top 5 chains contribute 40% of the pipeline; IHCL has the largest pipeline share at 14%.

Demand

Future Demand

Typical estimation bases for future demand have limited relevance under prevailing operating conditions, with uncertainties concerning health, business travel and international travel. Accordingly, estimates of future demand are based on demand achieved in FY19, gradual recovery to that level (from the sudden dip that occurred in FY20, and the sharp decline in FY21, and subsequent growth. Estimates of the pace of recovery and subsequent demand growth are given in Table below:

Demand Recovery / Growth estimates – relative to FY19 demand

Year	Projected Demand Recovery
FY22	71%
FY23	92.5%
FY24	115%

Year	Projected Demand Recovery
FY25	130%

Comments:

- Recovery assumed at 80% for rest of FY22 assuming that there are no severe further waves of the pandemic.
- For FY23 15% growth assumed in recovery over FY22.

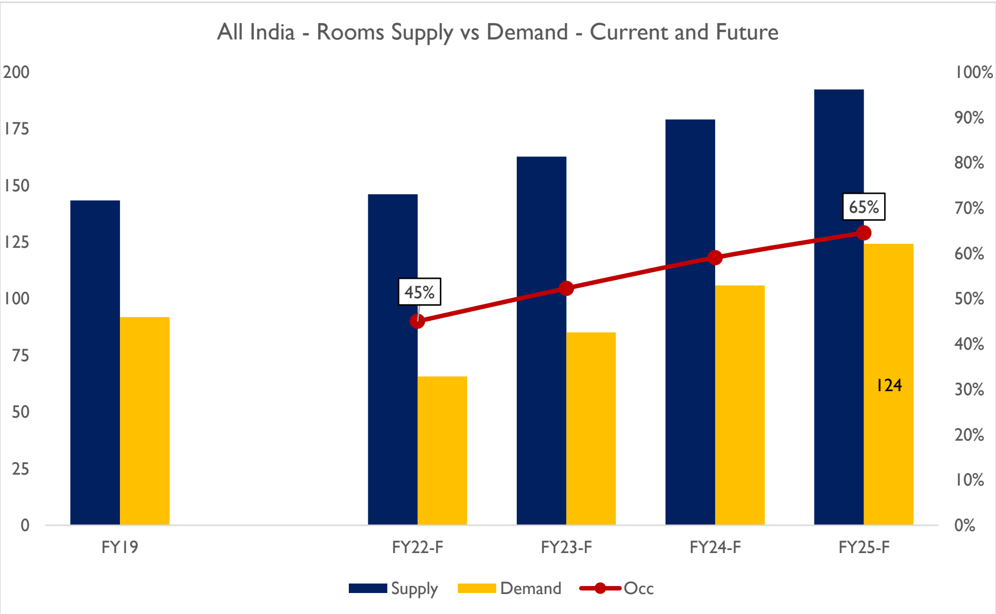
The Table below summarises the supply and demand CAGR for previous and future 5 years

Supply and Demand CAGR

CAGR	FY16-FY20	FY20-25
Supply CAGR	6.5%	5%
Demand CAGR	6.7%	6.4%

Based thereon, and with reference to estimates of Future Supply described earlier, the occupancy estimates upto FY25 evolve as reflected in Chart below:

All India – Rooms Supply vs Demand – (FY22–FY25)



Source: Horwath HTL Report

Overview of Some Key Impact Factors

a. **Distressed Assets** – Distressed assets are inevitable in a capital intensive industry, more so as newer owners enter the sector or existing owners move into newer categories or expand without adequate support. The pandemic has heightened distress and added further to previously stressed assets. Distress has many causes – lack of business and revenue when travel is severely restricted and hotels are shut, high interest rates, short debt terms, project cost escalations due to approval delays and execution issues, under estimation and funding of project costs, overly optimistic demand estimates, external impact on market conditions and demand growth, and others.

Stressed assets will create acquisition and asset consolidation opportunities for stronger players, Funds, and HNIs – provided valuations are right. Institutional funds may work with larger hotel companies to pursue acquisition options that would include brownfield projects, thereby rescuing incomplete projects and adding to inventory. Consequently, there may be reduced equity availability for new projects.

b. **Manpower Shortages**: Manpower shortages are increasing, particularly staff and managers with sufficient operating experience and skills for hotel. This poses limitations for all hotels but more specifically for hotels operated by owners as independent properties. Manpower availability will also force greater efficiency in manning and labour costs to the benefit of hotels.

c. **Cost rationalisation**: During the pandemic, several cost rationalisation measures were introduced by hotel chains. As operations and business revives chains will remain cognisant of the need for balance between cost and service. While salary reductions will need to be restored, and increments given, staffing levels are expected to remain lower than prior to the pandemic. Energy cost efficiencies are expected to remain in place as also certain fundamental changes to brand standards and processes. Hotel groups have implemented clustering of various activities and these efficiencies would continue to operate and provide value. Of course, core service elements that are key to the product and brand appeal will be restored. Thus, a judicious mix of cost correction, and yet continuance of key rationalisation approaches, are expected to continue to help operating margins.

Key Demand Drivers

Demand for hotels arises for various purposes, principally:

- Business related travel, on transient and extended stay basis
- Leisure
- MICE
- Weddings and other social purposes
- Diplomatic travel
- Airline crew
- Transit

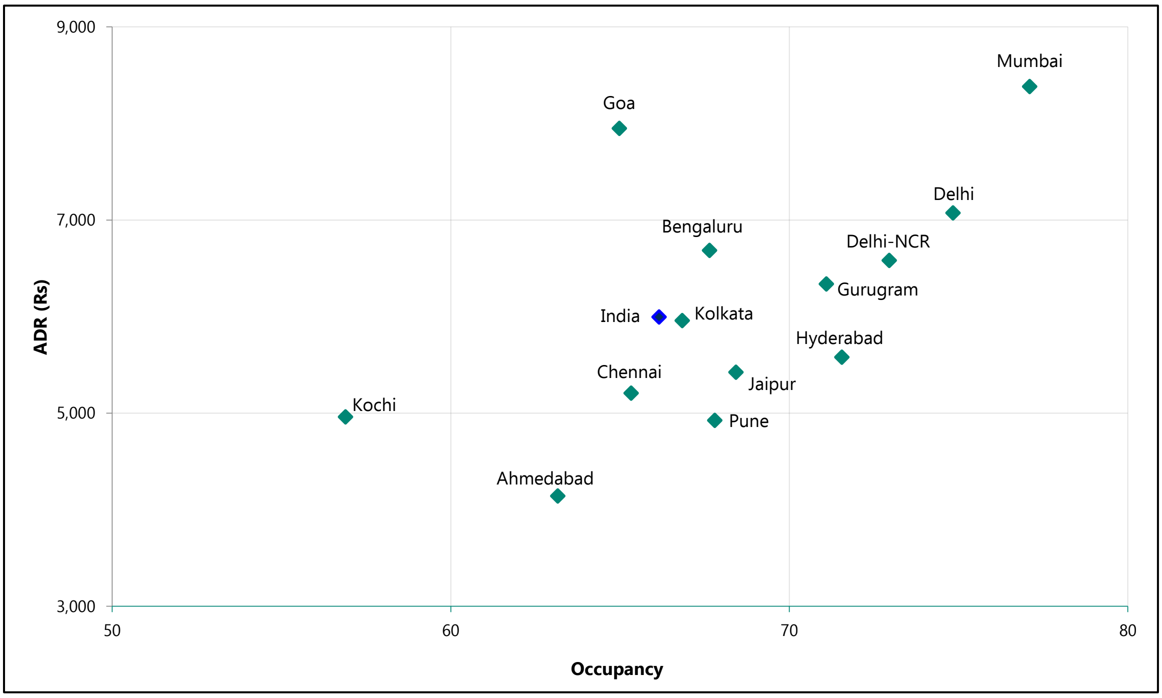
Market Performance Analysis

This section provides an analysis of the performance of hotels on all India basis and for select markets. As data availability varies for different markets and segments, data provided may cover different periods for various markets / segments.

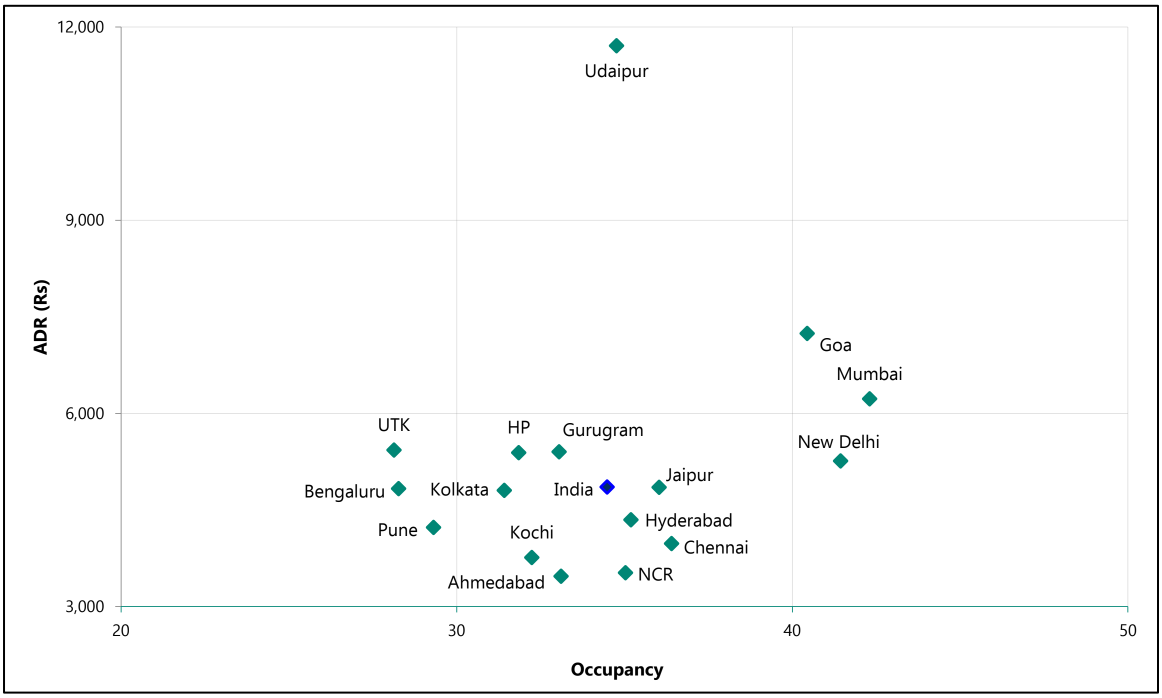
All India and Key markets

Charts below show occupancy and ADR for key markets, and all India performance for CY19 and CY20 respectively

Performance of Select Markets – Calendar Year 2019



Source: India Hotel Market Review Report 2019 by STR and Horwath HTL Report **Performance of Select Markets – Calendar Year 2020**

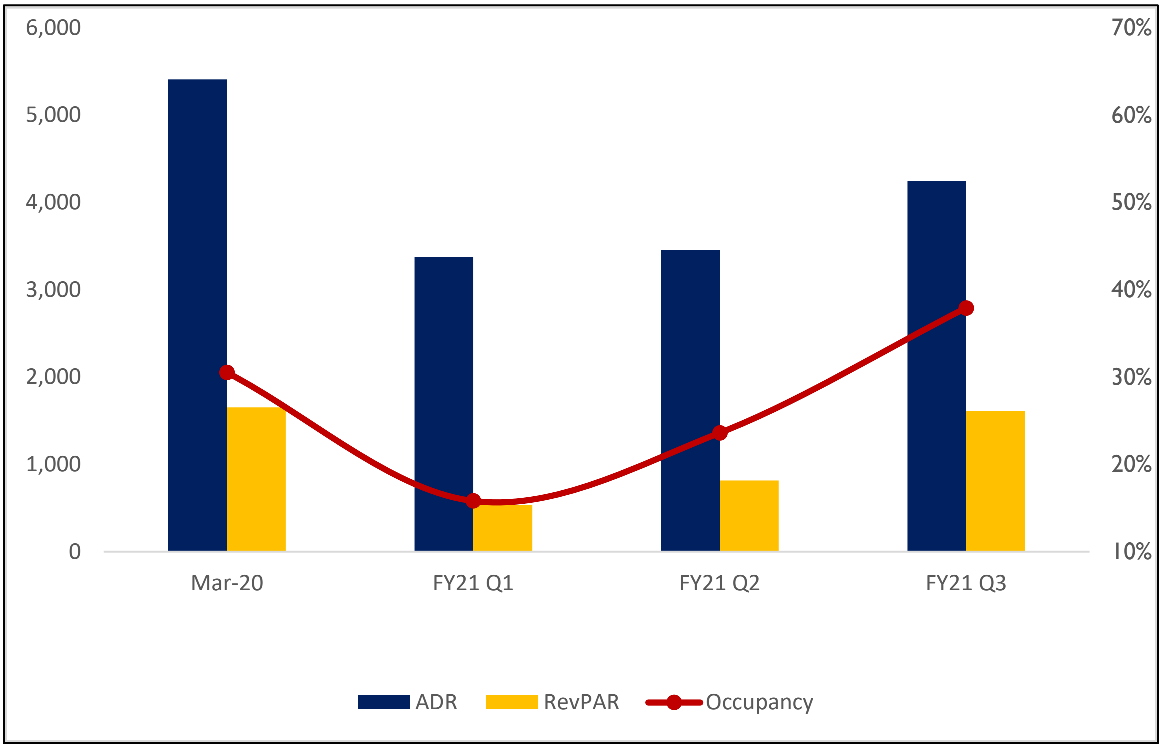


Source: India Hotel Market Review Report 2020 by STR and Horwath HTL Report

All India occupancy declined from 66% for CY19 to 34.5% for CY20; the decline was even greater post pandemic, with March-December 20 occupancy at 28%. All markets suffered heavy occupancy decline which is to be expected when hotels are closed for several weeks / months and travel was heavily constrained from end March to September 20. All India ADR declined by 19% on full year basis but by about 32% for the pandemic period.

All India performance during the pandemic period, in Chart below, shows the results of operation for March 20 and for the three quarters from April 20 through December 20.

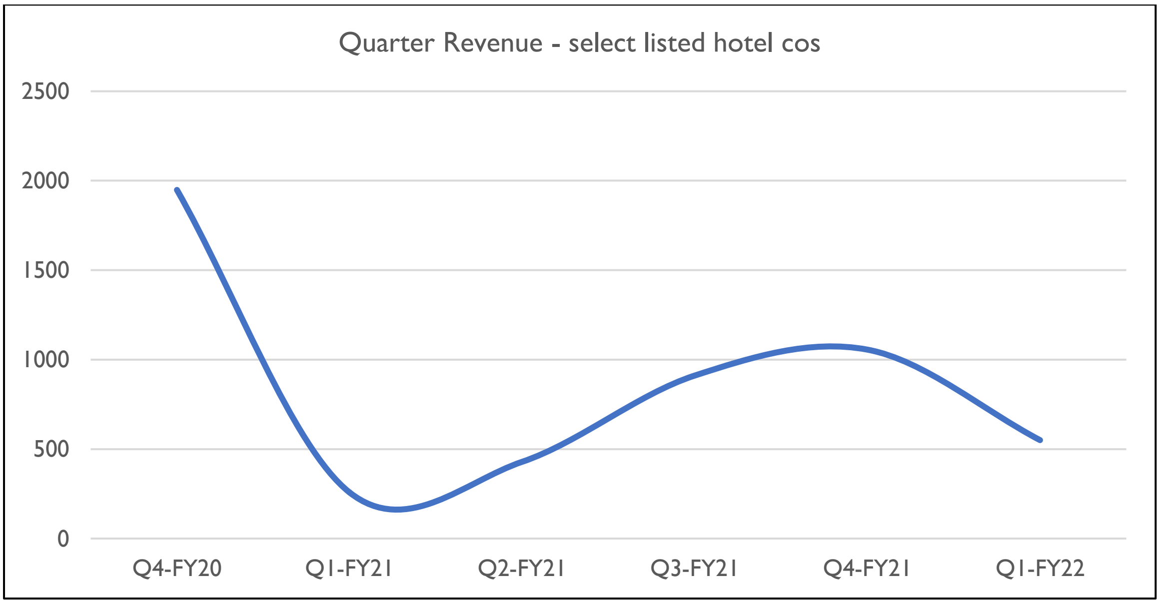
Quarterly Performance (April-December 20)



Source: India Hotel Market Review Report 2020 by STR and Horwath HTL Report

Reported quarterly revenues for select listed hotel companies (IHCL, EIH Ltd, Lemon Tree Hotels ltd., Chalet Hotels Ltd, Asian Hotels North Ltd and Asian Hotels East Limited) reflects the impact and recovery of revenues over several quarter since the pandemic. This is reflected in Chart below:

Quarterly Revenues – select listed hotel companies

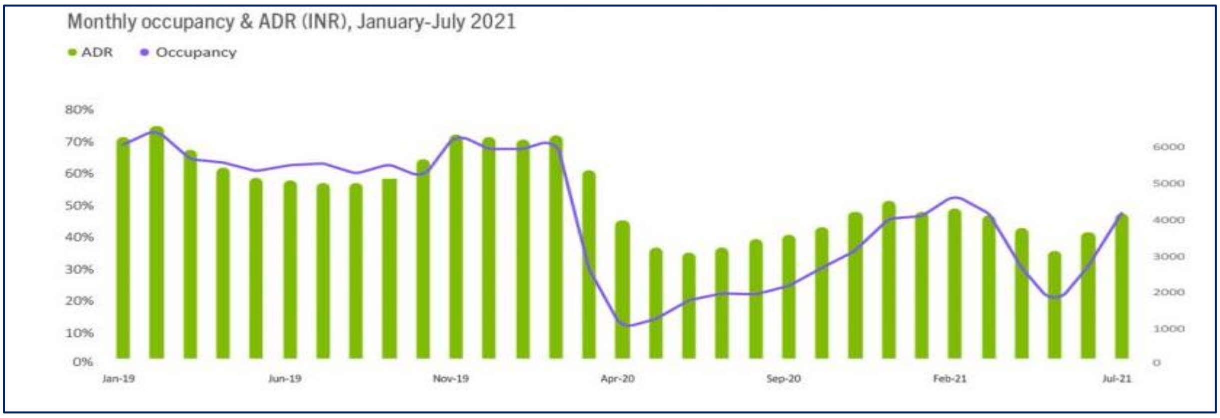


Source: Quarterly Reports of select listed hotel companies

Aggregate revenue declined from Rs. 1,949 crores for Q4-FY20 to Rs. 258 crores in the quarter to June 20. It recovered particularly well starting October 20 so that quarters ending Dec 20 and March 21 reflected good recovery. Revenues for quarter ended March 21 were 54% of revenues for quarter ended March 20. While revenues for June 21 quarter again declined on the impact of the second wave, these were 214% of the revenues of the corresponding quarter of the previous year (i.e. quarter ended June 20).

Chart below reflects occupancy recovery post lockdowns in June 20 quarter, the healthier performances post September 20, impact of the second wave and the sharp recovery in July 21. The understanding is that the recovery trend has continued in August and September 21.

Chart 12 – Monthly Occupancy and ADR – Jan-19 to Jul-21



Source: STR

Outlook for Key Markets

This section sets out Horwath HTL's outlook for Key Markets. Uncertainties associated with COVID-19 pandemic causing business, movement, and related travel restrictions within India and for overseas travel are difficult to foresee with any degree of material certainty and could therefore cause the outlook to change. Horwath HTL has therefore sought to provide a more long-term view rather than only an immediate term view.

Some key overarching factors which will impact demand and rate recovery, overall revenues and profitability are:

a. Resumption of business and leisure travel:

With deeper reach of vaccinations, corporate travel is expected to modestly resume in Q1-22 and gradually gain momentum through CY 2022. SME business travel has already partially resumed and could continue growing from mid-November 2021, unless a severe third wave occurs. Resumption and recovery of corporate travel, including inbound travel is critical for markets such as Bengaluru, Gurugram, Pune and Hyderabad; it is also materially important for other metro cities. Inbound leisure travel will be slower to recover – reasonably, long-haul demand flow can be expected in Q4 of CY22 and to gradually gain momentum towards a substantial recovery in FY24.

b. Recovery of Inbound travel

Hotel occupancies in business cities, and ADR levels in leisure resorts will benefit from recovery of inbound travel. It is expected that the government will permit limited inbound travel (by charter flights) from mid to late October and will allow scheduled international flights to resume from mid-November 21. Inbound business travel can be expected to resume early in 2022, gaining confidence from wider vaccine coverage in India; travel policies of American companies would determine the pace of recovery over the rest of 2022. Limited leisure travel can also be expected to arise post November 21, particularly at the higher end visitors, recovery momentum will truly occur from October 22. It is reasonably expected that inbound travel would have materially recovered by FY24, with completion of recovery and even growth by FY25. Stronger business investment opportunities in India could well accelerate the pace of recovery, to the benefit of the hotel industry.

c. Domestic Leisure

Domestic leisure can be expected to remain strong over the foreseeable future, although demand composition could change as re-opening of schools curtail options to combine remote based work with family leisure. Further, resumption of corporate travel and gradual return to offices will also limit the use of leisure resorts on extended basis – however, staycations may not be impacted, or could even partially replace use of resorts in leisure destinations. The extent and pace of moderation will depend upon pace of resumption of normal activities whereby free movement for work, education and recreation is allowed across the country. Material restrictions and lockdowns create pent-up demand which generates strong leisure and recreation travel and revenue flows. Some moderation may also occur from the increasing ability for Indians to travel overseas, although several commonly used destinations are yet closed and will take longer to resume operations. Besides, the domestic market has a better understanding and appreciation of many leisure options available in India, duly helped by new developments of quality resorts and destinations. Thus, domestic leisure can be expected to continue to be a significant integral part of leisure travel plans of the domestic market.

d. Weddings and MICE

Weddings and social business is expected to rebound very quickly once restrictions are removed. MICE travel and demand will take longer to recover as companies remain cautious about large in person meetings and events, seminars and conferences. Smaller meetings and events have started to occur and will gather pace as business travel itself gains momentum. The inbound MICE travel is not expected to resume till Q4 of CY22 and to regain substantial volumes till Q1 of CY25.

e. Crew Demand

Crew demand will steadily increase as more domestic flights and sectors are added. Resumption of inbound scheduled flights will materially add to crew demand.

In the foregoing background, outlook for different markets is set out below:

<u>Mumbai</u>

Continued recovery momentum, gaining pace as corporate travel and inbound travel resumes, and achieving year-round occupancy recovery to pre COVID-19 levels for FY24. ADR recovery to pre COVID-19 levels will take further 12 to 15 months unless MICE recovers more quickly. Supply pipeline is more medium and long-term in nature, and ownership stress on some assets could curtail the supply side; if this were to continue through several months, overall recovery could be faster.

<u>New Delhi</u>

Gradual occupancy recovery to pre COVID-19 levels only by FY24 considering that diplomatic travel, MICE and leisure group moments will recover more slowly. ADR recovery to pre COVID-19 levels only by FY25. Weddings demand will remain strong.

While some demand shift could arise as Jewar airport is commissioned (projected as Q3-2024), this could possibly even add further overall travel momentum into the market. Completion in the next 36 months of DMRC led convention centre on Dwarka Expressway, and completed upgrade of Pragati Maidan will add significant demand basis for MICE growth in the city.

<u>Bengaluru</u>

Being heavily dependent upon corporate travel and some MICE demand, with very limited alternate demand, occupancy recovery is materially dependent on pace of business travel. The city also has new hotel projects in advanced completion stage, and which will therefore open for business. With gradual demand recovery and growing supply base, overall rebound may only occur by FY25; however, if international business travel gains strong momentum, then a much speedier recovery is possible. Further, performances can vary by micro-markets and could see better recovery in some micro-markets.

Chennai

The city centre market is robust and could reasonably recover occupancy by FY24; ADR recovery may take through 2025, particularly as soft occupancy in OMR micro-market may curtail rate growth. OMR micro-market is heavily IT/ITES dependent, with supply that grew much faster than demand; recovery to reasonable occupancy levels could likely be pushed to FY25, materially dependent upon resumption of inbound and domestic corporate travel by international IT companies. Resorts along ECR, will continue to enjoy healthy business conditions from a combination of leisure, staycation, long stay and other uses.

Hyderabad

Hyderabad has similar business issues as Bengaluru, with two exceptions (a) half the inventory base and a modest pipeline; (b) multiple new business projects that may catalyse faster demand recovery. As such, the city may reasonably regain pre COVID-19 occupancy by FY24 and pre COVID-19 ADR by FY25.

Gurugram

This market is very materially dependent upon resumption of business travel and strong MICE, weddings and social demand; these also enable high luxury upper upscale ADRs. Gurugram has a strong IT / ITeS base, but also reasonably diversified presence of BFSI and manufacturing business. Recovery could be similar to Hyderabad, though ADR recovery could take longer because of material reliance on inbound business travel.

Kolkata

As a market which draws material strength from weddings and MICE demand besides business travel, the weddings market could recover promptly once event size restrictions are removed; MICE recovery could take longer due to general factors noted earlier. With strong weddings base, rate recovery could also occur more quickly than for other cities. Kolkata has normally absorbed new supply in a meaningful way.

Goa

Resorts in Goa have fared extremely well through all periods of COVID-19 pandemic when operations were permitted. With sizeable pent-up demand for leisure, and the appeal of Goa as a destination it is expected the market to enjoy very positive occupancy and ADR levels with little impact from any demand moderation that may occur for the leisure sector as outlined earlier. Partial or gradual reopening of MICE, and the casinos in Goa, will very adequately compensate any dilution of pure leisure demand.

Rajasthan

Rajasthan is also expected to enjoy strong performance and recovery, particularly in the main markets such as Jaipur, Udaipur, Jodhpur, and Ajmer. Luxury ADRs will remain strong in Udaipur, Jaipur & Jodhpur. Expanded air connectivity to south and east India, the market's heritage attractions and hotels (including palace hotels and other award-winning hotels) are a major draw. Weddings and social demand will remain strong; recovery of inbound leisure and MICE will help sustain growth. While all segments will benefit, luxury and upper upscale resorts could gain materially from demand trends expected for Rajasthan.

Kerala

Continued health challenges from COVID-19 pandemic and other natural / health related events, have impacted the state over the last 4 years. The leisure, weddings and MICE attractions are many; however, frequent and continuing negative occurrences are curtailing the performance of the state. Pre COVID-19 levels were moderate and could be regained by FY24. The state has substance for supporting larger tourism flows and values and could gain from concerted action and efforts towards greater positivity and demand push for the destination.

OUR BUSINESS

Overview

We are one of the leading hospitality chains in India by number of hotels (*Source: Horwath HTL Report*) focussed on being a dynamic hospitality ecosystem. We are primarily engaged in the business of owning, operating and managing hotels and resorts primarily under various brands including, our flagship brand "*Taj*". The Company was incorporated in 1902 and is promoted by Tata Sons Private Limited, which held 38.09% of the Company's shareholding as of September 30, 2021.

Our first hotel, the Taj Mahal Palace, Mumbai, commenced operations in 1903. In the past few decades, we have expanded geographically to register our presence in key travel destinations both in India and internationally. We have also converted or restored former royal palaces in India into flagship hotels. Some of our marquee hotels which are operated out of former royal palaces include Rambagh Palace, Jaipur, Umaid Bhawan Palace, Jodhpur, Taj Falaknuma Palace, Hyderabad and Taj Lake Palace, Udaipur. In addition to the palace hotels, many hotels are located in iconic or heritage buildings, such as the Taj Mahal Palace, Mumbai, The Pierre, New York or the Taj Cape Town, South Africa. In 2004, we launched hotels under the brand, "*Ginger*", formerly, "*Indione*", to cater to the budget segment. We have, over time, systematically invested in creating assets directly or through subsidiaries, joint ventures or associates in both India and international locations. As of September 30, 2021 we operated or managed 170 hotels and resorts globally with approximately 19,774 rooms with a presence across various geographical segments, including beach resorts, hill stations, wildlife sanctuaries, major cities and tourist destinations. Of this, we have 17 international hotels with 2,654 rooms in 13 international locations.

The spirit of "*Tajness*" – and values of Trust, Awareness and Joy, define a common philosophy across all our hotels to ensure our customers are able to have the same experience across our hotels. We operate our hospitality business through our hospitality brands of "*Taj*", "*SeleQtions*", "*Vivanta*" and "*Ginger*" as well as the recently launched "*amã Stays and Trails*". In addition, we also operate restaurants and our food and beverage business under brands such as Golden Dragon, Wasabi by Morimoto, Thai Pavilion, House of Ming, Shamiana. Recently, we launched "*Qmin*", a repertoire of culinary offerings, delivered to homes using a proprietary Qmin mobile application and also has an offline presence through shops and food trucks. We launched a global version of "*The Chambers*", an exclusive business club in eight cities granting members exclusive benefits and privileges. In addition, we operate spas under the "*Jiva*" brand, shops under "*Khazana*", salons under "*niu&nau*" and cater to airlines from "*TajSATS*", through our joint venture Taj SATS Air Catering Limited. In 2021, "*Taj*" has been rated as the World's Strongest Hotel Brand by Brand Finance, the world's leading brand valuation consultancy in its annual 'Hotels 50 2021' report and ranked as #1 hospitality brand in India in its 'India 100 2021' report.

We undertake our business through direct ownership of hotels, lease arrangements, licensing arrangements and operating/management contracts and franchises. These diverse modes of business operation complement each other and enable us to efficiently capitalise on our brand for achieving sustained growth. We have taken up operating and management contracts in the last few years in order to move to an asset-light model and propose to undertake future expansion largely through development of our existing land bank, utilisation of the unutilised floor space index in our operating hotels and through management contracts.

We have won several awards for our hospitality operations and governance in India and internationally. For further details, please see the section entitled "*Our Business – Awards*" on page 101.

The total income for the financial year ended March 31, 2020, on a consolidated basis, was ₹4,595.56 crore and the profit after tax (attributable to owners) was ₹354.42 crore. Our financial results for the financial year ended March 31, 2021 and the six months ended September 30, 2021, was impacted by the COVID-19 pandemic which impacted global economy, including travel and tourism due to which our financial performance dropped significantly. On a consolidated basis, our total income was ₹1,739.88 crore for the financial year ended March 31, 2021 as compared to ₹4,595.56 crore for the financial year ended March 31, 2020 and our total income was ₹1,122.58 crore for the six months ended September 30, 2021 as compared to ₹498.88 crore for the six months ended September 30, 2020. The revenues have shown an upward trajectory during the second quarter of FY 2021-22.

Our Competitive Strengths

Strong and Well-Established Brand in the Hospitality Industry, Backed by Service Excellence

We are one of the oldest hotel chains in India with our flagship brand "Taj" being ranked as #1 hospitality brand in India (*Source: Brand Finance 'India 100 2021' Report*). Our hotels are renowned for their well-appointed properties, warm customer service and customer experience. This is reflected through several awards won over the years by our hotels and restaurants in India and internationally. In 2021, "Taj" has been rated as the World's Strongest Hotel Brand by Brand Finance, the world's leading brand valuation consultancy in its annual 'Hotels 50 2021' report. Moreover, "Taj" ranked #1 among the strongest brands in India across all sectors in 2020 and ranked #2 in the same category in 2021. We also believe that we derive significant reputational benefit as a result of being a Tata Enterprise. Our brands and our parentage, we believe, have also been our strength through the COVID-19 pandemic.

Our competently trained, motivated and performance-oriented staff delivers high quality and personalised service to our customers. We have strong food and beverage capabilities with a wide variety of cuisines. Our hotels undertake innovative customer engagement activities on a regular basis and in the past, these have included (i) unique local experiences, such as homestays, nature trails and excursions, (ii) alternative dining experiences, (iii) themed parties for the guests, (iv) integrated holiday programmes, and (v) wellness themes.

Diverse and Expansive Locations of our Hotel Properties, of which some are situated in Iconic Buildings

We have presence in approximately 90 locations, which provides us with a comparative advantage over our competitors in this respect, as achieving this scale of presence would require significant capital expenditure. We have also undertaken selective expansion, both domestically and internationally, in locations such as in Goa, Kerala, Rajasthan, Andamans and Maldives. We have the ability to service a diverse customer base as each of our hotels cater to distinct price points and customer requirements. Our presence across the pricing spectrum provides us with the ability to cater to our customers' diverse requirements based on their respective purpose of visit and propensity to spend. This allows us to offer our customers a wide bouquet of pricing options in each city, which is a unique capability and we believe it is unmatched by our competitors. The table below provides an illustration of the number of our operational hotel in key locations in India, as at September 30, 2021:

Key Locations	Number of operational hotels
Goa	10
Mumbai	8
Bengaluru	8
Chennai	8
New Delhi	7
Jaipur	6

Our hotels are also located at key international travel destinations, such as London, New York, San Francisco, Dubai, Sri Lanka, Maldives, Bhutan and Nepal. This provides us with the ability to tap international customers and cross-sell our hotels, including those located in India. Additionally, some of our hotels are housed in iconic or heritage buildings, such as Taj Mahal Palace, Mumbai and The Pierre, New York, and original royal palaces, which include Rambagh Palace, Jaipur, Umaid Bhawan Palace, Jodhpur, Falaknuma Palace, Hyderabad and Taj Lake Palace, Udaipur. We believe that such locations greatly enhance the attractiveness of our properties to customers. Moreover, due to the location of our hotels in diverse geographic locations, which encompass beach resorts, hill stations, wildlife sanctuaries, major cities and tourist destinations, we have the ability to cater to the requirements of a broad customer segment. Some of the key destinations which provide us with this ability include:

Type of Destination	Location of Some of our Hotels
Beach Resorts	Goa (India), Bekal (India), Bentota (Sri Lanka) and Emboodhu Finolhu (Maldives)
Hill Stations	Coonoor (India), Coorg (India), Ooty (India), Srinagar (India), Theog (India) and Thimpu (Bhutan)
Wildlife Sanctuaries	Bandhavgarh (India), Kanha (India), Panna (India), Pench (India), Chitwan National Park (Nepal), Gir Forest (India), Corbett (India), and Sawai Madhopur (India)
Major Cities	*Indian*: Bengaluru, Chennai, Mumbai, New Delhi, Hyderabad and Kolkata *International*: Cape Town (South Africa), Colombo (Sri Lanka), Dubai (UAE), London (England), New York (USA) and San Francisco (USA)
Tourist Destinations	*Indian*: Ajmer, Amritsar, Jaipur, Jodhpur, Kumarakom, Rishikesh, Varanasi, and Udaipur

Type of Destination	Location of Some of our Hotels
	International: Langkawi (Malaysia)

Strong and Diversified Food and Beverage Capabilities

Over the years, we have created multiple brands within our food and beverage operations, many of which have been award winning restaurants. Along with our flagship hospitality brands, we have created a framework to maximise the potential of these brands by moving from being a branded house to a house of brands. Some of the restaurants operated by us include Bombay Brasserie, Golden Dragon, Thai Pavilion, Shamiana, Southern Spice and Machan. Our restaurants not only cater to guests, resident in our hotels, but also are very popular with our non-resident patrons. Our dining program, Epicure, which grant several dining privileges and benefits to members, is very well accepted among our customers. As of September 30, 2021, we operated approximately 400 restaurants in our hotels, offering a variety of cuisine, including ethnic Indian, Chinese, Pan Asian, Thai, Japanese, Mediterranean and Italian. Our food and beverage revenue contributed to a significant proportion of our total income during the financial year ended March 31, 2020.

We have also entered into exclusive partnerships with premium brands to create co-branded spaces within our hotels. In order to cater to the younger generation, we have recently launched Seven Rivers in partnership with Anheuser Busch InBev India Limited, to set-up an on-site chain of microbreweries at our hotels. The first such brewery was launched at Taj MG Road, Bengaluru. Additionally, we have entered into partnerships with celebrated and premium brands for creating co-branded lounges within The Chambers.

Our food and beverage capacity is complemented by our food delivery mobile application – Qmin, which enables customers to place food orders from our portfolio of restaurants and cloud kitchens. Under the "*Qmin*" brand, we also provide services to corporates to organise virtual celebrations across cities, launch festival menus and provide offline distribution channels such as Qmin Shops and Qmin Food Trucks.

We believe that our restaurants and other food and beverage services have developed a strong brand image and gained customer loyalty due to high quality of food served by them and their ambience. Our food and beverage capabilities are backed by experienced, well-qualified and renowned chefs employed by us.

Well Developed Sales and Marketing Function

We have a well-trained sales and marketing team whose functions are divided into sales, marketing, revenue management, digital marketing and social media, public relations and customer relationship management. Due to well defined functions, our sales and marketing team provides impetus to our occupancy percentages. Our sales and marketing network also has an international presence, which provides us with the unique ability to cross-sell our domestic hotels to international travellers and vice-versa. We also have a comprehensive reservation network, which augment our marketing efforts. We have a worldwide reservation team, which is available 24x7 and is accessible through toll free numbers in various countries. Additionally, customers can also make reservations through reservation desks operated at each of our hotels, through global distribution systems for participating hotels, our website (www.tajhotels.com) and online travel portals. All of these modes of reservations are connected to a central reservation system which enables us to manage our global inventory of rooms in real-time. The strength of our sales and marketing infrastructure is also reflected by our customer loyalty programmes - Taj Inner Circle and Epicure, which we have introduced for our patrons.

Integration of Technology and Digitalisation

We have introduced digital technologies towards adopting a culture of innovation to provide improved services and optimise processes. Through increased digitalisation, we provide seamless, contactless and improved experiences to our customers. These technologies include "*I-ZEST*", a zero-touch service transformation and "*Qmin*", a food and beverage delivery mobile application. Through "*I-ZEST*", we provide a suite of digital solutions across our brands, focussing on the safety of our customers. This application enables us to provide offerings such as zero-touch check-ins and check-outs, mobile door keys, digital invoicing, online payment options and QR codes for digital menus in restaurants.

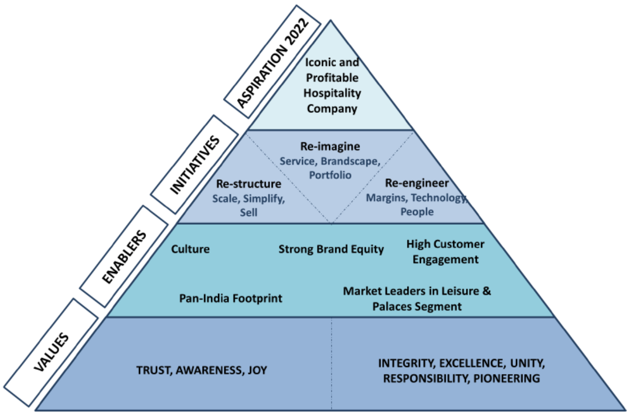
Experienced Management Team and Customer Centric Employees

Our operations are managed by a team of experienced and professional managers with significant experience in the hospitality industry. We believe that our management team has been able to identify opportunities which will, in conjunction with the management's operational expertise, continue to yield positive results for us. We believe that our human resource development programmes, which include e-learning initiatives and leadership and talent development programmes have fostered an enviable workforce. We have also employed various integrated mechanisms to receive and evaluate customer feedback and utilize that to nurture customer centric employees.

Our Business Strategy

Aspiration 2022

Our Board, in February 2018, set our aspiration to be '*The Most Iconic and Profitable Hospitality Company in South Asia*', through Aspiration 2022, by leveraging our strengths and competitive advantages to maintain our position as a market leader. Our aim was to pivot our Company towards a fresh direction of – accelerated aspirational growth, iconic status and a path to profit.



Aspiration 2022 was enabled by our strengths and built on a value system, including, "*Tajness*" - Trust, Awareness and Joy, which defines a common philosophy across all our hotels to ensure our customers are able to have the same experience across our hotels. Our strategy is focused on three key initiatives:

- *Re-structure Growth*: We sought to grow our portfolio by signing approximately 15 properties a year and develop a strong pipeline along with sustained property openings. Our objective is to pursue growth through an asset light model and move to an equal proportion of asset ownership and management properties within our portfolio.

- *Re-imagine Brandscape*: We sought to bring clarity in our brandscape by (i) establishing the supremacy of our brand "*Taj*", which caters to the luxury to upper upscale segment; (ii) clarify the positioning for "*Vivanta*", catering to the upscale segment, (iii) upgrade "*Ginger*" from an economy to lean luxe segment; and (iv) introduction of "*SeleQtions*", a named collection of niche hotels. We moved from being a branded house to a house of brands by reimagining our brandscape across accommodations, food and beverages and ancillary businesses.

- *Re-engineer Margins*: Our focus on margin expansion required improving our EBITDA margins contributed by revenue and cost initiatives. On the balance sheet, our attempt was towards simplification of holdings and monetisation of non-core assets and hotel assets. Towards this end, we may set up a strategic partnership with financial investors for the purposes of acquiring assets from the market with a 30% equity contribution from us. The platform permits monetisation of a couple of assets from our portfolio as well.

Up to March 2020, we made significant progress on the execution of Aspiration 2022. The table below provides our total income and profit after tax attributable to owners of the Company, after the implementation of Aspiration 2022, for the financial years ended March 31, 2018, March 31, 2019 and March 31, 2020:

(in ₹ crores)

Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2019	Financial Year ended March 31, 2020
Total income	4,165.28	4,595.38	4,595.56

Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2019	Financial Year ended March 31, 2020
Profit after tax for the year attributable to owners of the Company	100.87	286.82	354.42

COVID-19 and our response – R.E.S.E.T 2020

The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020. The spread of COVID-19 and the recent developments surrounding the global pandemic have disrupted global health and caused high fatalities worldwide. In the first couple of months, our revenue dropped substantially and the tourism industry was facing a near-zero revenue. For details of the risks related to our business due to COVID-19 pandemic, see "*Risk Factors - The extent to which the recent coronavirus (COVID-19) outbreak impacts our Company's business, cash flows, results of the operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted.*" on page 16.

In this context it was important for us to manage our business to survive the pandemic. The changing environment demanded that we change course with stability making strategic changes in an agile manner. We implemented 'R.E.S.E.T 2020' - Revenue growth, Excellence, Spend optimization, Effective asset management and Thrift and financial prudence.

R.E.S.E.T 2020	R.E.S.E.T 2020 Initiatives
Revenue Growth	We implemented several tactical initiatives to maximise opportunities of revenue while laying the foundations for future revenue streams. These included: (i) focusing on domestic tourism, especially at leisure resorts, shorter vacation getaways, staycations, bizcations, holidays within drivable distances, smaller social gatherings within norms; (ii) promotions like 4D – Dream.Drive.Discover.Delight and Urban Getaways targeted at driving-distance holidays and younger travelers amongst other campaigns; (iii) earning revenues from room occupancy due to quarantine, by medical professionals and our customers who conducted business continuity operations from our hotels; and (iv) launching our brand "*amã Stays & Trails*" to take advantage of the demand for exclusive and extended stays. We also explored alternate avenues of revenue by developing innovative and novel products and services. We launched products such as the *Qmin* and *Hospitality@Home*. Currently, the Qmin mobile application caters to customers in 19 cities across India and has been downloaded by over four lakh users until September 30, 2021. Under the "*Qmin*" brand, we launched a Qmin Shop and a Qmin Food Truck in Mumbai, which we propose to expand to other locations as well. In the recent past, *TajSATS* launched a multi-cuisine offering of Indian, pan-Asian and comfort food "*anuka*", and their offerings can also be availed through home delivery through the Qmin mobile application. The network revenue of Qmin (i.e. all revenues from Qmin irrespective of the ownership) for the six months ended September 30, 2021 was ₹ 46.72 crores. We also continued to sign new leases and management contracts and open new hotels during the financial year ended March 31, 2021. Our revenue initiatives enabled us to take advantage of the improving conditions.
Excellence	"*Tajness – A Commitment Restrengthened*", our hospitality service standard was implemented with the assurance of safety and hygiene for a new normal world. We implemented revised standard operating procedures (SOPs) that acted as a comprehensive guide covering all functional areas factoring social distancing, digital-first approach and heightened precautionary processes for guests and employees. We implemented new technology, I-ZEST - Zero-Touch Service Transformation, to provide a suite of digital solutions comprising of contactless check-ins and check-outs, digital invoicing, online payment options and QR code enabled digital menus

R.E.S.E.T 2020	R.E.S.E.T 2020 Initiatives
	in restaurants to ensure a seamless customer journey by minimizing contact. We also fulfilled our social responsibility by providing more than three million meals to the medical staff and hosted doctors at subsidized rates.
Spend optimization	Our Company has instituted a robust spend optimisation programme to reduce fixed costs and optimise resources. With variable costs standing reduced with lower business volumes, our Company's focus shifted to fixed costs. • Manpower rationalisation programmes were conducted with redeployments and developing new ways of working including, multi-skilling, cluster and shared service approaches. • Contracts for supplies of food ingredients, consumables, etc. were renegotiated and food and beverages offerings were pruned to essentials. • Contracts for services and reduced discretionary spends on repairs, selling, distribution, marketing and administration costs at hotels. During the financial year ended March 31, 2021, we reduced total expenses by 35.17% as compared to financial year ended March 31, 2020.
Effective Asset Management	Through effective management of assets, our Company aimed at restructuring its assets by continuing its strategy of monetizing non-core assets, selling and managing back hotel assets and re-negotiating lease terms for longer term benefits in addition to shorter term waiver or enforcement of '*force majeure'* clauses for relief on account of the pandemic. We continued to focus on simplifying our holding structure by acquiring residual stakes in the companies holding assets, namely the site for the Sea Rock Hotel and Taj Cape Town, South Africa.
Thrift and financial prudence	We optimized our corporate overheads across all cost heads including, restructuring and redeployment of select corporate office positions, reviewing contracts with professional consultants, marketing spends, renegotiating annual maintenance contracts, technology support agreements, leased-line costs, reducing support staff of inbound and outbound call centers and travel expenses. We deferred capital expenditure and prioritised renovations to essentials and strategic projects. We also increased our liquidity through fresh borrowings to refinance maturing debt and meeting operational cash requirements.

Strategic imperatives going forward

Aspiration 2022 has been the cornerstone of our strategy. While we resorted to R.E.S.E.T. 2020 to deal with the impact of the pandemic, several levers of our growth and profitability drivers were sharpened during this journey. As the travel improves and tourism begins to stabilise, we will turn our focus on the following:

- *Growing our portfolio*: We shall continue to sign new leases and management contracts and open hotels regularly to expand our presence in India. We shall incur capital expenditure selectively on priority projects such as continuing refurbishments and renovation at key hotels, construction of 371 keys Ginger at Santacruz, Mumbai, re-designing of the banquet hall at The Pierre, New York and similar strategic projects. Further, we will also pursue inorganic and organic growth strategies. For further details, see "*Objects of the Issue*" on page 48. At Roots Corporation Limited, the Company directly owns 60.16% of the equity share capital as at September 30, 2021. The balance shareholding is, amongst others, held by Omega TC Holdings Pte Limited, Tata Capital Limited, Piem Hotels Limited and Tata Investment Corporation Limited. At the meeting of our Board of Directors dated October 21, 2021, our Company proposes to purchase the shareholding from all entities holding shares in Roots Corporation Limited, including the shareholding of PIEM Hotels Limited at a consideration not exceeding ₹ 500 crores. For instance, we are pursuing simplification by consolidating the shareholdings in Roots Corporation Limited. Additionally, to pursue our growth strategy we may set up strategic partnership with financial investors. We intend to utilise a part of the Net Proceeds amounting to ₹ 454.11 crores to make payment for the acquisition of 3,48,51,356 equity shares (aggregating 37.07% of the paid-up equity share capital) of RCL from its existing shareholders. For further details, see "*Objects of the Issue*" on page 48

- *Brandscape*: We believe that our reimagined brandscape will be stabilised by strengthening further the new brands we developed such as "*Qmin", "amã Stays and Trails"* and *"anuka"* and reimagined brands such as "*Ginger", "TajSATS", "The Chambers"* and *"Jiva Spas"*. We expect these brands to complement our established brands, namely, "*Taj*", "*SeleQtions*" and "*Vivanta*" to provide a spectrum of offerings to our customers and asset owners.

- *Emerging and new businesses*: A re-imagined "*Ginger*" brand along with a lean luxe model and newly introduced food and beverage offerings holds out a strong growth potential as demand in the mid-scale segment increases. We propose to capitalise on this demand by expanding our presence in high-growth markets with leases and/or management contracts under the "*Ginger*" brand.

  We also propose to scale up businesses we developed with new revenue streams such as "*Qmin", "amã Stays and Trails"* and "*The Chambers"* and "*Seven Rivers"* brewpubs. These revenue streams will complement our mainstream revenue sources of accommodation and food and beverages.

- *Margin expansion*: On the revenue side, our focus is on building significant income streams through management fees by leveraging our brandscape, membership fees in The Chambers and the new revenue streams from "*Qmin", "amã Stays and Trails"*.

  We have continued to focus on keeping our fixed costs and overhead costs lower and our costs the six months ended September 30, 2021 has been lower than the costs incurred for the six months ended September 30, 2020. We have also continued to focus on manpower rationalisation with redeployment of our employees to new hotels and continued emphasis on reskilling our employees. We propose to continue this focus on optimising operating costs including fixed costs at our hotels. We believe that our rationalisation programmes, new ways of working, clusters and shared services will keep us lean while ensuring that customer service is improvised at the same time. We seek to retain corporate overheads at an optimal level by applying prudence in allocating resources, continuing redeployments, restructuring and exploring synergies.

  Our focus remains continually on restructuring our balance sheet by managing assets, monetising non-core assets and maintaining debt at manageable levels similar to the year immediately preceding the pandemic. We remain ROCE focused with two imperatives, being, monetisation to reduce our legacy balance sheet and future growth through an asset-light model.

Our Business Operations

Operating Structure

We undertake our business through: (i) direct ownership of hotel properties, (ii) lease arrangements, (iii) licensing arrangements, (iv) operating and management contracts and (v) franchising agreements.

- **Direct ownership of Hotel Properties:** The hotels which are operated by us under the ownership model are located on freehold land owned by us. The land is either owned directly by our Company or by our Company's subsidiaries or jointly controlled entities. For such hotels the title to the buildings, and equipment and furniture or fixtures vests in us.

- **Lease arrangements:** Some of our hotels are located on land which has been leased to us by governmental authorities or private parties. The term of such leases typically varies from 30 years to 99 years, which is typically renewable upon expiry for another term of equivalent period, subject to mutual agreement on the terms and conditions between us and the lessor. We own the building, and furniture or fixtures and are required to pay a specified lease rental for the duration of the lease deed.

- **Licensing arrangements**: We have also entered into licensing agreements to occupy and use buildings on a long-term basis for operating our hotels. Such agreements have been entered into with various parties, including governmental or quasi-governmental authorities and are subject to payment of annual license fee, which may be subject to escalation after periodic intervals. Typically, we provide services in relation to planning, designing, construction and equipment of the hotel under these agreements and ownership of such hotels vests in the licensors at all times. While we retain control over the management and operations of such hotels and are entitled to carry on the operation of the hotels in the manner that we deem fit, we may require consent of the owners for significant alterations to the physical structures of the hotels. All costs and expenses related to the operation of the hotels are borne by us and the property is required to be returned to the licensor in good condition upon expiry of the license period, which ranges from 30 to 99 years. However, we are entitled to take away all movable items if the licensor does not purchase them at a fair market value. Some of the license agreements provide for the first right of refusal in our favour if the licensor proposes to sell the hotel property.

- **Operating and management contracts**: Some of the hotels and bungalows are operated and managed by us through operating and management contracts. In such cases, apart from operating and managing the hotels and bungalows, we also provide advice regarding project and design related services at the construction stage through a separate technical services agreement. Operating and management contracts provide us with the absolute and sole discretion in the supervision of the operation of the hotel. Under these arrangements, we are entitled to basic management fee which is a fixed percentage of the gross income of the hotel and an incentive fee linked to the gross operating profit of the hotel. We may also receive marketing fee and project management fee under some of the operating and management contracts. The term of the operating and management agreements typically ranges from 10 to 30 years, but the parties are also entitled to an early termination, subject to a minimum lock-in period. Upon expiry of the initial term, these agreements are also typically renewable for the period of the initial term, subject to mutual agreement of terms and conditions between us and the owner.

- **Franchising agreements**: We also enter into franchising agreements with individual hotel owning companies ("**Individual Companies**") by offering special expertise relevant for planning, realisation, organisation, operation, franchising and marketing of certain hotels by such Individual Companies. The individual hotels are thereafter included in the bouquet of hotels which our Company operates under one of its brands. However, the use of our Company's brand has been provided on a non-exclusive and non-transferable basis for operation of hotels by the Individual Companies.

Our brand portfolio

We are a house of brands and some of the key brands under which our hotels and stays operate include:

- *"Taj"* is our flagship brand used by our palace hotels, landmark hotels, resorts and safaris and leisure destinations across the globe. "*Taj"* was recently awarded the World's Strongest Hotel Brand 2021 by Brand Finance, a reputed brand consultancy firm in their latest report. As of September 30, 2021, under the "*Taj*" brand we have a portfolio of 89 hotels, of which 73 hotels are in operation and 16 hotels are in the pipeline.

- *"SeleQtions"* is the brand under which we include a collection of our marquee hotels in, and around, key metro cities across India. It caters to travellers seeking varied stay experiences that are distinct and tell a unique story. As of September 30, 2021, under the "*SeleQtions*" brand we have a portfolio of 22 hotels, of which 17 hotels are in operation and five hotels are in the pipeline.

- *"Vivanta"* is the brand under which hotels in business and leisure centres across India and South East Asia. As of September 30, 2021, under the "*Vivanta*" brand we have a portfolio of 34 hotels, of which 25 hotels are in operation and nine hotels are in the pipeline.

- *"Ginger"* is the brand for budget travelers with hotels in approximately 50 cities in India, which is operated through our Subsidiary, Roots Corporation Limited. As of September 30, 2021, under the "*Ginger*" brand we have a portfolio of 80 hotels, of which 55 hotels are in operation and 25 hotels are in the pipeline. We believe, this is in a position to harness the opportunities offered by a new normal. In spite of the pandemic, Ginger exhibited enhanced performance in ARR in comparison to pre-pandemic levels. The revenues of Roots Corporation Limited for the six months period ended September 30, 2021 was at approximately 84% of pre-COVID levels, being for the six months ended September 30, 2020, and has achieved positive EBITDA in the six months ended September 30, 2021.

- "*amã Stays & Trails*" is our homestay brand for exclusive and longer duration stays in unexplored destinations. As of September 30, 2021, under the "*amã Stays & Trails*" brand we had a portfolio of 51 bungalows, of which 33 bungalows are in operation and 18 bungalows are in the pipeline.

Air Catering Business

We undertake the business of catering to airlines under the brand "*TajSATS*" through our subsidiary, Taj SATS Air Catering Limited. Our flight kitchens are located at Bengaluru, Chennai, Delhi, Goa, Kolkata and Mumbai and is one of the market leaders in this business. Apart from airline catering, these kitchens also provides institutional catering and outdoor catering. In the recent past, *TajSATS* launched a multi-cuisine offering of Indian, pan-Asian and comfort food "*anuka*", and their offerings can also be availed through home delivery through the Qmin mobile application. This enables us to reach city locations which cannot be catered to by our hotels. Our Company also launched "*asa*" under Taj SATS, an exquisite collection of premium, handcrafted chocolates.

Pricing

Our pricing policy is based on anticipated demand and other factors such as market conditions, inflation, competition and the global economy. In addition to rack rates, we also offer discounted public rates, corporate negotiated rates and travel trade rates to individuals, domestic and international corporations, and tour operators and travel agents, respectively. Our contracted rates are negotiated on an annual basis and could be seasonal for leisure business. We also have discounted public rates, which include variable packages and rates and seasonal discounts.

We also utilise revenue management software to assist us in determining pricing at different hotels at different times.

We also extend credit to corporations, tour operators, travel agents, conference organisers and individuals based on their profiles and records of payment.

Sales and Marketing

Our sales and marketing functions are classified into three broad categories viz. (i) sales, (ii) marketing, and (iii) customer relationship management ("**CRM**"). Through our sales and marketing initiatives, we seek to achieve promotion of our brands, integration of newly acquired hotels and increase in RevPAR by increasing average room rate and occupancy levels. We also endeavour to enhance customer engagement through relationship groups and effective utilisation of CRM tools.

Sales

Our sales teams cater to top customer accounts with a dedicated relationship team serving as a single point of contact with our key customers. Our hotels are located in metropolitan cities and tier two cities in India with local sales support.

Internationally, we have established sales offices in various geographies including New York, Los Angeles, San Francisco, London, Dubai and Singapore and appointed public relation agencies in various countries such as the United States of America, the United Kingdom, France, Germany and Italy, to develop business for all our hotels.

Marketing

Our corporate marketing department is primarily responsible for advertising and promotion of our hotels in India and overseas, publication of promotional magazines and strategic publicity. The marketing department is responsible for creating and releasing advertisements in print and electronic media, for advertising visuals of various products and services at our hotels and for the production of hotel brochures, directories and other communication materials. Our corporate marketing department provides support to launch of new hotels through media planning, marketing campaigns and promotions across national in-flight magazines, press, hoardings and radio.

We also engage in various marketing initiatives. For example, we have undertaken strategic initiatives during the pandemic to encourage travellers to take short vacations through 4D: Dream, Drive, Discover, Delight drivecations, Urban Getaways for staycations, Bizcations that offer attractive workcation experiences and INNERgise, that offers holistic wellness experiences. We also opened our hotels to medical professionals and nurses to reduce commuting time. We continue to focus on marketing of our resort destinations for domestic travellers through our Taj Holidays platform.

Our loyalty programmes consist of Taj Inner Circle and Epicure, with Taj Inner Circle being a popular frequent guest programme. The programme entitles members to various redemption benefits for points accumulated by their stay and meals at our hotels in India and abroad. We also relaunched Epicure, our exclusive lifestyle membership programme with new features including a range of discounts at our iconic hotels, award-winning restaurants and doorstep delivery of food though Qmin. We also manage strategic marketing alliances with various partners. These alliances provide opportunities to communicate special offers and exclusive gift cards to members.

Development

Business Development Function

Our teams in business development scan the market identifying opportunities for management contracts, engage with developers and hotel asset owners, work out potential earning capacity of hotel assets and assess brand positioning and project viability with hotel asset owners in order to enter into management contracts or franchise agreements. Our business development function helps us maintain a healthy pipeline of room inventory.

Other Specialised Functions

We specialise in providing a range of services from design development to opening assistance, thus supporting hotel asset owners at every stage of the project. These services relate to guidance and reviews of conceptual, preliminary and final designs and plans for hotel facilities including safety, fire protection and engineering design assistance; kitchen, bar, laundry and valet equipment assistance; integration of management information systems; co-ordinating and planning food and beverage concepts; development of Spa concepts; obtaining a hand-over of the project on completion. Development assistance is also provided to ensure that the hotel is launched successfully covering activities such as preparation of a detailed pre-opening budget, setting up of various systems that include recruitment, training, marketing, advertising and promotion activities.

Awards

Our hotels have been awarded several significant hospitality industry awards in India and internationally, including:

Entity/ Hotel	Award
The Company	• Ranked as World's Strongest Hotel Brand 2021 by Brand Finance • Ranked as the Number #1 Hospitality Hotel Brand in India 2021 by Brand Finance • Ranked Number #2 on the list of India's Strongest Brands 2021 across all sectors by Brand Finance • Ranked Number #1 on the list of India's Strongest Brands 2020 among all sectors by Brand Finance • India's Best Boards Awards under the Mid-Cap Company category by Amrop India-The Economic Times 2021
The Taj Mahal Palace, Mumbai	(i) Accorded the highest guest satisfaction score by TrustYou 2019-2020; (ii) Travel + Leisure Top 500 Hotels in The World 2021; (iii) Top15 Hotels In India: Readers' Choice Awards 2020 by the Condé Nast Traveler; (iv) One of the Favourite Business Hotels by Conde Nast Traveller Readers' Travel Awards 2020; (v) Hotel with the Best Service in India by the Conde Nast Traveler Readers' Travel Awards 2020
Umaid Bhawan Palace, Jodhpur	Favourite Heritage Hotel in India by the Conde Nast Traveller Readers' Travel Awards 2020
Taj Lake Palace, Udaipur	(i) Travel + Leisure Top 500 Hotels in The World 2021; (ii) Top Hotels in India by the 33rd Global Condé Nast Traveler Readers' Choice Awards 2020; (iii) Top 15 Resort Hotels in Asia by Travel + Leisure US the World's Best Hotel Awards 2020;
Rambagh Palace, Jaipur	(i) Ranked 15th in the list of 'Best Hotels in the World' by 33rd Global Condé Nast Traveler Readers' Choice Awards 2020; (ii) 'Ranked 1st in the list of Top 15 Hotels in India by 33rd Global Condé Nast Traveler Readers' Choice Awards 2020; (iii) The Top 100 Hotels in the World by Travel + Leisure US the World's Best Hotel Awards 2020; (iv) Top 15 Resort Hotels in Asia by Travel + Leisure US the World's Best Hotel Awards 2020; (v) One of the Favourite Destination Wedding Hotels in India by Conde Nast

Entity/ Hotel	Award
	Traveller Readers' Travel Awards 2020
Taj Exotica Resort & Spa, Goa	(i) Best Resorts in the World by the 33rd Global Condé Nast Traveler Readers' Choice Awards 2020; (ii) One of Favourite Spa's in an Indian Hotel by Conde Nast Traveler Readers' Travel Awards 2020
The Pierre, A Taj Hotel, New York	(i) The Top 15 Hotels in New York City by Travel + Leisure US the World's Best Hotel Awards 2020; (ii) Top Hotels in New York City by 33rd Global Condé Nast Traveler Readers' Choice Awards2020
Taj Exotica Resorts & Spa, Maldives	Top 30 Resorts in the Indian Ocean by the 33rd Global Condé Nast Traveler Readers' Choice Awards 2020 and (ii) Favourite Overseas Leisure Hotel by Conde Nast Traveler Readers' Travel Awards 2020
Taj Coral Reef Resort & Spa, Maldives	Top 30 Resorts in the Indian Ocean by the 33rd Global Condé Nast Traveler Readers' Choice Awards 2020
Taj Jumeirah Lakes Towers, Dubai	'Favourite New Hotel' in the Middle East and North Africa by Condé Nast Traveler Middle East Readers' Choice Awards 2020
Taj Rishikesh Resort & Spa, Uttarakhand	Condé Nast Traveler Hot List by Condé Nast Traveler Hot List 2020
Quilon, 51 Buckingham Gate Suites and Residences, London	Quilon retained its Michelin Star for the 14th successive year

Competition

Our hotels operate in a highly competitive environment. Competition is primarily based on room rates, quality of accommodations, service level, location and quality of amenities. In addition to the presence of national brands, a number of international brands have also increased their presence in the Indian market in recent years.

Whilst some of these hotels may have certain competitive advantages over us due to greater brand awareness, global spread of operations and distribution networks, we believe our hotels have a better ability to leverage their location and quality of services. We also believe that our familiarity with the complex governmental approval process associated with development of new hotels in India gives us a competitive advantage over new entrants in the Indian market.

Intellectual Property

We believe that trademarks and service marks are important assets to our business. As of September 30, 2021, we have filed applications or obtained registrations of approximately 176 trademark and 258 service marks for our brands, including 'Taj', 'Tajness' 'Taj Mahal Palace & Tower Mumbai' 'Taj Lands End Mumbai', 'Qmin', 'Souk', 'Wasabi' and 'Vivanta by Taj' 'Epicure' 'Gateway Hotel" and the image registration of the 'The Taj Mahal Palace and Tower Wing Exterior" 'Main Dome of Taj Mahal Palace" and "Taj Mahal Palace (image)" under several classes including hotel related services of the Trade Marks Act, 1999.

Employees

Certain categories of our employees are represented by trade unions. However, we maintain cordial relationship with our employees as of September 30, 2021, none of our hotels have faced strikes or other industrial disputes. We provide our employees with various benefits, which include medical reimbursements and loans commensurate with an employee's designation.

Training

We promote e-learning and distance learning for our managers through our partnerships with leading learning content providers. We also have a multi-tiered Leadership Development programmes for certain category of our employees.

Corporate Social Responsibility

Corporate social responsibility is an important component of our philosophy. We believe that the benefits that we derive from operating in geographically and culturally diverse locations should also benefit the local communities. To achieve this, we partner with both the local communities and national level governmental initiatives for development of underprivileged communities through, amongst others, skill training for trades involved in hotel operations.

We also partner with small scale entrepreneurs, women's self-help groups non-governmental organizations to source select goods and services, such as fresh food materials, housekeeping related consumables, candles, gift items for guests, dry snacks, and pickles.

Environment, Social and Governance Initiatives

We believe that the tourism industry can play a significant role in preserving the environment. We have assumed ambitious commitments with regard to effective waste management, and optimal utilisation of water, energy and other resources. We have integrated environmental considerations in our day-to-day operations to preserve the planet and we believe we are making steady progress towards our goals. For the financial year ended 2020 to 2021, we have 78 EarthCheck certified hotels in our portfolio.

We have been working towards the upliftment of communities since we opened the doors to our first hotel. We are committed to build capabilities and further the livelihoods of our underprivileged communities. We engage with all our stakeholders in a responsible manner to develop mutually beneficial, long-lasting relationships with them.

The tenets of inclusiveness, transparency, ethics and diligence are integral to our corporate governance practices. Our experienced and diverse Board is the custodian of corporate governance and helps ensure business sustainability, compliance with stakeholder expectations and creation of economic and social value.

Information Technology

To comply with the new normal, our hotels are directing their focus towards digitalisation. Contactless service is the norm and apps, in particular, are playing a crucial role in the way hotels offer their services. We have overhauled otherwise traditionally customer-facing services by a widespread use of technology-assisted options such as mobile check-in, contactless payments, voice control and biometrics. We have also extensively minimised touchpoints, which we continue to aim towards. We have also turned to mobile apps and QR codes for menus at our restaurants to reduce the spread of potentially harmful germs. Online check-ins and check-outs, mobile keys and room settings controlled by Internet of Things (IoT) through the launch of I-ZEST, a suite of digital solutions across our hotels under the brand Taj, Vivanta and SeleQtions. We have introduced a contactless attendance system with facial recognition and thermal sensor in our hotels for the safety of our employees and guests.

IHCL

OUR MANAGEMENT

Board of Directors

The Articles of Association provides that the minimum number of Directors shall be four and the maximum number of Directors shall be 18. As of the date of this Letter of Offer, the Company has eight Directors, of which seven are Non-Executive Directors and four are Independent Directors.

The following table provides details regarding the Board of Directors of the Company as of the date of filing this Letter of Offer:

Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other Directorships
N. Chandrasekaran ***Designation***: Chairman* and Non-Executive Director ***Term:*** Liable to retire by rotation ***Period of Directorship***: Since January 27, 2017 ***DIN:*** 00121863 ***Occupation:*** Company Director ***Address***: Floor 21 & 22, 33 South Condominium, Peddar Road, Opposite Sterling Apartments, Mumbai 400 026 ***Date of Birth***: June 2, 1963	58	• Tata Sons Private Limited • Jaguar Land Rover Automotive PLC • Tata Consultancy Services Limited • Tata Motors Limited • Tata Consumer Products Limited • Tata Steel Limited • The Tata Power Company Limited • Tata Chemicals Limited • Tata Limited • Reserve Bank of India • TCS Foundation
Puneet Chhatwal ***Designation***: Managing Director and Chief Executive Officer ***Term:*** Five years from November 6, 2017 ***Period of Directorship***: Since November 6, 2017 ***DIN:*** 07624616 ***Occupation:*** Service ***Address***: Urmi Aangan, Flat No. 501, Next to Jaslok Hospital, Peddar Road, Mumbai 400 026 ***Date of Birth***: April 16, 1964	57	• Benares Hotels Limited • ELEL Hotels and Investments Limited • Oriental Hotels Limited • Piem Hotels Limited • Roots Corporation Limited • Taj GVK Hotels and Resorts Limited • Taj SATS Air Catering Limited • St. James Court Hotel Limited • Good Hope Place Hotels Proprietary Limited • The Indo German Chamber of Commerce • IHM Aurangabad • IHMS Hotels (SA) Proprietary Limited
Nasser Munjee ***Designation***: Independent Director ***Term:*** Five years with effect from August 5, 2019 ***Period of Directorship***: Since August 5, 2019 ***DIN:*** 00010180 ***Occupation:*** Consultant ***Address***: Benedict Villa, House No. 471, Saudevado,	68	• Ambuja Cements Limited • Cummins India Limited • Tata Motors Finance Limited • Tata Motors Finance Solutions Limited • TMF Holdings Limited • Jaguar Land Rover Automotive PLC, UK • Astarda Ltd., Dubai, UAE • Adsum Capital Ltd., UAE • Greenko Energy Holdings • Indian Institute for Human Settlements • Aga Khan Foundation • Miraclefeet Foundation for Eliminating Club Foo

Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other Directorships
Chorao Island, Tiswadi, Goa 403 102 ***Date of Birth***: November 18, 1952		• Aga Khan Rural Support Programme, India • CanCare Trust
Hema Ravichandar ***Designation***: Independent Director ***Term:*** Five years with effect from August 5, 2019 ***Period of Directorship***: Since August 5, 2019 ***DIN:*** 00032929 ***Occupation:*** HR Strategic Advisor ***Address***: 17, Moyenville Road, Langford Town, Bangalore 560 025 ***Date of Birth***: May 14, 1961	60	• Marico Limited • Bosch Limited • Feedback Business Consulting Services Private Limited
Venkataramanan Anantharaman ***Designation***: Independent Director ***Term:*** Five years with effect from August 5, 2019 ***Period of Directorship***: Since August 5, 2019 ***DIN:*** 01223191 ***Occupation:*** Senior Advisor, CDC India Advisors Pvt Ltd ***Address***: B2101, Lodha Bellissimo, N M Joshi Marg, Mahalaxmi, Mumbai 400 011 ***Date of Birth***: May 1, 1964	57	• Axis Asset Management Company Limited • Ecom Express Private Limited • IHOCO BV, Netherlands
Venu Srinivasan ***Designation***: Non-Executive Director ***Term:*** Liable to retire by rotation ***Period of Directorship***: Since August 10, 2018 ***DIN:*** 00051523 ***Occupation:*** Industrialist ***Address***: West Side House, No. 3, Adyar Club Gate Road, Chennai 600 028 ***Date of Birth***: December 11, 1952	68	• TVS Motor Company Limited • Sundram Clayton Limited • Harita NTI Limited • TVS Credit Services Limited • Lucas TVS Limited • T.V. Sundaram Iyengar & Sons Private Limited • Southern Roadways Private Limited • TVS Investments Private Limited • Tata Sons Private Limited • VS Trustee Private Limited • S. Venu Trustee Private Limited • LV Trustee Private Limited • TVS Housing Finance Private Limited • TVS Motor (Singapore) Pte Limited • Sundaram Holding USA Inc. • TVS Digital Pte Singapore • Cheema Educational Foundation
Mehernosh Kapadia ***Designation***: Non-Executive Director ***Term:*** Liable to retire by rotation	68	• Ewart Investments Limited • Taj Air Limited • Taj SATS Air Catering Limited • The Associated Building Company Limited • Bjets Pte. Limited

Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other Directorships
Period of Directorship: Since August 10, 2018 ***DIN:*** 00050530 ***Occupation:*** Director ***Address***: 29, Wood House Apartment, 1st Floor, Woodhouse Road, Colaba, Mumbai 400 001 ***Date of Birth***: May 22, 1953		• Business Jets India Private Limited (under liquidation)
Anupam Narayan ***Designation***: Additional Independent Director[#] ***Term:*** Five years from August 23, 2021 ***Period of Directorship***: Since August 23, 2021 ***DIN:*** 05224075 ***Occupation:*** Advisor ***Address***: 1404, S. Mary Failing Drive, Portland, 97219 NA, United States of America ***Date of Birth***: December 17, 1953	67	• Roots Corporation Limited

**N. Chandrasekaran's appointment as Chairman of the Board of the Company shall be co-terminus with his appointment as the Chairman of Tata Sons Private Limited, unless decided otherwise by our Board of Directors.*
[#]Appointment is subject to regularisation at the ensuing AGM.

Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

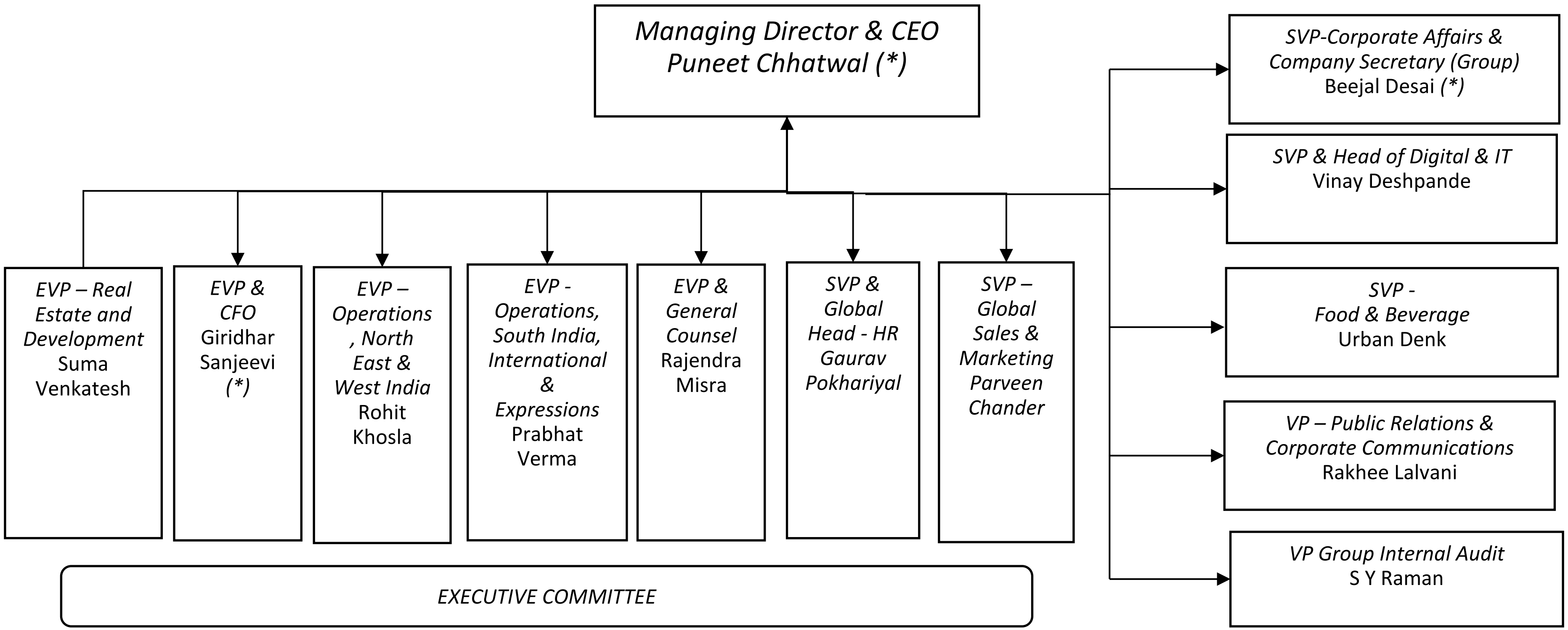
None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer.

Details of key management personnel and senior management personnel

S. No.	Name of KMP/SMP	Designation
Key Management Personnel		
1.	Puneet Chhatwal	Managing Director and Chief Executive Officer
2.	Giridhar Sanjeevi	Executive Vice President and Chief Financial Officer
3.	Beejal Desai	Senior Vice President Corporate Affairs & Company Secretary (Group) and Compliance Officer
Senior Management Personnel		
4.	Suma Venkatesh	Executive Vice President – Real Estate and Development
5.	Rohit Khosla	Executive Vice President – Operations (North & West India)
6.	Prabhat Verma	Executive Vice President – Operations (South India, International & Expressions)
7.	Rajendra Misra	Executive Vice President & General Counsel
8.	Gaurav Pokhariyal	Senior Vice President & Global Head – Human Resources
9.	Parveen Chander Kumar	Senior Vice President – Sales & Marketing
10.	Vinay Deshpande	Senior Vice President & Head of Digital & IT
11.	Urban Denk	Senior Vice President – Food & Beverage
12.	S Y Raman	Vice President - Group Internal Audit
13.	Rakhee Lalvani	Vice President – Public Relations & Corporate Communications

ORGANISATIONAL STRUCTURE

Senior Management Team



(*) Key Management Personnel as per the Companies Act, 2013

EVP – Executive Vice President | SVP – Senior Vice President | VP – Vice President

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of The Indian Hotels Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Indian Hotels Company Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act 2013, ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to Note 2(e) to the consolidated financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Group's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i. Impact of COVID-19 pandemic on Going Concern

Refer Note 47 – "Going Concern" and Note 2(e) "Estimation related to COVID-19" of the consolidated financial statements

During the year, the business of the Group was significantly impacted due to COVID-19. Significant number of hotels were not operating for the first six months on account of restrictions imposed due to lockdowns; with lifting of lockdown restrictions all the hotels started operating from second half of the year.

Presently, various state Governments have imposed restrictions due to the resurgence of COVID-19 cases, which has significantly impacted business of the Group.

The Group has assessed the impact of COVID-19 on the future cash flow projections. The Group has also prepared a range of scenarios to estimate financing requirements.

In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained an understanding of the key controls relating to the Group's forecasting process
- Compared the forecasted statement of profit and loss and cash flows with the Group's business plan approved by the board of directors

- Obtained an understanding of key assumptions adopted by the Group in preparing the forecasted statement of profit and loss and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Group's business
- Assessed the forecasted income statement and cash flow by considering plausible changes to the key assumptions adopted by the Group
- Performed the following procedures as mitigating factors:
  - Obtained understanding of new borrowing proposed to be availed including additional credit pronounced under government scheme;
  - Assessed Government's efforts to counter the impact of resurgence in COVID-19 cases and the impact of the same on future projections;
- Assessed disclosures made in the consolidated financial statements with regard to the above. Refer to notes 47 and 2(e).

ii. Goodwill – evaluation of adequacy of provision for impairment of goodwill

As a result of past acquisitions, the Group carries capitalised goodwill aggregating ₹ 610.97 Crores.

Management performs an impairment assessment on an annual basis as required by Ind AS 36 Impairment of Assets.

For the Cash generating units (CGUs) which contain goodwill, the determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. Recoverable amounts of these CGU's are based on management's view of variables such as future average revenue per available room, room occupancy, room rates, rate per cover etc. and operating expenditure and the most appropriate discount rate.

Refer to note 5 – "Goodwill" and note 6 – "Intangible assets" of the consolidated financial statements.

We considered goodwill impairment to be key audit matter due to the extent of judgement and assumptions involved in the assessment process.

How our audit addressed the key audit matter

We performed an evaluation of managements' assessment of the Group's CGU. Further, our evaluation included discussion with management, review of the internal reporting structure, the decision making process and how resources are allocated among business units of the Group. We subsequently evaluated the impairment assessment made by management to also ensure they were in accordance with Ind AS.

Our procedures included challenging management on the suitability of the impairment model and reasonableness of the assumptions through performing the following:

- Benchmarking the key market related assumptions in management's valuation models with industry comparators and assumptions made in prior years including revenue and margin trends, capital expenditure on network assets and spectrum, market share and customer churn, against external data where available, utilizing our internal valuation specialists;
- Recalculation of the discount rate by our internal valuation specialists using external information and comparison to management's assumptions;
- Testing the mathematical accuracy of the cash flow model and agreeing relevant data to the Board approved strategic long-term plan;
- Assessing the reliability of management's forecast through a review of actual performance against previous forecasts;
- Assessing and validating the appropriateness of the disclosures made in the financial statements.

Other information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this information, we are required to report the fact. We have nothing to report in this regard.

Management and Board of Director's Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of sixteen subsidiaries, whose financial statements reflect total assets of ₹ 2,483.15 crores as at 31 March 2021, total revenues of ₹ 222.54 crores and total net loss after tax (before consolidation adjustments) of ₹ 102.65 crores and net cash outflows amounting to ₹ 4.22 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 67.36 crores for the year ended on that date, as considered in the consolidated financial statements, in respect of six associates and seven joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

(b) Certain of these subsidiaries, associates and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, associates and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) the consolidated balance Sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 32 and Note 42 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 21 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended 31 March 2021;

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditor's report under section 197(16):

We draw your attention to Note 43 to the consolidated financial statements for the year ended March 31, 2021 according to which the managerial remuneration paid/ payable to the CEO and Managing Director of the Holding Company amounting to ₹ 7.23 crores and consequently the total managerial remuneration for the financial year amounting to ₹ 7.23 crores exceed the prescribed limits under Section 197 read with Schedule V to the Act by ₹ 5.91 crores. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Holding Company proposes to obtain in the forthcoming Annual General Meeting.

Further, in our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint ventures incorporated in India which were not audited by us, the remuneration paid/payable during the current year by such subsidiary companies, associate companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. In our opinion and according to the information and explanations given to us, the remuneration paid to any director by a subsidiary company and a joint venture incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us and other auditors.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No: 105003
ICAI UDIN: 21105003AAAABX4982

Mumbai
30 April 2021

Annexure 'A'

to the Independent Auditors' Report on the consolidated financial statements of The Indian Hotels Company Limited

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of The Indian Hotels Company Limited ("hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its associate companies and its joint ventures as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act 2013 (hereinafter referred to as "the Act")

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial control with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal control systems over financial reporting.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statement

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statement includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to its thirteen subsidiary companies, its three associates and its six joint ventures which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No: 105003
ICAI UDIN: 21105003AAAABX4982

Mumbai
30 April 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ crores)

	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	5,728.00	5,270.65
Capital work-in-progress		164.99	243.15
Right-of-Use assets	4	1,529.74	1,583.28
Goodwill	5	610.97	614.58
Intangible assets	6	568.99	590.34
Intangible assets under development		-	0.93
Investments accounted using the equity method	7	578.37	672.35
Financial assets			
Investments	8(a)	456.17	318.00
Loans	9(a)	5.05	16.65
Other financial assets	10(a)	78.19	118.36
Deferred tax assets (net)	11(a)	117.98	76.50
Advance income tax (net)		203.40	227.85
Other non-current assets	12(a)	316.98	348.31
		10,358.83	**10,080.95**
Current assets			
Inventories	13	92.88	93.61
Financial assets			
Investments	8(b)	448.63	436.24
Trade receivables	14	219.84	290.02
Cash and cash equivalents	15	94.27	250.82
Other balances with banks	16	59.36	64.76
Loans	9(b)	16.68	4.77
Other financial assets	10(b)	88.95	160.98
Other current assets	12(b)	132.20	132.37
		1,152.81	**1,433.57**
Assets classified as held for sale	3(vi)	1.07	3.74
		1,153.88	**1,437.31**
Total		**11,512.71**	**11,518.26**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	118.93	118.93
Other equity	18	3,529.51	4,237.88
Equity attributable to owners of the company		**3,648.44**	**4,356.81**
Non-controlling interests		634.57	764.90
Total equity		**4,283.01**	**5,121.71**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19(a)	2,223.83	2,125.80
Lease liabilities	35	1,846.38	1,842.57
Other financial liabilities	21(a)	25.71	201.37
Provisions	22(a)	91.74	121.09
Deferred tax liabilities (net)	11(b)	78.05	186.85
Other non-current liabilities	23(a)	15.93	18.05
		4,281.64	**4,495.73**
Current liabilities			
Financial liabilities			
Borrowings	19(b)	242.53	166.25
Lease liabilities	35	39.11	56.14
Trade payables	20	317.81	389.32
Other financial liabilities	21(b)	1,875.97	819.89
Provisions	22(b)	170.76	154.46
Current income tax liabilities (net)		34.95	33.77
Other current liabilities	23(b)	266.93	280.99
		2,948.06	**1,900.82**
Total liabilities		**7,229.70**	**6,396.55**
Total		**11,512.71**	**11,518.26**
The accompanying notes form an integral part of the consolidated financial statements	1 - 49		

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, April 30, 2021

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Nasser Munjee
Director
DIN: 00010180

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Corporate Affairs
& Company Secretary (Group)

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ crores)

	Note	March 31, 2021	March 31, 2020
INCOME			
Revenue from operations	24	1,575.16	4,463.14
Other income	25	164.72	132.42
Total income		**1,739.88**	**4,595.56**
EXPENSES			
Food and beverages consumed		143.82	370.56
Employee benefit expense and payment to contractors	26	894.01	1,494.60
Finance costs	27	402.82	341.12
Depreciation and amortisation expenses	28	409.63	404.24
Other operating and general expenses	29	899.09	1,630.45
Total expenses		**2,749.37**	**4,240.97**
Profit/(Loss) before exceptional items, tax and share of profit of equity accounted investees		(1,009.49)	354.59
Exceptional items	30	159.95	40.95
Profit/(Loss) before tax and share of profit of equity accounted investees		**(849.54)**	**395.54**
Tax expense			
Current tax		1.01	169.15
Deferred tax credit		(156.34)	(124.38)
Total tax expense		**(155.33)**	**44.77**
Profit/(Loss) after tax before share of profit of equity accounted investees		**(694.21)**	**350.77**
Share of Profit/(Loss) of associates and joint venture (net of tax)		(101.42)	12.97
Profit/(Loss) for the year		**(795.63)**	**363.74**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		37.62	(21.52)
Change in fair value of equity instruments designated irrevocably as fair value through other comprehensive income		209.90	(118.25)
Share of other comprehensive income in associates and joint ventures (net of tax)		2.92	(3.66)
Add/(Less) : Income tax credit/(expense) on the above		(11.78)	6.47
Net other comprehensive income not to be reclassified subsequently to profit or loss		**238.66**	**(136.96)**
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating the financial statement of foreign operations		31.20	116.47
Share of other comprehensive income in associates and joint ventures (net of tax)		(2.59)	12.93
Add/(Less) : Income tax credit/(expense) on the above		-	-
Net other comprehensive income to be reclassified subsequently to profit or loss		**28.61**	**129.40**
Other comprehensive income for the year, net of tax		**267.27**	**(7.56)**
Total comprehensive income for the year		**(528.36)**	**356.18**
Profit/(Loss) for the year attributable to:			
Owners of the company		(720.11)	354.42
Non-controlling interests		(75.52)	9.32
		(795.63)	**363.74**
Total comprehensive Income for the year attributable to:			
Owners of the company		(479.75)	344.60
Non-controlling interests		(48.61)	11.58
		(528.36)	**356.18**
Earnings per share :	46		
Basic and Diluted - (₹)		(6.05)	2.98
Face value per equity share - (₹)		1.00	1.00
The accompanying notes form an integral part of the consolidated financial statements	1 - 49		

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, April 30, 2021

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Nasser Munjee
Director
DIN: 00010180

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Corporate Affairs
& Company Secretary (Group)

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

(₹ crores)

	a) Equity Share Capital	b) Other Equity											
		Reserves and Surplus						Items of Other Comprehensive Income					
	Equity Share Capital Subscribed	Capital Reserve	Capital Reserve on Consolida-tion	Securities Premium	General Reserve	Other reserves	Retained Earnings	Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statement of foreign operations	Total Other Equity	Equity attributable to owners of the company	Non Controlling Interests	Total Equity
Balance as at April 1, 2019	118.93	43.91	111.81	2,702.05	561.98	324.60	(110.32)	206.01	124.36	3,964.40	4,083.33	755.83	4,839.16
Profit for the year ended March 31, 2020	-	-	-	-	-	-	354.42	-	-	354.42	354.42	9.32	363.74
Other Comprehensive Income for the year ended March 31, 2020, net of taxes	-	-	-	-	-	-	(17.67)	(114.77)	122.62	(9.82)	(9.82)	2.26	(7.56)
Total Comprehensive Income for the year ended March 31, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**336.75**	**(114.77)**	**122.62**	**344.60**	**344.60**	**11.58**	**356.18**
Dividend	-	-	-	-	-	-	(59.46)	-	-	(59.46)	(59.46)	(3.17)	(62.63)
Tax on Dividend	-	-	-	-	-	-	(11.70)	-	-	(11.70)	(11.70)	0.66	(11.04)
Transfer from Debenture Redemption Reserve to General Reserve	-	-	-	-	130.50	(130.50)	-	-	-	-	-	-	-
Realised loss on sale of investment transferred from Other Comprehensive Income	-	-	-	-	-	-	(3.01)	3.01	-	-	-	-	-
Change in ownership interests in Joint venture	-	-	(0.24)	-	-	-	-	-	-	(0.24)	(0.24)	-	(0.24)
Change in ownership interests in subsidiaries	-	-	-	-	0.08	0.20	-	-	-	0.28	0.28	-	0.28
Balance as at March 31, 2020	**118.93**	**43.91**	**111.57**	**2,702.05**	**692.56**	**194.30**	**152.26**	**94.25**	**246.98**	**4,237.88**	**4,356.81**	**764.90**	**5,121.71**
Loss for the year ended March 31, 2021	-	-	-	-	-	-	(720.11)	-	-	(720.11)	(720.11)	(75.52)	(795.63)
Other Comprehensive Income for the year ended March 31, 2021, net of taxes	-	-	-	-	-	-	29.97	195.81	14.58	240.36	240.36	26.91	267.27
Total Comprehensive Income for the year ended March 31, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**(690.14)**	**195.81**	**14.58**	**(479.75)**	**(479.75)**	**(48.61)**	**(528.36)**
Adjustment on account of change in holding of Minority Interest (Refer Note 33 (ii))	-	-	-	-	-	-	(169.16)	-	-	(169.16)	(169.16)	(80.87)	(250.03)
Dividend	-	-	-	-	-	-	(59.46)	-	-	(59.46)	(59.46)	(0.85)	(60.31)
Transfer from Debenture Redemption Reserve to General Reserve	-	-	-	-	32.39	(32.39)	-	-	-	-	-	-	-
Realised Gain on sale of investment transferred from Other Comprehensive Income	-	-	-	-	-	-	5.80	(5.80)	-	-	-	-	-
Balance as at March 31, 2021	**118.93**	**43.91**	**111.57**	**2,702.05**	**724.95**	**161.91**	**(760.70)**	**284.26**	**261.56**	**3,529.51**	**3,648.44**	**634.57**	**4,283.01**

The accompanying notes form an integral part of the consolidated financial statements (Refer Note 1 - 49)

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, April 30, 2021

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Nasser Munjee
Director
DIN: 00010180

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Beejal Desai
Senior Vice President - Corporate Affairs &
Company Secretary (Group)

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

(₹ crores)

	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(849.54)	395.54
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortisation expenses on Property, plant and equipment	347.66	334.99
Depreciation and amortisation expenses on Right-of-Use assets	61.97	69.25
Gain arising out of acquiring controlling stake in a joint venture	(82.04)	
Profit on sale of investments	(5.63)	(9.82)
Profit on sale of a hotel property	(25.74)	-
Profit on disposal of Property, plant and equipment	(18.58)	(136.86)
Allowance for Doubtful Debts and advances	12.51	6.65
Dividend Income	(5.43)	(7.32)
Interest Income	(44.79)	(18.67)
Finance Cost	248.51	184.23
Interest on lease liability	154.31	156.89
Exchange (Gain)/ Loss on Long term borrowing/Assets (net)	(56.38)	2.61
Assets written off	3.29	6.91
Provision no longer required written back	-	(0.17)
Provision for disputed claims	10.69	2.53
Provision for Employee Benefits	11.32	(2.09)
Gain on investments carried at fair value through statement of profit and loss	(2.51)	(0.28)
Fair valuation (Gain)/ Loss on derivative contracts	(25.00)	21.76
	584.16	**610.61**
Cash Operating Profit before working capital changes	(265.38)	1,006.15
Adjustments for increase / decrease in operating assets and liabilities:		
Inventories	11.67	(13.21)
Other financial assets	107.38	(29.05)
Other financial liabilities	(195.72)	65.75
	(76.67)	**23.49**
Cash Generated from Operating Activities	**(342.05)**	**1,029.64**
Income taxes refund/(paid)	23.36	(206.17)
Net Cash Generated From Operating Activities (A)	**(318.69)**	**823.47**
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment	(215.47)	(487.39)
Proceeds from disposal of property, plant and equipment	28.30	175.39
Capital subsidy received from Government	1.10	40.69
Purchase of current investments	(1,512.32)	(1,934.32)
Proceeds from sale / redemption of current investments	1,579.30	1,712.12
Purchase of non-current investments	(73.00)	(3.36)
Disposal of long term investment	11.31	29.79
Interest received	17.60	15.68
Dividend received (includes dividend from joint ventures and associates)	6.98	13.92
Bank Balances not considered as Cash & Cash Equivalents	14.60	(17.53)
Long Term Deposits refunded/ (placed)	(6.22)	-
Short term Loans (given) /repaid by other company	-	3.89
Proceeds from sale of hotel properties	31.69	-
Long-term deposits placed for hotel properties	(3.04)	(47.38)
Short-term deposits placed with Others Companies	(0.49)	(3.38)
Net Cash Generated /(Used) In Investing Activities (B)	**(119.66)**	**(501.88)**
Carried over	**(438.35)**	**321.59**

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2021

(₹ crores)

	March 31, 2021	March 31, 2020
Brought over	**(438.35)**	**321.59**
CASH FLOW FROM FINANCING ACTIVITIES		
Loan arrangement expenses	(0.15)	(0.14)
Interest and other borrowing costs paid	(232.08)	(155.45)
Payment of lease liability (including Interest)	(138.93)	(136.12)
Proceeds from long-term borrowings	1,040.57	732.30
Repayment of long-term borrowings	(402.24)	(637.80)
Proceeds from short-term borrowings	100.02	283.18
Repayment of short-term borrowings	(25.98)	(155.02)
Dividend and (including tax on dividend in previous period and Unclaimed dividend)	(60.05)	(75.73)
Settlement of cross currency Interest rate swap (net)	(0.79)	(120.60)
Net Cash Generated/(Used) In Financing Activities (C)	**280.37**	**(265.38)**
Net Increase/(Decrease) In Cash and Cash Equivalents (A + B + C)	**(157.98)**	**56.21**
Cash and Cash Equivalents - Opening	**250.82**	**189.29**
Add: Opening cash balance of Subsidiary on acquisition	1.60	-
Exchange difference on translation of foreign currency cash and cash equivalents	(0.17)	5.32
Cash and Cash Equivalents - Closing	**94.27**	**250.82**

Refer Note 19 (viii) for movement in financing activity

The accompanying notes form an integral part of the consolidated financial statements (Refer Note 1 - 49)

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, April 30, 2021

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Nasser Munjee
Director
DIN: 00010180

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Corporate Affairs
& Company Secretary (Group)

Note 1. Corporate Information

The Indian Hotels Company Limited ("IHCL" or the "Company"), and its subsidiaries (referred collectively as the "Group") is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts. These consolidated financial statements of the Group also include the Group's interest in associates and joint ventures.

The Company is domiciled and incorporated in India in 1902 and has its registered office at Mandlik House, Mandlik Road, Mumbai –400 001, India. It is promoted by Tata Sons Private Limited (Formerly Tata Sons Limited), which holds a significant stake in the Company.

These consolidated financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on April 30, 2021.

Note 2. Basis of Preparation, Principles of Consolidation and Equity Accounting, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements

The consolidated financial statements have been prepared on the following basis:

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

(b) Basis of Preparation

The Consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of the Group. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(c) Principles of Consolidation and Equity Accounting

(i) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

(ii) Joint ventures, associates and equity method accounting

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets and obligations for the liabilities, relating to the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance sheet.

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its Associates and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amounts of equity accounted investments are tested for impairment.

The financial statements of subsidiaries, joint ventures and associates consolidated are drawn upto the same reporting date as that of the Company except one of the associate and joint venture which has the reporting date of December 31, 2020.

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate an equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate.

(iv) Goodwill

a. Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

b. Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.

c. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Consolidated Statement of Profit and Loss.

d. Goodwill on acquisition of the foreign subsidiaries is restated at the rate prevailing at the end of the year.

(d) Critical Accounting Estimates and Judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment, Right-of-Use assets and Intangible assets that are subject to amortisation/depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Impairment of investments:** The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charges in the Consolidated Statement of Profit and Loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and the tax charge in the Consolidated Statement of Profit and Loss.
- **Loyalty programme:** The Group estimates the fair value of points awarded under the Loyalty programme by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.

  The group assessed whether the loyalty points provide a material right to the customer that needs to be accounted for as a separate performance obligation. The group determines that the loyalty points provide a material right that the customer would not exercise without entering into the contract.
- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet Date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.
- **Litigation:** From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a

reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet Date.

- **Determination of control:** The group has exercised its judgement not to consolidate entities with majority holding where the group does not have any power or control over or exposure to entity and does not have any rights to variable returns from its involvement with the entity. Also, for all strategic investments in entities where there is a contractual agreement in the form of joint venture agreement were classified as joint venture.

- **Recognition of deferred tax liability on undistributed profits:** The extent to which the group can control the timing of reversal of deferred tax liability on undistributed profit of its subsidiaries requires judgement.

- **Leases:**
  Critical judgements in determining the lease term: Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

  Critical judgements in determining the discount rate: The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(e) Estimation Uncertainty due to COVID-19:
On March 11, 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020. Business operations in the various international markets where the Group operates have also been impacted to varying extent based on the spread of the pandemic and the restrictions on business activities placed by the respective foreign Governments.

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to all the businesses of the Group and its joint ventures and associates.

The business has been severely impacted during the year on account of COVID-19. The Group witnessed softer revenues due to the lockdown imposed during the first six months of the year and a significant number of the Group's hotels had to be shut down. With the unlocking of restrictions, all the Group's hotels have been opened and business is expected to gradually improve across all hotels. During the second half of the year, the Group witnessed some signs of recovery of demand, especially in leisure destinations. Whilst there has been a second wave of the COVID-19 pandemic in the last few months in some of the countries where the Group operates, there has also been increased vaccination drive by the respective Governments and the Group continues to closely monitor the situation.

The Group has also assessed the potential impact of COVID-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. Various steps have been initiated to raise finances from banks and institutions for working capital needs and long term fund requirements and the Group is in a comfortable liquidity position to meet its commitments.

The Group has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Group. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Group as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

Significant accounting policies

(f) Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognised in the period in which services are being rendered.

Other Allied services: In relation to the, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognised by reference to the time of service rendered.

Management and Operating fees: Management fees earned from hotels managed by the Group are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

Membership Fees: Membership fee income majorly consists of membership fees received from the loyalty program and Chamber membership fees. Income is earned when the customer enrolls for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Loyalty program: The Group operates loyalty programme, which provides a material right to customers that they would not exercise without entering in to a contract and the eligible customers earns points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and a contract liability is created and on redemption/ expiry of such award points, revenue is recognised at pre-determined rates.

Contract balances

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognised when the Group's right to receive the amount is established.

(g) Employee Benefits

i. Short term Employee Benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which the Group has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

ii. Post-Employment Benefits:

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

a) Provident and family pension fund

The eligible employees of domestic components of the Group are entitled to receive post-retirement benefits in respect of provident fund and family pension fund a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund managed by the trust set up by the Group, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred.

Employee benefits arising out of contributions towards Provident Fund and Family Pension Scheme to Regional Provident Fund Commissioner or the Central Provident Commissioner and Social Security etc. paid/payable during the year are recognised as expense in the Statement of Profit and Loss account in the period in which the employee renders services.

Eligible employees of some of the overseas components of the Group are members of defined contribution plans. These plans, in addition to employee contribution, require the Group to make contributions equivalent to a pre-define percentage of each eligible participant's plan compensation for each year. The Group may also make a profit sharing contribution of uniform percentage of eligible participant's plan compensation based on profit as defined. The Group recognised such contribution as an expense in the year in which the employee renders service.

b) Superannuation

The Group has a defined contribution plan for eligible employees of its domestic components, wherein it annually contributes a sum equivalent to a defined percentage of the eligible employee's annual basic salary to a fund administered by the trustees. The Group recognises such contributions as an expense in the year in which the corresponding services are received from the employees.

c) Others

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligation therein, based on independent external actuarial valuations carried out at the Balance Sheet date.

Certain international subsidiaries operate a defined contribution pension scheme and the pension charge represents the amounts paid/payable by them to the fund in the period in which the employee renders services.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

a) **Gratuity**

The Group accounts for the net present value of its obligations for gratuity benefits, based on independent actuarial valuations, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or asset as of the reporting date. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

In case of funded scheme, the Group makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds in respect of eligible employee in case of certain domestic components and the parent / company.

b) **Post-Retirement Pension Scheme and Medical Benefits**

The net present value of the Group's obligation towards post retirement pension scheme for retired whole time directors and post- employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

The Group also participates in an industry-wide defined benefit plan which provides pension linked to final salaries in respect of employees of certain overseas hotel properties. The plan is funded in a manner such that contributions are set at a level that is expected to be sufficient to pay the benefits falling due in the same period. It is not practicable to determine the present values of the Group's obligations as the covered hotel properties have not received information from the plan's administrator. In the absence of sufficient information the plan has been accounted as if it was a defined contribution plan.

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

c) **Provident Fund Trust**

In respect of contribution to the trust set up by the Group, since the Group is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

Other Long-term Employee Benefits

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

(h) **Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(q) below). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalised and depreciated over their estimated useful life.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Indian Entities

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

The estimated useful lives of the assets are as follows:

Class of Assets	Estimated Useful Life
Building	30 to 80 years
Plant and Equipment	5 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Other miscellaneous hotel assets	4 years

In respect of buildings on leasehold land, depreciation is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to leasehold buildings are depreciated on the basis of their estimated useful lives or the expected lease period, whichever is lower.

Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effects of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Proportionate depreciation is charged for the addition and disposal made during the year.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

International Entities

Depreciation on assets is provided at Straight Line Method (SLM) based on the estimated useful life detailed below. In respect of improvements in the nature of structural changes and major refurbishment to buildings occupied on lease, depreciation is provided for over the period of the lease.

Class of Assets	Estimated Useful Life
Long term lease hold property	Over the term of lease
Plant and Equipment	5 to 20 years
Electrical Installation and Equipment	20 years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives. Freehold land is not depreciated.

(i) Intangible Assets

Intangible assets include cost of acquired software and designs, cost incurred for development of the Company's website and certain contract acquisition costs including the lease rights acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising for other intangible assets is as under:

Class of Assets	Estimated Useful Life
Website Development Cost	5 years
Software and Licences	6 years
Service and Operating Rights	10 years
Leasehold property rights	Over the term of lease

An intangible assets is derecognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(j) Impairment of Assets

Goodwill which has an indefinite useful life is not subject to amortisation and is tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(k) Foreign Currency Translation

Functional and presentation currency

The functional currency and presentation currency of the Company is Indian Rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.

Translation of financial statements of foreign operations

Assets and liabilities of foreign entities are translated into Indian Rupees on the basis of the closing exchange rates as at the end of the year. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. All resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as a part of gain or loss on sale.

(l) Lease

On inception of a contract, the Group assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Group statement of financial position as a right-of-use asset and a lease liability.

Right to Use Assets

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated to a residual value over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed annually.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Group is reasonably certain to exercise and excludes the effect of early termination options where the Group is reasonably certain that it will not exercise the option. Minimum lease payments include the cost of a purchase option if the Group is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable Lease

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

The Group has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Presentation of lease payments in Cash Flow Statements:

Lease payments are presented as follows in the Group statement of cash flows:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- Payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from financing activities; and
- Payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

COVID-19-related rent concessions

In the current year, the Group has applied the amendments to Ind AS 116 that are effective for an annual period that begins on or after 1 April 2020 Refer Note 2(x).

(m) Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost includes the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(n) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Group will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants which are essentially in the nature of reimbursements are netted of against the related expenses.

Government grants related to assets are presented in the balance sheet by deducting the grant in calculating the carrying amount of the asset.

(o) Income Taxes

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

Current tax

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates at the end of the reporting period in the countries where the company and its subsidiaries and its associates and joint ventures operate and generate taxable income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of the goodwill. The deferred tax is also not accounted if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profits/(taxable loss).

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets positions are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences between the carrying amount and the tax bases of investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Group created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent assets and contingent liabilities are reviewed at each balance sheet date.

(q) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

(r) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

(s) Earnings per share

Basic earnings per share is computed by dividing the Profit or Loss after tax by the weighted average number of equity shares outstanding during the year adjusting the bonus element for all the reported period arising on account of issue of equity shares on rights and including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(t) Exceptional items

The Group discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Group and provides consistency with the Group's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group. Exceptional items can include, but are not restricted to, gains and losses on the disposal of properties/significant undertakings, impairment charges, exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

(u) Financial Instruments

a. Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

- **Cash and cash equivalents -** Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

- **Debt Instruments -** The Group classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset:

  i. Financial assets at amortised cost

  Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

  ii. Financial assets at Fair Value through Other Comprehensive Income ("FVOCI")

  Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

iii. **Financial assets at Fair Value through Statement of Profit and Loss ("FVTPL")**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- **Equity Instruments -** The Group subsequently measures all equity investments (other than the investment in joint ventures and associates which are measured using equity method of accounting) at fair value. Where the Group has elected to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payment is established.

  The Group has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments not held for trading.

  When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

The Group assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Group recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

b. **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in Statement of Profit and Loss.

Derivatives contracts

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The fair value changes of derivatives which are not designated as a hedging instrument are accounted through Statement of Profit and Loss. During the years reported, no hedge relationship was designated.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the Statement of Profit and Loss.

(w) Business combination

The Group uses the "acquisition method" of accounting to account for its business combinations as per which the identifiable assets or liabilities (and contingent liabilities) assumed are recognised at their fair values (with limited exceptions). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interests of the acquire, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition date amounts of identifiable assets acquired and the liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in Other Comprehensive Income and accumulated in equity as Capital Reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as Capital Reserve.

Transaction costs incurred (other than debt / equity instrument related) in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees are expensed as incurred.

If the Group obtains control over one or more entities that are not businesses, then the bringing together of those entities are not business combinations. The cost of acquisition is allocated among the individual identifiable assets and liabilities of such entities, based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill and no non-controlling interest is recognised.

In case of business combinations involving entities under common control, the above policy done not apply. Business combinations of entities under common control are accounted using the "pooling of interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination

(x) Recent accounting pronouncements

New and amended standards adopted by the Group:

In the current year, the Group has applied the below amendments to Ind AS 116 that are effective for an annual period that begins on or after 1 April 2020:

The Group has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- There is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures. The Group has benefited from waiver of lease payments of ₹ 35.05 crores (including those leases where the Company availed the above practical expedients) on certain hotel properties/ office premises. The waiver of lease payments has been accounted for as "Other Income" in the statement of profit or loss. The Company has derecognised the part of the lease liability that has been extinguished by the forgiveness of lease payments.

New Standards or other amendments issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

Note 3 : Property, plant and equipment (owned, unless otherwise stated)

(₹ crores)

	Freehold Land	Buildings (Refer Footnote i and vi)	Plant and machinery	Furniture & fixtures (Refer Footnote ii)	Office Equipment (Refer Footnote ii)	Vehicles	Total
Cost							
Gross carrying value							
As at April 1, 2019	265.17	3,995.57	1,314.53	608.21	72.93	10.58	6,266.99
Translation adjustment (Refer Footnote iii)	8.77	110.62	2.20	10.48	0.83	-	132.90
Additions (Refer Footnote iv)	-	133.71	111.49	58.63	14.85	3.68	322.36
Adjustments (Refer Footnote vii)	-	(24.29)	(15.58)	-	-	-	(39.87)
Disposals (Refer Footnote vi)	8.32	33.87	10.98	5.83	0.91	0.32	60.23
At March 31, 2020	**265.62**	**4,181.74**	**1,401.66**	**671.49**	**87.70**	**13.94**	**6,622.15**
Translation adjustment (Refer Footnote iii)	(3.04)	58.33	3.92	5.25	(0.40)	-	64.06
Addition on acquisition (Refer Footnote viii)	64.80	384.19	39.11	28.03	2.69	-	518.82
Additions (Refer Footnote iv)	22.11	153.29	90.27	39.35	4.64	0.40	310.06
Disposals (Refer Footnote vi)	1.35	12.97	8.25	1.53	1.51	0.43	26.04
At March 31, 2021	**348.14**	**4,764.58**	**1,526.71**	**742.59**	**93.12**	**13.91**	**7,489.05**
Accumulated Depreciation							
As at April 1, 2019	-	430.32	346.36	213.22	40.34	3.57	1,033.81
Translation adjustment (Refer Footnote iii)	-	15.22	0.95	7.49	0.62	-	24.28
Charge for the year	-	130.77	105.02	59.58	11.72	1.07	308.16
Disposals	-	5.22	4.21	4.34	0.70	0.28	14.75
At March 31, 2020	**-**	**571.09**	**448.12**	**275.95**	**51.98**	**4.36**	**1,351.50**
Translation adjustment (Refer Footnote iii)	-	5.61	1.56	2.66	(0.23)	-	9.60
Addition on acquisition (Refer Footnote viii)	-	34.77	22.29	24.97	2.41	-	84.44
Charge for the year	-	148.82	101.71	60.45	12.08	1.24	324.30
Disposals	-	1.41	4.76	0.82	1.41	0.39	8.79
At March 31, 2021	**-**	**758.88**	**568.92**	**363.21**	**64.83**	**5.21**	**1,761.05**
Net Block							
At March 31, 2020	**265.62**	**3,610.65**	**953.54**	**395.54**	**35.72**	**9.58**	**5,270.65**
At March 31, 2021	**348.14**	**4,005.70**	**957.79**	**379.38**	**28.29**	**8.70**	**5,728.00**

Footnotes :

(i) Cost includes improvements to buildings constructed on leasehold land ₹ 3,190.73 crores; (Previous year ₹ 2,999.78 crores)

(ii) Furniture, Fixtures and Office Equipment as at the year end include assets acquired on finance lease: Cost ₹ 5.30 crore (Previous year ₹ 4.90 crore), Accumulated Depreciation ₹ 2.28 crores (Previous year ₹ 1.27 crores), Depreciation for the year ₹ 0.87 crore (Previous year ₹ 0.48 crore) and carrying value as at the reporting date of ₹ 3.02 crores (Previous year ₹ 3.63 crores).

(iii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".

(iv) Addition includes ₹ 1.00 crores (Previous year ₹ 1.51 crores) on account of interest cost on borrowings capitalised on certain qualifying assets (Refer Note 27).

(v) For details of pledged assets refer Note 19 footnote (ii).

(vi) Disposals include adjustment of ₹ 1.07 crores (Previous year - ₹ 3.74 crores) comprising of residential flats, re-classified as held for sale.

(vii) Claims received during previous year is directly attributable to specific assets amounting to ₹ 39.87 crores has been reduced/adjusted against the respective assets and accordingly depreciation in future years would be lower.

(viii) During the year, Group has acquired entire stake in a jointly controlled entity, IHMS SA Pty limited ("IHMS SA") consequently IHMS SA along with its subsidiary has become a wholly owned subsidiaries and due to which net block increase by ₹ 434.38 crores.

Note 4 : Right-of-use assets

(₹ crores)

	Leasehold Land	Buildings	Office Premises	Total
Cost				
Gross carrying value				
As at April 1, 2019 (Refer Note 35)	194.53	1,511.83	35.60	1,741.96
Reassessment of leases	-	29.23	-	29.23
Additions	-	46.37	-	46.37
Disposals	0.15	170.63	-	170.78
At March 31, 2020	**194.38**	**1,416.80**	**35.60**	**1,646.78**
Translation adjustment (Refer Footnote iii)	-	6.35	-	6.35
Addition on acquisition (Refer Footnote v)	-	6.48	0.43	6.91
Additions	9.58	1.96	10.27	21.81
Disposals	0.03	24.37	-	24.40
At March 31, 2021	**203.93**	**1,407.22**	**46.30**	**1,657.45**
Accumulated Amortisation				
As at April 1, 2019 (Refer Note 35)	-	-	-	-
Translation adjustment (Refer Footnote iii)	-	1.36	-	1.36
Charge for the year (Refer Footnote i)	3.34	61.96	7.00	72.30
Disposals	-	10.16	-	10.16
At March 31, 2020	**3.34**	**53.16**	**7.00**	**63.50**
Translation adjustment (Refer Footnote iii)	-	0.14	0.02	0.16
Addition on acquisition (Refer Footnote v)	-	1.37	0.23	1.60
Charge for the year (Refer Footnote i)	3.63	52.05	7.49	63.17
Disposals	-	0.72	-	0.72
At March 31, 2021	**6.97**	**106.00**	**14.74**	**127.71**
Net Block				
At March 31, 2020	**191.04**	**1,363.64**	**28.60**	**1,583.28**
At March 31, 2021	**196.96**	**1,301.22**	**31.56**	**1,529.74**

Footnote :

(i) Amortisation includes ₹ 1.20 crores (Previous year ₹ 1.94 crores) which is capitalised during the year.

(ii) The Company's leased assets mainly comprise land and hotel properties and offices. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1 to 198 years. Many of the Company's property leases contain extension or early termination options, which are used for operational flexibility.

One of the land lease agreement with the Government has expired and is in an advanced stage of renewal. In the absence of a definitive agreement and uncertainty about the timing of the cash flows, this lease is not included in the calculation of Right-of-Use Assets and corresponding Lease liabilities. The rental for this land continues to be provided as lease expense on a best estimate.

(iii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".

(iv) Variable lease payments are payable under certain of the Company's hotel leases and arise where the Company is committed to making additional lease payments that are contingent on the performance of the hotels. (Refer Note 35 (c))

(v) During the year, Group has acquired entire stake in a jointly controlled entity, IHMS SA Pty limited ("IHMS SA") consequently IHMS SA along with its subsidiary has become a wholly owned subsidiaries and due to which net block increase by ₹ 5.31 crores.

Note 5 : Goodwill

(₹ crores)

	March 31, 2021	March 31, 2020
Opening Balance	614.58	583.47
Add : Foreign Exchange fluctuation for the year	(3.61)	31.52
Less : Adjustment on account of additional stake in a subsidiary	-	(0.41)
Closing Balance	**610.97**	**614.58**

Footnote :

The Group tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill, which arose on acquisition of the assets/entities, is allocated to a cash generating unit "CGU" representing the lowest level with the Group at which goodwill is monitored for internal management reporting purposes.

Note 5 : Goodwill (contd.)

The recoverable value of the CGU is determined on the basis of 'fair value less cost to sell'. The Group determined fair values using the market approach, when available and appropriate, or the income approach, or a combination of both. The Group assesses the valuation methodology based upon the relevance and availability of the data at the time the valuation is performed. If multiple valuation methodologies are used, the results are weighted appropriately.

Valuations using the market approach are derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services.

Goodwill mainly comprises of ₹ 427.17 crores (Previous year - ₹ 430.78 crores) allocated to the International business (United Kingdom) and ₹ 130.99 crores (Previous year - ₹ 130.99 crores) allocated to a component of domestic business. The estimated fair value of these CGUs is based on market value of property. The remaining amount of goodwill of ₹ 52.81 crores (Previous year - ₹ 52.81 crores) relates to different CGUs which is individually immaterial.

Note 6 : Other intangible assets

(₹ crores)

	Leasehold property rights (acquired) (Refer Footnote iii)	Website development cost	Software and licences (Refer Footnote i)	Service and Operating Rights	Total
Cost					
Gross carrying value					
As at April 1, 2019	633.22	21.50	54.94	3.70	713.36
Translation adjustment (Refer Footnote ii)	0.99	-	-	0.34	1.33
Additions	6.67	1.16	2.54	-	10.37
Disposals	0.04	-	0.01	-	0.05
At March 31, 2020	**640.84**	**22.66**	**57.47**	**4.04**	**725.01**
Translation adjustment (Refer Footnote ii)	(0.34)	-	-	(0.12)	(0.46)
Addition on acquisition (Refer Footnote iv)	-	-	1.75	-	1.75
Additions	0.04	0.45	1.27	-	1.76
Disposals	0.03	-	0.02	-	0.05
At March 31, 2021	**640.51**	**23.11**	**60.47**	**3.92**	**728.01**
Accumulated Amortisation					
As at April 1, 2019	58.14	13.05	32.87	3.70	107.76
Translation adjustment (Refer Footnote ii)	0.88	-	-	0.34	1.22
Charge for the year	13.75	4.30	7.67	-	25.72
Disposals	0.01	-	0.02	-	0.03
At March 31, 2020	**72.76**	**17.35**	**40.52**	**4.04**	**134.67**
Translation adjustment (Refer Footnote ii)	(0.32)	-	-	(0.12)	(0.44)
Addition on acquisition (Refer Footnote iv)	-	-	1.49	-	1.49
Charge for the year	12.84	4.03	6.49	-	23.36
Disposals	0.03	-	0.03	-	0.06
At March 31, 2021	**85.25**	**21.38**	**48.47**	**3.92**	**159.02**
Net Block					
At March 31, 2020	**568.08**	**5.31**	**16.95**	**-**	**590.34**
At March 31, 2021	**555.26**	**1.73**	**12.00**	**-**	**568.99**

Footnotes :

(i) Software includes Customer Reservation System and other licensed software.

(ii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".

(iii) Leasehold property rights mainly consists of lease acquisition rights for the hotel property including land. Refer Note 2(i) for accounting policy.

(iv) During the year, Group has acquired entire stake in a jointly controlled entity, IHMS SA Pty limited ("IHMS SA") consequently IHMS SA along with its subsidiary has become a wholly owned subsidiaries and due to which net block increase by ₹ 0.26 crores.

Note 7 : Investments accounted using the equity method

		Face Value	March 31, 2021 Holdings As at	March 31, 2021 (₹ crores)	March 31, 2020 Holdings As at	March 31, 2020 (₹ crores)
	Break up of investments in joint ventures and associate (carrying value determined using the equity method of accounting) as below :-					
(a)	**Equity investments in joint venture companies (Refer Note 36(c))**					
	Fully paid unquoted equity investments					
	Taj Kerala Hotels & Resorts Ltd. (49,89,430 shares acquired during the year)	₹ 10	19,141,094	14.72	14,151,664	13.95
	Taj SATS Air Catering Ltd.	₹ 10	8,874,000	41.78	8,874,000	69.95
	Taj Karnataka Hotels & Resorts Ltd. (Refer footnote (iii))	₹ 10	1,398,740	-	1,398,740	-
	Taj Safaris Ltd.	₹ 10	29,720,502	9.13	29,720,502	9.04
	Kaveri Retreat & Resorts Ltd.	₹ 10	13,176,467	45.24	13,176,467	43.49
	Zarrenstar Hospitality Private Ltd	₹ 1	1	-	1	-
	IHMS Hotels (SA) (Proprietary) Ltd. (Refer footnote (iii), (vi))	ZAR 1	-	-	86,739,958	-
	TAL Hotels and Resorts Ltd.	$ 1	4,946,282	105.35	4,946,282	124.74
	Total Aggregate unquoted investments			**216.22**		**261.17**
	Fully paid quoted equity investments					
	Taj GVK Hotels & Resorts Ltd.	₹ 10	16,000,400	115.66	16,000,400	123.21
	Total Aggregate quoted investments			**115.66**		**123.21**
	Total Investments carrying value			**331.88**		**384.38**
(b)	**Equity investments in associate companies (Refer Note 36(c))**					
	Fully paid unquoted equity investments					
	Taj Madurai Ltd.	₹ 10	912,000	4.94	912,000	4.04
	Taida Trading & Industries Ltd. (Refer footnote (iv))	₹ 100	65,992	-	65,992	-
	Lanka Island Resorts Ltd.	LKR 10	19,965,525	29.90	19,965,525	33.40
	Bjets Pte Ltd. (Refer footnote (iv))	$ 1	20,000,000	-	20,000,000	-
	Total Aggregate unquoted investments			**34.84**		**37.44**
	Fully paid quoted equity investments					
	Oriental Hotels Ltd. (Refer footnote (v))	₹ 10	66,166,530	210.40	66,166,530	238.99
	TAL Lanka Hotels Plc	LKR 10	34,375,640	1.25	34,375,640	11.54
	Total Aggregate quoted investments			**211.65**		**250.53**
	Total Investments carrying value			**246.49**		**287.97**
	Total Investments in joint ventures and associates			**578.37**		**672.35**

Footnotes :

		March 31, 2021	March 31, 2020
(i)	Aggregate carrying amount of Quoted Investments	327.31	373.74
	Market value of Quoted Investments	340.53	289.87
	Aggregate amount of impairment in value of investments	-	-
(ii)	Aggregate carrying amount of Unquoted Investments	251.06	298.61

(iii) The carrying value of these investments is carried at nil value as the Group's interest using equity method in these entities are reduced to zero. The Group has also picked up additional losses under the equity method to the extent of the Group's other exposures in terms of loans given and Fees/dues Outstanding's. (Refer Note no 21(b)).

(iv) The carrying amount of these investments has been reported as nil, as the Group's share of losses exceeds the cost/carrying value. (Refer Note 36(c))

(v) Includes 1.25% (Previous year 5.40%), of the shares held in the form of Global Depository Receipts (GDR).

(vi) During the year, Group has acquired entire stake in IHMS SA Pty limited ("IHMS SA") consequently IHMS SA along with its subsidiary has become a wholly owned subsidiaries. (Refer Note 37)

Note 8 : Investments

		Face Value	March 31, 2021 Holdings As at	March 31, 2021 (₹ crores)	March 31, 2020 Holdings As at	March 31, 2020 (₹ crores)
(a)	**Non current**					
	Equity investments in other companies (Non current)					
	Carried at fair value through Other Comprehensive Income:					
	Fully paid unquoted equity investments					
	Tata Industries Ltd. (Refer Footnote (v)	₹ 100	42,74,590	55.73	42,74,590	55.73
	Tata International Ltd (addition during the year)	₹ 1000	12,000	34.57	8,000	18.11
	Tata Sons Private Ltd. (Refer Footnote (v)	₹ 1000	4,500	25.00	4,500	25.00
	Kumarakruppa Frontier Hotels Private Ltd.	₹ 10	96,432	7.92	96,432	7.48
	Taj Air Ltd.	₹ 10	2,22,40,200	6.41	2,22,40,200	5.58
	TP Kirnali Solar Limited (Refer footnote (vi)) (40,63,410 shares purchased during the year)	₹ 10	40,63,410	4.06	-	-
	Tata Services Ltd.	₹ 1000	421	0.04	421	0.04
	TRIL Infopark Ltd. (Refer Footnote iii)	₹ 10	-	-	7,11,00,000	71.10
	MPOWER Information Systems Private Ltd. *	₹ 10	5,28,000	-	5,28,000	-
	Smile and Care Products Private Ltd. *	₹ 10	49,800	-	49,800	-
	Saraswat Co-operative Bank Ltd. *	₹ 10	2,000	-	2,000	-
	Damania Airways Ltd.*	₹ 10	500	-	500	-
	Bombay Mercantile Co-operative Bank Ltd. *	₹ 30	333	-	333	-
	Hotels and Restaurant Co-op. Service Society Ltd. *	₹ 50	20	-	20	-
	Hindustan Engineering & Industries Ltd. *	₹ 10	7	-	7	-
				133.73		**183.04**
	Fully paid quoted equity investments:					
	India Tourism Development Corporation Ltd.	₹ 10	67,50,275	259.24	67,50,275	87.75
	Titan Company Ltd.	₹ 1	4,00,000	62.30	5,00,000	46.67
	Tulip Star Hotels Ltd.	₹ 10	35,800	0.14	35,800	0.09
	HDFC Bank Ltd.	₹ 1	5,000	0.75	5,000	0.43
	Graviss Hospitality Ltd.	₹ 2	4,500	0.01	4,500	0.01
	EIH Ltd. *	₹ 2	37	-	37	-
	Hotel Leela Venture Ltd. *	₹ 2	25	-	25	-
	Asian Hotels (North) Ltd. *	₹ 10	2	-	2	-
	Asian Hotels (East) Ltd. *	₹ 10	2	-	2	-
	Asian Hotels (West) Ltd. *	₹ 10	2	-	2	-
				322.44		**134.95**
	Investment in Preference Shares (carried at amortised costs)					
	Central India Spinning Weaving & Manufacturing Company Ltd. * (10% unquoted Cumulative Preference Shares)	₹ 500	50	-	50	-
	Investment in Others (carried at amortised costs)					
	Hindusthan Engineering & Industries Ltd *	₹ 10	7	-	7	-
	National Savings Certificate *			-		0.01
				-		**0.01**
	Total Investments carrying value			**456.17**		**318.00**

* Value of these investments individually is less than ₹ 50,000

Footnotes :

		March 31, 2021	March 31, 2020
(i)	Aggregate carrying amount of Quoted Investments	322.44	134.95
	Market value of Quoted Investments	322.44	134.95
(ii)	Aggregate carrying amount of Unquoted Investments and Others	133.73	183.05

(iii) Reclassified to current investment (Refer Note 8 (b) (iii)).

(iv) The fair value hierarchy and classification are disclosed in Note 38(b).

(v) For these investments, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(vi) During the year, the Group invested 26% as mandated in TP Kirnali Solar Limited, a subsidiary of Tata Power Limited in order to obtain captive solar power supply for some of its hotel in Mumbai. The Group does not have control nor have any power to participate in financial and operating policy decision of TP Kirnali Solar Limited.

Note 8 : Investments (contd.)

(₹ crores)

	March 31, 2021	March 31, 2020
(b) Current		
Investments carried at fair value through profit and loss:		
Investments in mutual fund units (unquoted)	377.53	436.24
	377.53	**436.24**
Fully Paid Unquoted Equity Investments		
TRIL Infopark Ltd. (Face value ₹ 10), (7,11,00,000 shares) (Refer Footnote (iii))	71.10	-
	71.10	**-**
Investments carried at fair value through Other Comprehensive Income:		
Equity investments in other entities (unquoted)		
BAHC 5 Pte Ltd. (Refer Footnote (ii))	-	-
1 (Previous year - 1) equity shares of US $ 1 each (₹ 73 (Previous year ₹ 75))		
Total Current investments	**448.63**	**436.24**

Footnote :

		March 31, 2021	March 31, 2020
(i)	Aggregate carrying amount of Unquoted Investments	448.63	436.24

(ii) This investment are temporarily held for disposal in near future (Refer Note 36(a)(ii)(b))

(iii) Transfer of shares is restricted due to option granted for 10 years upto July, 2021 to Tata Realty and Infrastructure Ltd. for repurchase of the shares at par value. Tata Realty and Infrastructure Ltd. has deposited a sum of ₹ 71.10 crores has been transferred to current (Previous year ₹ 71.10 crores shown under non current) as Option Deposit, which shall be adjusted upon exercise of the option or refunded. As the exercise option is in July 2021, it has been reclassified as current investment (Refer Note 43 (c)).

Note 9 : Loans

(₹ crores)

	March 31, 2021	March 31, 2020
(a) Non Current Loans at amortised costs		
(Unsecured, considered good unless stated otherwise)		
Loans to Related Parties (Refer Note 43)		
Considered good	5.05	16.65
Credit impaired	3.27	3.27
	8.32	**19.92**
Less : Allowance for credit impaired	3.27	3.27
	5.05	**16.65**
(b) Current Loans at amortised costs		
(Unsecured, considered good unless stated otherwise)		
Loans		
Related parties (Refer Note 43)	16.05	3.42
Others	0.63	1.35
	16.68	**4.77**

Note 10 : Other financial assets

(₹ crores)

		March 31, 2021	March 31, 2020
(a)	**Non current**		
	Long-term security deposits placed for hotel properties at amortised costs		
	Long-term security deposits placed for hotel properties at amortised costs	49.77	75.02
		49.77	**75.02**
	Less : Allowance for doubtful deposits	2.00	2.00
		47.77	**73.02**
	Deposits with Public Bodies and Others at amortised costs		
	Related parties (Refer Note 43)	0.08	0.08
	Public Bodies and Others	27.66	32.63
		27.74	**32.71**
	Less : Allowance for doubtful deposits	0.02	0.02
		27.72	**32.69**
	Deposits with banks (Refer Note 16)	1.61	10.81
	Interest receivable	0.04	0.08
	Others	1.05	1.76
		78.19	**118.36**
(b)	**Current**		
	Deposit with public bodies and others		
	Public Bodies and Others	31.11	29.70
		31.11	**29.70**
	Other advances		
	Considered good	19.16	13.87
	Considered doubtful	3.07	2.32
		22.23	**16.19**
	Less : Allowance for doubtful advances	3.07	2.32
		19.16	**13.87**
	Interest receivable		
	Related Parties (Refer Note 43)	0.02	0.49
	Others	1.34	6.72
		1.36	**7.21**
	Other receivable		
	Related Parties (Refer Note 43)	15.80	83.12
	Others	21.52	27.08
		37.32	**110.20**
		88.95	**160.98**

Note 11 : Deferred tax assets (net)

(₹ crores)

		March 31, 2021	March 31, 2020
(a)	**Deferred tax assets:**		
	Allowance for doubtful debts	0.56	0.44
	Provision for employee benefits	1.99	4.18
	Right-of-use assets (net of Lease Liabilities)	8.06	6.22
	Unused tax losses (Business)	112.51	70.67
	MAT credit entitlement	20.43	20.43
	Others	5.51	2.80
	Total (A)	**149.06**	**104.74**
	Deferred tax liabilities:		
	Property, Plant and equipment & Intangible Assets	27.74	27.71
	Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	3.21	0.38
	Others	0.13	0.15
	Total (B)	**31.08**	**28.24**
	Net Deferred tax assets (A-B) (Refer Footnote i)	**117.98**	**76.50**

Footnotes :

(i) Deferred tax assets and deferred tax liabilities of entities within the group have been offset as they relate to the same governing taxation laws.

(ii) For details in deferred tax balances, Refer Note 40.

(₹ crores)

		March 31, 2021	March 31, 2020
(b)	**Deferred tax liabilities:**		
	Property, Plant and equipment & Intangible Assets	300.69	307.31
	Unamortised borrowing costs	2.20	0.34
	Fair valuation changes of derivative contracts	0.27	-
	Others	0.63	0.07
	Total (A)	**303.79**	**307.72**
	Deferred tax assets:		
	Allowance for doubtful debts	8.43	4.78
	Provision for employee benefits	19.97	33.84
	Right-of-use assets (net of Lease Liabilities)	52.65	47.23
	Unused tax losses (Business)	112.11	-
	Fair valuation changes of derivative contracts	-	5.93
	Reward Points	11.90	12.31
	Provision for Contingencies	4.77	3.34
	Others	15.91	13.44
	Total (B)	**225.74**	**120.87**
	Net Deferred tax liabilities (A-B) (Refer Footnote i)	**78.05**	**186.85**

Footnotes :

(i) Deferred tax liabilities and deferred tax assets of entities within the group have been offset as they relate to the same governing taxation laws.

(ii) For details in deferred tax balances, Refer Note 40.

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

Note 12 : Other assets

(₹ crores)

	March 31, 2021	March 31, 2020
(a) Non current		
Capital advances	17.89	35.66
Prepaid expenses	150.31	120.32
Deposits with government authorities	117.67	111.41
Incentive receivables	27.30	76.67
Others	3.81	4.25
	316.98	**348.31**
(b) Current		
Prepaid expenses	53.61	58.86
Indirect tax recoverable	41.97	43.53
Advances to suppliers	17.38	26.95
Loans and advances to employee	1.92	2.01
Incentive receivables	15.76	0.77
Others	1.56	0.25
	132.20	**132.37**
Total other assets	**449.18**	**480.68**

Note 13 : Inventories (At lower of cost or net realisable value)

(₹ crores)

	March 31, 2021	March 31, 2020
Food and Beverages	43.66	51.26
Stores and Operating Supplies	41.29	42.35
Apartment held for sale	7.93	-
	92.88	**93.61**

Note 14 : Trade Receivables

(₹ crores)

	March 31, 2021	March 31, 2020
(Unsecured) (Refer Note 43 for Related Party Disclosures)	219.84	290.02
Considered good	-	-
Significant increase in credit risk	38.72	26.63
Credit impaired	**258.56**	**316.65**
	38.72	26.63
Less : Allowance for credit impaired	**219.84**	**290.02**

Footnote:

Allowance for credit impaired		
Opening Balance	26.63	29.81
Add: Allowance during the year	11.76	5.90
	38.39	**35.71**
Less: Bad Debts written off/ Reversal of allowances no longer required	0.33	(9.08)
Closing Balance	**38.72**	**26.63**

Note 15 : Cash and Cash Equivalents

(₹ crores)

	March 31, 2021	March 31, 2020
Cash on hand	2.73	3.89
Cheques, drafts on hands	1.71	0.59
Balances with banks in current account	62.48	129.72
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	27.35	116.62
	94.27	**250.82**

Note 16 : Other Balances with banks

(₹ crores)

	March 31, 2021	March 31, 2020
Call and Short-term deposit accounts	51.47	58.39
Deposits pledged with others	0.99	8.73
Margin money deposits	6.42	6.41
Earmarked balances	2.09	2.04
	60.97	**75.57**
Less : Term deposit with banks maturing after 12 months from the Balance Sheet date and other earmarked / margin money / pledged deposits classified as non-current 'Other financial asset' (Refer Note 10(a))	1.61	10.81
	59.36	**64.76**

Note 17 : Equity Share capital

(₹ crores)

	March 31, 2021	March 31, 2020
Authorised Share Capital		
200,00,00,000 (Previous year - 200,00,00,000) Equity Shares of ₹ 1 each	200.00	200.00
	200.00	**200.00**
Issued Share Capital		
118,93,07,472 (Previous year - 118,93,07,472) Equity Shares of ₹ 1 each	118.93	118.93
	118.93	**118.93**
Subscribed and Paid Up		
118,92,58,445 (Previous Year - 118,92,58,445) Equity Shares of ₹ 1 each, Fully Paid	118.93	118.93
(Refer Footnote (iv))	**118.93**	**118.93**

Footnotes:

(i) The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2021		March 31, 2020	
	No. of shares	₹ crores	No. of shares	₹ crores
As at the beginning of the year	118,92,58,445	118.93	118,92,58,445	118.93
Add : Shares issued during the year	-	-	-	-
As at the end of the year	**118,92,58,445**	**118.93**	**118,92,58,445**	**118.93**

Notes to Consolidated Financial Statements (Contd.)

for the year ended March 31, 2021

Note 17 : Equity Share capital (contd.)

(iii) Shareholders holding more than 5% shares in the Company :

	March 31, 2021		March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Tata Sons Private Limited	45,30,05,131	38.09	45,30,05,131	38.09
Reliance Capital Trustee Company Limited	*	*	8,41,68,733	7.08
HDFC Trustee Company Limited	*	*	7,97,96,753	6.71

* less than 5%

(iv) 49,027 (Previous year - 49,027) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

(v) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (Previous year - Nil)

(vi) Equity Shares held by associates :

	March 31, 2021		March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Oriental Hotels Limited	7,52,398	0.06	7,52,398	0.06
Taida Trading and Industries Limited	1,87,818	0.02	1,87,818	0.02
Taj Madurai Limited	11,25,393	0.09	11,25,393	0.09

Note 18 : Other equity

(₹ crores)

		March 31, 2021	March 31, 2020
a)	**Reserves and surplus**		
	Capital Reserve (Refer Footnote (a) below)		
	Opening and Closing Balance	43.91	43.91
	Capital Reserve on Consolidation (Refer Footnote (b) below)		
	Opening Balance	111.57	111.81
	Less : Change in ownership in a Joint venture	-	(0.24)
	Closing Balance	**111.57**	**111.57**
	Securities Premium (Refer Footnote (c) below)		
	Opening and Closing Balance	2,702.05	2,702.05
	Other Reserves		
	Capital Redemption Reserve (Refer Footnote (d) below)		
	Opening Balance	10.79	10.59
	Add : Change in ownership	-	0.20
	Closing Balance	**10.79**	**10.79**
	Debenture Redemption Reserve (Refer Footnote (e) below)		
	Opening Balance	187.40	317.90
	Less : Transfer to General Reserve	(32.39)	(130.50)
	Closing Balance	**155.01**	**187.40**
	Other Reserve (Refer Footnote (f) below)		
	Opening and Closing Balance	(3.89)	(3.89)
		161.91	**194.30**
	General Reserve (Refer Footnote (g) below)		
	Opening Balance	692.56	561.98
	Add : Transfer from Debenture Redemption Reserve	32.39	130.50
	Add : Change in ownership	-	0.08
	Opening and Closing Balance	**724.95**	**692.56**
	Retained Earnings		
	Opening Balance	152.26	154.00
	Less: Adjustment on account of transition to the new lease standard, net of taxes	-	(264.32)
	Less : Adjustment on account of change in holding of Minority Interest (Refer Note 33 (ii))	(169.16)	
	Add : Profit/(Loss) for the year	(720.11)	354.42
	Less : Final Dividend	(59.46)	(59.46)
	Less : Tax on Dividend (net)	-	(11.70)
	Less: Realised Gain/(loss) on sale of investment transferred from Other Comprehensive Income	5.80	(3.01)
	Less: Remeasurements of post employment benefit obligation, (item of other comprehensive income recognised directly in retained earnings)	38.89	(22.92)
	Add : Tax on remeasurements of post employment benefit obligation	(8.92)	5.25
	Closing Balance	**(760.70)**	**152.26**
	Total	**2,983.69**	**3,896.65**
b)	**Other Comprehensive Income (Refer Footnote (h) below)**		
	(Refer Statement of changes in equity for the reclassification adjustments to retained earnings)		
	Equity Instruments fair valued through Other Comprehensive Income	284.26	94.25
	Exchange differences on translating the financial statement of foreign operations	261.56	246.98
		545.82	**341.23**
		3,529.51	**4,237.88**

Note 18 : Other equity (contd.)

Footnote:

Description of nature and purpose of each reserve

a) **Capital Reserve:** Capital reserve mainly consists of reserves transferred on amalgamation of subsidiaries in earlier years.

b) **Capital Reserve on Consolidation :** During acquisition, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve on account of acquisition.

c) **Securities Premium:** Securities premium represents the premium charged to the shareholders at the time of issuance of equity shares. The securities premium can be utilised based on the relevant requirements of the Companies Act, 2013.

d) **Capital Redemption Reserve:** Capital Redemption Reserve was created on redemption of Preference shares in earlier years.

e) **Debenture Redemption Reserve:** The Company created Debenture Redemption Reserve out of the profits which is available for the purpose of redemption of debentures. On redemption of debentures, the same will be transferred to General Reserve.

f) **Other Reserve:** These expenses relates to share issue expenses incurred by one of its subsidiary company in accordance with IND AS 32 : Financial Instruments Presentation

g) **General Reserve:** General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes based on the provisions of the Companies Act prior to its amendment.

h) **Other Comprehensive Income:** This represents the cumulative gains and losses arising on the revaluation of investments in equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such investments are disposed off.

Note 19 : Borrowings

(₹ crores)

		March 31, 2021	March 31, 2020
(a)	**Non current**		
	Debentures		
	Non convertible debentures		
	Secured (Refer Footnote ii)	1,044.72	1,044.36
	Unsecured (Refer Footnote iii)	445.68	199.96
		1,490.40	**1,244.32**
	Term loans		
	From Banks		
	Secured (Refer Footnote iv)	1,649.61	1,187.84
	From Other parties		
	Secured (Refer Footnote v)	247.20	-
		1,896.81	**1,187.84**
	Others	3.10	3.66
	Total	**3,390.31**	**2,435.82**
	Less: Current maturities of Long term borrowings (Refer Note 21 (b))	**1,166.48**	**310.02**
	Total non current borrowings	**2,223.83**	**2,125.80**
(b)	**Current**		
	Loans repayable on demand		
	From Bank		
	Secured (Refer Footnote vi)	25.42	-
	Unsecured (Refer Footnote vi)	0.64	12.40
		26.06	**12.40**
	Other short-term loans		
	From Bank		
	Secured (Refer Footnote vii(a))	10.00	-
	Unsecured (Refer Footnote vii(b))	151.47	113.85
		161.47	**113.85**
	From Related parties (Refer Note 43)		
	Unsecured (Refer Footnote vii(c))	55.00	40.00
		55.00	**40.00**
	Total	**216.47**	**153.85**
	Total current borrowings	**242.53**	**166.25**

Note 19 : Borrowings (contd.)

Footnotes :

(i) Details of borrowings as at:

(₹ crores)

	Effective Rate of Interest (%)	Maturity	March 31, 2021		March 31, 2020	
			Face Value	Amortised cost	Face Value	Amortised cost
Debentures						
Non convertible debentures (NCDs)						
Secured						
7.85% Non convertible debentures	7.85	April 15, 2022	495.00	494.72	495.00	494.36
10.10% Non convertible debentures	10.10	November 18, 2021	300.00	300.00	300.00	300.00
9.95% Non convertible debentures	9.95	July 27, 2021	250.00	250.00	250.00	250.00
			1,045.00	**1,044.72**	**1,045.00**	**1,044.36**
Unsecured						
7.85% Non-Convertible Debentures	7.85	April 20, 2020	-	-	200.00	199.96
7.50% Non-Convertible Debentures	7.50	April 23, 2023	150.00	149.26	-	-
7.95% Non-Convertible Debentures	7.95	June 5, 2023	300.00	296.42	-	-
			450.00	**445.68**	**200.00**	**199.96**
			1,495.00	**1,490.40**	**1,245.00**	**1,244.32**
Term loan from banks						
Secured (Refer Footnote iv)			-	1,649.61	-	1,187.84
Term loans from other parties						
Secured (Refer Footnote v)			-	247.20	-	-
Others				3.10		3.66
			1,495.00	**3,390.31**	**1,245.00**	**2,435.82**
Short term borrowings (Refer Footnote vi and vii)			-	242.53	-	166.25
Total Borrowings			**1,495.00**	**3,632.84**	**1,245.00**	**2,602.07**

(ii) Non convertible debentures - secured include:

a) 4,950, 7.85% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 495 crores, allotted on January 20, 2017 are repayable at par after the end of 5th year from the date of allotment i.e. on April 15, 2022

b) 3,000, 10.10% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on November 18, 2011 are repayable at par on November 18, 2021 i.e. at the end of 10th year from the date of allotment. This has been classified under current maturities of long term borrowings.

c) 2,500, 9.95% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on July 27, 2011 are repayable at par on July 27, 2021 i.e. at the end of 10th year from the date of allotment. This has been classified under current maturities of long term borrowings.

All the Secured Non convertible debentures are rated, listed and secured by a pari passu first charge created on all the property, plant and equipment of the Company, both present and future.

(iii) Non convertible debentures - unsecured include:

a) 2,000, 7.85% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 20, 2017 have been fully redeemed on due date i.e. April 20, 2020. In the previous year, this was classified under current maturities of long term borrowings.

b) 1,500, 7.50% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 150 crores, allotted on April 23, 2020 are repayable at par on April 23, 2023 i.e. at the end of 3rd year from the date of allotment.

c) 3,000, 7.95% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on June 05, 2020 are repayable at par on June 05, 2023 i.e. at the end of 3rd year from the date of allotment.

(iv) Term Loan from Banks (Secured) include:

a) Secured term loan from a bank amounting to ₹ 475 crores (Previous year ₹ 365 crores) is repayable over a period of 6 years from the date of first drawdown i.e. December 06, 2019 and has the final maturity date of December 6, 2025. This loan is linked to MCLR of the bank and currently carries an average interest rate of 7.80%. The Company has created partial charge, on pari-passu basis, on certain identified immovable properties against this loan. The current maturity of the said loan amounting to ₹ 50 crores has been classified under current maturities of long term borrowings.

b) Secured term loan from a bank amounting to ₹ 361 crores (Previous year ₹ 330 crores) is repayable over a period of 6 years from the date of first drawdown i.e. December 09, 2019 and has the final maturity date of December 8, 2025. This loan is linked to MCLR of the bank and currently carries an average interest rate of 7.50%. The Company has created charge, on pari-passu basis, on certain identified immovable properties against this loan. The current maturity of the said loan amounting ₹ 38 crores has been classified under current maturities of long term borrowings.

Note 19 : Borrowings (contd.)

c) Piem had obtained secured term loan from banks amounting to ₹ 36 crores is repayable over a period of 6 years (including moratorium of one year) from the date of the first drawdown with the final maturity date of December 11, 2026. This loan is linked to MCLR of the bank and currently carries an average interest rate of 8.75%. The Company is in the process of creating a charge on certain immovable properties against this loan.

d) Roots Corporation Limited (RCL), a subsidiary of the Company, had obtained a secured loan facility from Kotak Bank for ₹ 75 crores which carries variable interest rate of 6 month MCLR + 30bps (effective interest as at March 31, 2021 8.05% (Previous year 8.5%) payable at monthly rests. Principal amount is repayable in quarterly instalments up to March 2022. Outstanding loan as at March 31, 2020 ₹ 22.50 crores (Previous Year ₹ 42 crores).

RCL has created a charge by way of hypothecation and mortgage of 2 hotel properties namely Ginger Nashik, Ginger Bhubaneshwar and Property, Plant and Equipment contained therein

Further, RCL had obtained loan of ₹ 50 crores from HDFC Bank Ltd which carries variable interest rate of 1 year MCLR + 5bps (effective interest as at March 31, 2020 7.65% (Previous year 8.7%) payable at monthly rest. Principal amount payable in 2 equal quarterly instalments of ₹ 1 crore and 16 quarterly instalments of ₹ 3 crores each. The repayment schedule started from July 2020. Outstanding loan as at March 31, 2021 ₹ 45 crores (Previous Year ₹ 50 crores).

RCL has created a charge by way of hypothecation and mortgage of one hotel property namely Ginger Mangalore. RCL is in a process to create a charge by way of hypothecation and mortgage of one hotel property namely Ginger Trivandrum.

e) St James Court Hotels Limited, an overseas subsidiary of the company, had undertaken a new loan of £ 44.5 million in the year 2017 at a floating rate of 3 month Sterling LIBOR + 1.65%. Repayments of this loan are £ 1.5 million per annum (payable quarterly) with the balance repayable in August 19, 2021. As at the year end March 31, 2021 balance outstanding is £ 37.75 million (Previous year £ 39.25 million) out of which repayable within a year is £ 37.75 million (Previous year £ 1.50 million).

Further in 2018, a new revolving loan facility was taken for £ 15 Million at a floating rate of 3 month Sterling LIBOR + 1.85%, against which the company had drawn down £11 Million which is repayable on August 08, 2021. The company has now signed a term sheet for refinancing of the term loan, falling due in August 2021, with Standard Chartered Bank and Barclays Bank.

These loans are secured against the St James Court Hotel.

f) United Overseas Inc., a Wholly owned subsidiary has entered into a loan agreement with Bank of Baroda, New York branch on February 12, 2021, for a total loan amount of $ 30 million. The term of the loan is six years, i.e., till March 31, 2027. As per the agreement the Company has to withdraw the entire amount of $ 30 million on or before June 30, 2021. UOH has withdrawn an amount of $ 6 million as of March 31, 2021 at an effective interest rate of 4.04%. This facility has been mortgaged by its subsidiary's hotel property, Taj Campton place, San Francisco property.

g) The Group acquired 100% controlling interest in Good Hope Palace Hotels Proprietary Limited (GHPH) on June 30, 2020. As a part of Business combination, loan outstanding in GHPH amounting to US$ 24 m is also added to the borrowings of the company. This loan is repayable on July 31, 2023 and carries interest @ 6 month US LIBOR plus 2.25% which is calculated half yearly. The property, plant and equipment of GHPH are held as security for this loan.

(v) Term Loan from others (Secured) include:

Secured term loan from a Financial Institution amounting to ₹ 250 crores drawn on September 28, 2020 is repayable in 28 equal successive quarterly instalment from the end of 27th month from the month in which the first utilisation occurs with the final maturity date of September 30, 2029. This loan is linked to benchmark rate of the institution and currently carries an interest rate of 8.70%. The Group has pledged its entire investment in ELEL Hotels & Investments Limited (ELEL) as security for this loan. Further, the Group is required to create charge on certain identified leasehold immovable properties belonging to ELEL by December 31, 2021 or in the absence of this, any other suitable immovable assets to the satisfaction of the lender.

Short Term Loans :

(vi) Loans repayable on demand

Loans repayable on demand from bank, consists of overdraft facility.

(vii) Other short-term loans includes (Unsecured)

a) Roots Corporation Limited (RCL), a subsidiary of the Company, had obtained a secured short term loan facility from Axis Bank for ₹ 10 crores which carries variable interest rate of 6 month MCLR + 0.75bps (effective interest as at March 31, 2021 8.2%) payable at monthly rests. Principal amount is repayable at the end of the tenure. Outstanding loan as at March 31, 2021 ₹ 10 crores. The Company is in a process to create a charge by way of hypothecation and mortgage of one hotel property namely Ginger Agartala and assets contained therein for this facility.

b) United Overseas Inc., a Wholly owned subsidiary has availed $ 15 million of credit agreement from J.P. Morgan Bank which expired on Dec 23, 2020 and was further renewed for a period of 1 year. At March 31, 2021, entire $15 million was drawn down and outstanding on credit facility. The weighted average interest rate of the outstanding loans was approximately 4.31% and 3.87% for the year ending March 31, 2021 and March 31, 2020 respectively.

On April 30, 2020, UOH obtained further uncommitted temporary facility for short term loans from JP Morgan Chase Bank, North America, amounting to $ 7,000,000. The amount outstanding on this facility as of March 31, 2021 was $ 5,500,000 having an average interest of approximately 4.25%.

c) Loan from related parties consists of an inter-corporate deposits obtained by the Group which carries interest of 8% to 9% p.a. having a balance tenor of 3-6 months with an option of early repayment.

Note 19 : Borrowings (contd.)

(viii) Disclosure of changes in liabilities arising from financing activities (read with cash flow statement)

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented below:

(₹ crores)

	March 31, 2021	March 31, 2020
a) Net debt		
Cash and cash equivalents	94.27	250.82
Current investments	377.53	436.24
Call and Short-term deposit accounts	51.47	58.39
Total Liquid investment (a)	**523.27**	**745.45**
Long term borrowings (including current maturities shown under Other Current financial liabilities)	3,390.31	2,435.82
Short term borrowings	242.53	166.25
Gross Debt (b)	**3,632.84**	**2,602.07**
Net Debt ((b) - (a))	**3,109.57**	**1,856.62**
b) Other financial liabilities		
Liability on derivative contracts	153.86	179.68
Interest accrued but not due / Unclaimed interest	73.20	56.49
Total Other financial liabilities	**227.06**	**236.17**
Grand Total	**3,336.63**	**2,092.79**

₹ crores

	Liquid Assets					Liabilities from Financing activities		
	Cash and cash equivalents	Current Investments	Bank Balance	Gross Debt	Net Debt	Derivatives	Interest accrued but not due / Unclaimed interest	Total
	(a)	(b)	(c)	(d)	(e) = (d)-(a)-(b)-(c)	(f)	(g)	(h) = (e)+(f)+(g)
Net Debt as at March 31, 2019	**189.29**	**211.21**	**47.48**	**2,325.98**	**1,878.00**	**279.42**	**54.76**	**2,212.18**
Cash flows	56.21	222.20	10.91	222.66	(66.66)	(121.99)	-	(188.65)
Interest expense	-	-	-	31.83	31.83	-	152.40	184.23
Interest paid	-	-	-	(0.72)	(0.72)	-	(154.73)	(155.45)
Transferred to IEPF	-	-	-	-	-	-	(0.46)	(0.46)
Other non- cash movements:					-		4.28	4.28
Added to Borrowings								
Fair value adjustments	-	2.83	-	-	(2.83)	21.76	-	18.93
Foreign Currency Translation Difference	5.32	-	-	22.32	17.00	0.49	0.24	17.73
Net Debt as at March 31, 2020	**250.82**	**436.24**	**58.39**	**2,602.07**	**1,856.62**	**179.68**	**56.49**	**2,092.79**
Cash flows	(157.98)	(67.00)	(6.92)	712.42	944.32	(0.79)	-	943.53
Interest expense	-	-	-	2.23	2.23	-	238.88	241.11
Interest paid	-	-	-	(9.63)	(9.63)	-	(222.45)	(232.08)
Added to Borrowings								
On acquisition of subsidiary	-	-	-	297.56	297.56	-	-	297.56
Fair value adjustments	-	8.29	-	-	(8.29)	(25.00)	-	(33.29)
Foreign Currency Translation Difference	1.43	-	-	28.19	26.76	(0.03)	0.28	27.01
Net Debt as at March 31, 2021	**94.27**	**377.53**	**51.47**	**3,632.84**	**3,109.57**	**153.86**	**73.20**	**3,336.63**

Note 20 : Trade Payables (Refer Note 43 for Related Party Disclosures)

(₹ crores)

	March 31, 2021	March 31, 2020
Vendor payables	157.52	190.90
Accrued expenses and others	160.29	198.42
	317.81	**389.32**

Note 21 : Other financial liabilities

(₹ crores)

	March 31, 2021	March 31, 2020
(a) Non current		
Liability on derivative contracts	-	179.68
Deposits from others	6.99	15.34
Creditors for capital expenditure	-	1.23
Employee related liabilities	-	5.12
Other contractual liability (Refer Note 33(ii))	18.72	-
	25.71	**201.37**
(b) Current		
Current maturities of long-term borrowings (Refer Note 19 (a))		
Debentures	550.00	199.96
Term loan from banks	615.59	109.27
Others	0.89	0.79
	1,166.48	**310.02**
Liability on derivative contracts	153.86	-
Other contractual liability (Refer Note 33(ii))	165.14	
Contract Liability towards loyalty programmes (Refer Note 31(iii) (b)))	47.57	49.18
Other payables		
From related parties (Refer Note 43)	0.55	1.93
From other parties	3.27	7.40
	3.82	**9.33**
Additional liability on account of loss in joint ventures to the extent of exposure (Refer Note 7(a)(iii))	1.45	79.82
Deposits from others		
Option Deposit received against purchase of shares (Secured) (Refer Note 8(b)(iii))	71.10	71.10
Unsecured	25.17	20.05
	96.27	**91.15**
Interest accrued but not due on borrowings	73.20	56.46
Creditors for capital expenditure	22.24	32.41
Unclaimed dividends	1.51	1.58
Unclaimed matured deposits and interest accrued thereon	-	0.03
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous Year - ₹ 25,153)	-	-
Employee related liabilities	68.03	115.13
Other liabilities	76.40	74.78
	1,875.97	**819.89**

Footnotes:

The fair value hierarchy and classification are disclosed in Note 38.

Note 22 : Provisions

(₹ crores)

	March 31, 2021	March 31, 2020
(a) Non current		
Provision for employee benefits (Refer Note 41)		
Compensated absences	55.43	62.29
Gratuity	9.33	30.90
Post-employment medical benefits	6.84	6.92
Post-retirement pension	20.14	20.98
	91.74	**121.09**
(b) Current		
Provision for employee benefits (Refer Note 41)		
Compensated absences	22.63	24.70
Gratuity	0.17	2.03
Post-employment medical benefits	0.46	0.43
Post-retirement pension	1.59	1.22
Other employee benefits	2.84	0.75
	27.69	**29.13**
Provision for others		
Provision for disputed dues (Refer Footnote i)	143.07	125.33
	143.07	**125.33**
	170.76	**154.46**

Footnote:

(i) Provision for disputed dues include provisions for the following:

(₹ crores)

	Opening Balance	Additions	Utilisation	Closing Balance
Disputed claims for taxes, levies and duties	**122.75**	**19.67**	**1.93**	**140.49**
	119.37	*20.74*	*17.36*	*122.75*
Dispute on contractual matters	**0.41**	**-**	**-**	**0.41**
	0.41	*-*	*-*	*0.41*
Dispute in respect of employee benefits	**2.17**	**-**	**-**	**2.17**
	2.17	*-*	*-*	*2.17*
Total	**125.33**	**19.67**	**1.93**	**143.07**
	121.95	*20.74*	*17.36*	*125.33*

a) The above matters are under litigation / negotiation and the ultimate outcome and timing of the cash flows, if any cannot be currently determined.

b) Figures in italics are in respect of previous year.

Note 23 : Other current liabilities

(₹ crores)

	March 31, 2021	March 31, 2020
(a) Non current		
Advances collected from customers	15.93	18.05
	15.93	**18.05**
(b) Current		
Income received in advance (Refer Footnote (i))	34.91	33.50
Deferred Revenue (Refer Footnote (i))	58.28	66.76
Advances collected from customers (Refer Footnote (i))	143.67	124.08
Statutory dues (Refer Footnote (ii))	30.07	56.65
	266.93	**280.99**

Footnote:

(i) Refer Note 31(iii) for detailed disclosure relating to Ind AS 115 - Revenue from contract with customers.

(ii) Statutory dues includes amount payable towards indirect taxes, tax deducted at source and employee related dues.

Note 24 : Revenue from Operations (Refer Note 31(i), (ii))

(₹ crores)

	March 31, 2021	March 31, 2020
Rooms, restaurants and banquets income	1,247.92	3,866.06
Shop rentals	34.19	47.59
Membership fees	77.40	114.82
Management and operating fees	136.45	212.70
Other operating income	79.20	221.97
Total	**1,575.16**	**4,463.14**

Note 25 : Other Income

(₹ crores)

	March 31, 2021	March 31, 2020
Interest Income from financial assets at amortised cost		
Inter-corporate deposits	1.10	1.56
Deposits with banks	8.39	9.90
Others	29.16	4.73
	38.65	**16.19**
Interest on income tax refunds	6.14	2.48
	44.79	**18.67**
Dividend Income from Investments		
from Investments that are fair valued through Other Comprehensive Income	5.40	7.24
from Investments that are fair valued through Profit and Loss	0.03	0.08
Profit on disposal of Property, plant and equipment (Net)	18.58	82.36
Profit on sale of current investment	5.63	9.82
Gain on investments carried at fair value through profit and loss	2.51	0.40
Exchange gain (Net)	28.26	-
Others	59.52	13.85
Total	**164.72**	**132.42**

Note 26 : Employee Benefit Expenses and Payment to Contractors

(₹ crores)

	March 31, 2021	March 31, 2020
Salaries, wages, bonus etc.	712.56	1,171.41
Company's contribution to provident and other funds (Refer Note 22, 41)	43.18	64.97
Reimbursement of expenses on personnel deputed to the company	46.19	51.52
Payment to contractors	35.43	98.46
Staff welfare expenses	56.65	108.24
Total	**894.01**	**1,494.60**

Note 27 : Finance Costs

(₹ crores)

	March 31, 2021	March 31, 2020
Interest expense		
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	242.47	182.19
Add/(Less) : Settlements on interest rate swap contracts	(1.36)	0.40
	241.11	**182.59**
Interest on Lease liability	154.31	156.89
On income tax demand	6.43	2.77
Other borrowing costs	1.97	0.38
	403.82	**342.63**
Less : Interest capitalised (Refer Footnote)	1.00	1.51
Total	**402.82**	**341.12**

Footnote :

The Group has capitalised the interest cost on borrowings relating to qualifying assets including within capital work in progress

Note 28 : Depreciation and Amortisation Expenses

(₹ crores)

	March 31, 2021	March 31, 2020
Depreciation on Property, Plant and Equipment	324.30	308.16
Depreciation of Right-of-use Assets *	61.97	70.36
Amortisation on Intangible Assets	23.36	25.72
Total	**409.63**	**404.24**

* Amortisation charge for the year excludes ₹ 1.20 crores (Previous year ₹ 1.94 crores) which is capitalised during the year.

Note 29 : Operating and General Expenses

(₹ crores)

	March 31, 2021	March 31, 2020
(a) Operating expenses consist of the following :		
Linen and room supplies	27.59	66.13
Catering supplies	20.37	28.04
Other supplies	7.11	6.38
Fuel, power and light	172.85	269.87
Repairs to buildings	32.09	56.77
Repairs to machinery	51.10	73.78
Repairs to others	16.70	30.04
Linen and uniform washing and laundry expenses	20.47	47.56
Security charges and Others	28.22	48.46
Guest transportation	16.08	44.96
Travel agents' commission	37.16	100.01
Discount to collecting agents	12.99	48.14
Other operating expenses	29.93	111.94
Total	**472.66**	**932.08**
Carried Over	**472.66**	**932.08**

Note 29 : Operating and General Expenses (contd.)

(₹ crores)

	March 31, 2021	March 31, 2020
Brought Over	**472.66**	**932.08**
(b) General expense consist of the following :		
Rent (Refer Note 35)	32.69	22.31
Licence fees (Refer Note 35)	60.32	145.90
Rates and taxes	70.97	120.93
Insurance	26.33	17.61
Advertising and publicity	29.74	104.79
Printing and stationery	6.18	12.40
Passage and travelling	2.55	16.58
Allowance for doubtful debts and Bad debts written off	11.76	5.90
Expenditure on corporate social responsibility	14.79	8.27
Professional fees	44.36	56.47
Support services	43.02	67.40
Exchange loss (Net)	-	1.08
Payment made to statutory auditors (Refer Footnote below)	7.84	7.72
Directors' fees and commission	2.12	4.07
Other expenses	73.76	106.94
Total	**426.43**	**698.37**
	899.09	**1,630.45**

Footnote:

Payment made to statutory auditors:

(₹ crores)

	March 31, 2021	March 31, 2020
As auditors	6.32	6.42
For other services (including tax audit and company law matters)	1.30	0.92
Expenses and incidentals	0.22	0.38
	7.84	**7.72**

Note 30 : Exceptional Items

(₹ crores)

	March 31, 2021	March 31, 2020
Exceptional Items comprises of the following :		
Exchange Gain / (Loss) on long term borrowings/assets (net)	29.12	-
Change in fair value of derivative contracts	25.00	(21.76)
Profit on sale of investment in a Joint Venture company	-	2.12
Profit on sale of hotel property in a subsidiary	23.80	6.09
Profit on sale of land and building	-	54.50
Gain arising out of acquiring controlling stake in a joint venture	82.03	-
Total	**159.95**	**40.95**

Note 31 : Revenue from Contracts with Customers and Assets/Liabilities

The Group's revenue primarily comprises of Revenue from Hotel operations, Management and Operating Fee and Membership fees income as tabulated below.

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and Loss:

(₹ crores)

	March 31, 2021	March 31, 2020
Revenue from operations		
Revenue from contract with customers		
Room Revenue, Food & Beverages and Banquets	1,247.92	3,866.06
Shop rentals	34.19	47.59
Membership fees	77.40	114.82
Management & Operating fees	136.45	212.70
	1,495.96	**4,241.17**
Other operating revenue		
Export Incentive	0.41	30.20
Other revenue	78.79	191.77
	79.20	**221.97**
Total Revenue from operations	**1,575.16**	**4,463.14**

ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

(₹ crores)

	March 31, 2021	March 31, 2020
Revenue based on geography		
Revenue from contract with customers		
India	1,354.02	3,206.09
Overseas	141.94	1,035.08
	1,495.96	**4,241.17**
Other Operating Revenue		
India	76.17	187.97
Overseas	3.03	34.00
	79.20	**221.97**
	1,575.16	**4,463,14**
Revenue based on product and services		
Revenue from contract with customers		
Room Revenue	702.48	2,133.14
Food & Beverages and Banquets	545.44	1,732.92
Shop rentals	34.19	47.59
Membership fees	77.40	114.82
Management & Operating fees	136.45	212.70
	1,575.16	**4,241.17**
Other Operating Revenue		
Export Incentives	0.41	30.20
Other revenue	78.79	191.77
	79.20	**221.97**
	1,575.16	**4,463.14**

Note 31 : Revenue from Contracts with Customers and Assets/Liabilities (contd.)

iii) Contract balances

The contract liabilities primarily relate to the unredeemed customer loyalty points and the advance consideration received from customers for which revenue is recognised when the performance obligation is over/ services delivered.

a) Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services. It also includes membership fee received for Chambers Membership, Epicure membership and Spa and Health Club Memberships and disclosed as Income received in advance.

b) Contract liability towards Loyalty programme represents the liability of the Company towards the points earned by the members.

(₹ crores)

	March 31, 2021	March 31, 2020
Contract liabilities		
Income received in advance	34.91	33.50
Advance collections from customer	159.60	142.13
Deferred Revenue	58.28	66.76
Contract Liability towards loyalty programmes	47.57	49.18
	300.36	**291.57**

Footnote:

Considering the nature of business of the Group, the above contract liabilities are generally materialised as revenue within the same operating cycle.

Note 32 : Contingent Liabilities (to the extent not provided for) and contingent assets

The Group is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Group's businesses and is exposed to other contingencies arising from having issued guarantees to lenders of its subsidiaries and other entities. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

(a) On account of matters in disputes :

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company and the Group, in respect of taxes, etc., which are in dispute, and not provided for, are as under:

(₹ crores)

	March 31, 2021	March 31, 2020
Income Tax	260.70	238.24
Luxury tax	1.60	1.39
Entertainment tax	2.23	2.23
Sales tax / VAT	20.29	16.09
Property and Water tax	241.68	226.21
Service tax	22.24	10.23
Others	30.24	24.04

The Group is a defendant in various legal actions and a party to claims as above, plus interest thereon, which arose during the ordinary course of business. The Group's management believes based on the facts presently known, that the results of these actions will not have a material impact on the Company's financial statements. It is not practicable for the Group to estimate the timings of cash flows, if any, in respect of the above.

Note 32 : Contingent Liabilities (to the extent not provided for) and contingent assets (contd.)

(b) On account of lease agreements:

In respect of a plot of land provided to the Company under a lease agreement, on which the Company has constructed a hotel, the lessor has made a claim of ₹ 527.24 crores to date, (13 times the previous annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the lessor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the then existing lessor's policy as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch beyond ₹ 147.03 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been filed by the Company before the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the lessor, pending a resolution of this dispute by the Honourable Bombay High Court, and the Company has obtained a stay order from the court.

(c) Other claims against the Group not acknowledge as debt :

(i) Legal and statutory matters ₹ 4.98 crores (March 31, 2020 - ₹ 4.98 crores)

(ii) Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimates above, including where:

a) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

b) the proceedings are in early stages;

c) there is uncertainty as to the outcome of pending appeals or motions or negotiations;

d) there are significant factual issues to be resolved; and/or there are novel legal issues presented

The Group's Management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Group's financial position, though the outcomes could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

(d) Claims filed by the Group:

The Company had invested in a Greenfield Project in Guwahati, Assam which is eligible as "Mega Project" under the Industrial and Investment Policy of Assam, 2014 and is entitled to apply for the revenue grant under the Assam Industrial Policy. The Company had made application for the grant/subsidy which is essentially is the form of reimbursement of SGST and Luxury Tax paid for a period of 10 years upto a maximum of 150% of the original capital outlay.

During the year, the Company's application was processed by the Industries Department of State Government of Assam and "Eligibility and Entitlement Certificate" was issued by Commissioner of Taxes, Guwahati, Assam.

On the basis of entitlement certificate, the Company accrued income of ₹ 12.69 crores towards reimbursement of taxes for the past years & ₹ 0.45 crore for the current financial year which has been recognised in "Other Operating Income". This grant is expected to be received by the Company once the verification of claims/ scrutiny & assessment of the previous year's taxes is completed by the said department

(e) In respect of one domestic subsidiary, for the proposed construction of a hotel on the plot of land, a Public Interest Litigation (PIL) has been filed against the Union of India and Others (including the Company/Group), interalia, challenging the various permissions / approvals. The Group is contesting the PIL on merits, and the matter is pending. The Group has not commenced construction pending regulatory and other approvals.

Note 33 : Capital Commitments

i) Commitments includes the amount of purchase order (net of advance) issued to parties for completion of assets. Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for is ₹ 283.30 crores (March 31, 2020 - ₹ 306.96 crores).

ii) During the year, the Company has entered into a definitive agreement to purchase the balance 14.28% stake in ELEL Hotels and Investments Ltd (ELEL), a step down subsidiary, from its existing shareholders for a consideration of ₹ 250 crores over a period of two years in a phased manner on achievement of certain milestones and not later than end of December 2021. Consequent to this acquisition, ELEL will become a wholly owned step down subsidiary of the Company. Further, on recognition of the financial liability, the non-controlling interest has been de-recognised and the difference between the two has been recognised within equity, amounting to ₹ 169.16 crores.

The transaction has been accounted as a forward contract as per Ind AS 109 – Financial Instruments and a financial liability of ₹ 250 crores has been recognised at its present value.

The Company paid an advance consideration of ₹ 50 crores for the acquisition and balance has to be paid in stages on achievement of certain milestones but not later than end of December 31, 2021.

Note 34 : Guarantees and Undertakings given

Guarantees given by the Group and outstanding as on March 31, 2021 - ₹ 13.31 crores (March 31, 2020 - ₹ 13.25 crores). Also, refer to note 36(c)(ii) for Guarantees on behalf of certain joint ventures.

Note 35 : Leases – Ind AS 116

The Group has taken land and immovable properties on lease which are generally long term in nature with varying terms, escalation clauses and renewal rights expiring within five to one hundred and ninety eight years. On renewal, the terms of the leases are renegotiated.

a) Total lease liabilities are analysed as follows:

(₹ crores)

	March 31, 2021	March 31, 2020
Denominated in the following currencies:		
Rupees	1,445.28	1,459.17
US dollars	276.09	290.71
Sterling	159.67	148.83
Others	4.45	-
Total	**1,885.49**	**1,898.71**
Analysed as:		
Current *	39.11	56.14
Non-current	1,846.38	1,842.57
Total	**1,885.49**	**1,898.71**

* The Current Portion of the lease liability is excluding the interest component on the lease liability. Actual Lease Payments (including notional interest as per Ind AS 116) would be ₹ 177.20 crores. Refer note (b) below for the Maturity Analysis of the Lease Payments.

Note 35 : Leases – Ind AS 116 (contd.)

b) Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

Maturity analysis:

(₹ crores)

	March 31, 2021	March 31, 2020
Less than 1 year	177.20	188.91
Between 1 and 2 years	179.32	177.08
Between 2 and 5 years	537.48	526.47
More than 5 years	9,094.75	9,129.32
Total	**9,988.75**	**10,021.78**

In addition, in certain circumstances the Group is committed to making additional lease payments that are contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased for which no lease liability has been recognised as it is contingent in nature.

c) Overall lease rentals (including provisions and amount adjusted against advances) for the year ended March 31, 2021 are as below:

(₹ crores)

	March 31, 2021	March 31, 2020
Minimum Lease Payments/ Fixed Rentals	135.48	179.27
Contingent rents	52.33	145.90
Total	**187.80**	**325.17**

Note 36 : Interest in Other Entities

a) Subsidiaries

i) The parent's subsidiaries at March 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the group and the effective ownership of the group is enumerated in the table below. The country of incorporation or registration is also their principal place of business.

(%)

	Country of Incorporation	Effective Ownership interest held by the Group		Ownership interest held by non-controlling interests	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Domestic					
Benares Hotels Ltd.	India	51.68	51.68	48.32	48.32
ELEL Hotels & Investments Ltd. ^	India	85.72	85.72	14.28	14.28
Inditravel Ltd.@	India	78.88	78.86	21.12	21.14
Ideal Ice and Cold Storage Company Ltd.#	India	100.00	-	-	-
KTC Hotels Ltd.	India	100.00	100.00	-	-
Luthria & Lalchandani Hotels and Properties Private Ltd.^	India	87.15	87.15	12.85	12.85
Northern India Hotels Ltd.	India	48.56	48.56	51.44	51.44
Piem Hotels Ltd.	India	51.57	51.57	48.43	48.43
Roots Corporation Ltd.	India	63.74	63.74	36.26	36.26
Sheena Investments Private Ltd.	India	100.00	100.00	-	-
Skydeck Properties & Developers Private Ltd.	India	100.00	100.00	-	-
Taj Enterprises Ltd.@	India	93.40	93.19	6.60	6.81
Taj Trade & Transport Ltd.@	India	73.03	73.03	26.97	26.97
United Hotels Ltd.	India	55.00	55.00	45.00	45.00

Note 36 : Interest in Other Entities (contd.)

(%)

	Country of Incorporation	Effective Ownership interest held by the Group		Ownership interest held by non-controlling interests	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
International					
IHOCO BV	Netherlands	100.00	100.00	-	-
IHMS Hotels (SA) Proprietary Ltd.*	South Africa	100.00	-	-	-
Good Hope Palace Hotels Proprietary Ltd.*	South Africa	100.00	-	-	-
Piem International (HK) Ltd.	Hong Kong	51.57	51.57	48.43	48.43
St. James Court Hotel Ltd.	United Kingdom	72.25	72.25	27.75	27.75
Taj International Hotels (HK) Ltd.	Hong Kong	100.00	100.00	-	-
Taj International Hotels Ltd.	United Kingdom	100.00	100.00	-	-
United Overseas Holding Inc.	United States of America	100.00	100.00	-	-

@ The Group has acquired additional stake in Taj enterprise Ltd. whereby the Group's holding has increased to 93.40% from 93.19% and consequently, there are changes in the effective holding in certain subsidiaries.

The Group has acquired 100% stake in Ideal Ice and Cold Storage Company Ltd on March 19, 2021.

^ The Group has entered into a definitive agreement to purchase the balance 14.28% stake in ELEL Hotels and Investments Ltd (ELEL) and hence, for the purpose of consolidation of its accounts, effective holding of ELEL and its step down subsidiary, Luthria & Lalchandani Hotels and Properties Private Ltd is considered as 100%. (Refer Note 33(ii)).

* Refer note 37 on acquisition of IHMS Hotels (SA) Proprietary Ltd and Good Hope Palace Hotels Proprietary Ltd w.e.f. July 1, 2020.

ii) Significant judgements and assumptions:

a. The management have concluded that the group controls Northern India Hotels Limited, even though it holds less than half of the effective interest of this subsidiary. This is because the group is the largest shareholder and the direct ownership in this company is 94.15% through Piem Hotels Limited, a subsidiary in which the group holds 51.57%.

b. The investment in BAHC 5, a company incorporated in Singapore in which the group holds 100% issued equity shares, is a temporary investment that is presently held for disposal. In the view of the management, the Group does not have any power or control over or exposure to this entity. It does not have any rights to variable returns from its involvement with this entity and thus the financial statements of this entity are not consolidated.

c. The Group holds 51% of the equity share capital of Taj SATS Air Catering Ltd. However, as per the contractual arrangement in the form of joint venture agreement, the group considers it has joint control over the net assets of this entity and has been reclassified as joint venture.

d. The Company has executed a definitive agreement to purchase the balance 14.28% stake in ELEL Hotels and Investments Ltd (ELEL) on or before December 31, 2021 and accordingly, recognised derivative assets and liabilities in its books. The management is of the view that, in substance, Group exercise full control of ELEL and its step down subsidiary, Luthria & Lalchandani Hotels and Properties Private Ltd have been consolidated accordingly. The resultant adjustment for non-controlling interest has been given in other equity Refer Note 33(ii).

e. The Group has not consolidated TP Kirnali Solar Limited as an "Associate" as Management believes that it does not have control nor have any power to participate in financial and operating policy decision of TP Kirnali Solar Limited. This investment is solely in order to obtain captive solar power supply for some of it hotels in Mumbai.

Note 36 : Interest in Other Entities (contd.)

b) Non-controlling interests ('NCI')

i) The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group are set out below. The amounts disclosed for each subsidiary are before inter-company eliminations or other adjustment :-

(₹ crores)

Summarised Balance Sheet	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current Assets	46.45	76.06	41.48	53.83	6.46	8.44	8.36	34.69
Current Liabilities	106.06	121.47	137.79	99.08	57.91	56.65	514.52	90.57
Net Current Assets	**(59.61)**	**(45.41)**	**(96.31)**	**(45.25)**	**(51.45)**	**(48.21)**	**(506.16)**	**(55.88)**
Non-Current Assets	752.53	769.31	646.07	682.10	607.76	618.67	1,290.22	1,200.32
Non-Current Liabilities	113.49	101.66	404.39	442. 24	0.76	0.76	144.53	488.49
Net Non-Current Assets	**639.04**	**667.65**	**241.67**	**239.86**	**607.00**	**617.91**	**1145.69**	**711.83**
Net Assets	**579.43**	**622.24**	**145.36**	**194.61**	**555.55**	**569.70**	**639.54**	**655.94**
Accumulated NCI	**280.61**	**301.35**	**52.71**	**70.56**	**-**	**81.35**	**177.47**	**182.02**

(₹ crores)

Summarised Statement of Profit and Loss	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue	154.01	389.32	134.86	212.65	0.19	0.27	43.20	351.54
Profit/(Loss) for the year	(68.76)	7.97	(49.38)	(22.77)	(14.15)	(14.26)	(67.27)	28.53
Other Comprehensive Income	25.95	(9.20)	0.14	0.13	-	-	50.87	23.54
Total Comprehensive Income	**(42.81)**	**(1.23)**	**(49.24)**	**(22.64)**	**(14.15)**	**(14.26)**	**(16.41)**	**52.07**
Total Comprehensive Income allocated to NCI	(20.73)	(0.60)	(17.86)	(8.21)	(0.51)	(2.04)	(4.55)	14.45
Dividend paid to NCI	-	1.85	-	-	-	-	-	-

(₹ crores)

Summarised Statement of Cash Flows	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Cash Flows from Operating Activities	(40.24)	40.93	18.74	83.08	3.44	(2.56)	(36.74)	85.28
Cash Flows from / (used in) Investing Activities	8.18	(48.58)	29.30	(46.62)	2.07	2.59	(20.22)	(29.54)
Cash Flows from / (used in) Financing Activities	30.53	5.66	(47.44)	(40.54)	(0.08)	(0.08)	34.90	(52.32)
Net Increase/(Decrease) in Cash & cash Equivalents	**(1.53)**	**(1.99)**	**0.60**	**(4.08)**	**5.43**	**(0.04)**	**(22.06)**	**3.43**

Note 36 : Interest in Other Entities (contd.)

ii) **Individually immaterial non-controlling interest("NCI"):**

(₹ crores)

	March 31, 2021	March 31, 2020
Aggregate carrying amount of individually immaterial	123.78	129.61
Aggregate amount of NCI's share of profits/loss	(5.13)	7.83
Aggregate amount of NCI's share of other comprehensive Income	0.17	0.14
Aggregate amount of NCI's share of total comprehensive Income	(4.96)	7.97

c) Interests in associates and joint ventures

i) Details of the associates and joint ventures of the group as at March 31, 2021 and 2020 are set out below. The entities below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business. The Group follows equity method of accounting for the measuring its investments/interests in associates and joint ventures, the details of which are as below :-

(₹ crores)

	Country of Incorporation	Effective Holding "%"	Carrying amount		Quoted fair value	
			March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Joint Ventures						
Taj SATS Air Catering Ltd.	India	51.00	41.78	69.95	*	*
Taj Karnataka Hotels & Resorts Ltd. (Refer Note no 21(b))	India	44.27	-	-	*	*
Taj Kerala Hotels & Resorts Ltd.	India	28.78	14.72	13.95	*	*
Taj GVK Hotels & Resorts Ltd.	India	25.52	115.66	123.21	174.72	165.44
Taj Safaris Ltd.	India	41.81	9.13	9.04	*	*
Kaveri Retreat & Resorts Ltd.	India	50.00	45.24	43.49	*	*
Zarrenstar Hospitality Private Ltd	India	50.00	-	-	*	*
TAL Hotels & Resorts Ltd.	Hong Kong	27.49	105.35	124.74	*	*
IHMS Hotels (SA)(Pty) Ltd. (Refer Note no 21(b) & 37)	South Africa	50.00	-	-	*	*
			331.88	**384.38**	**174.72**	**165.44**
Associates						
Oriental Hotels Ltd.	India	35.67	210.40	238.99	150.53	114.14
Taj Madurai Ltd.	India	26.00	4.94	4.04	*	*
Taida Trading and Industries Ltd.	India	34.78	-	-	*	*
BJets Pte Ltd	Singapore	45.69	-	-	*	*
Lanka Island Resorts Ltd	Sri Lanka	24.66	29.90	33.40	*	*
TAL Lanka Hotels PLC	Sri Lanka	24.62	1.25	11.54	15.28	10.29
			246.49	**287.97**	**165.81**	**124.43**
Total			**578.37**	**672.35**	**340.53**	**289.87**

* Unlisted entity – no quoted price available

ii) Commitments and contingent liabilities in respect of associates and joint ventures

(₹ crores)

	March 31, 2021	March 31, 2020
Commitment to provide funding for joint ventures capital commitments, if called	-	145.41
Capital Commitment for joint ventures and associate	2.08	7.73
Guarantees given by joint ventures and associates	1.09	1.41
Share of contingent liabilities in joint ventures and associates	38.43	37.30

Note 36 : Interest in Other Entities (contd.)

iii) Summarised financial information for associates and joint ventures

The summarised financial information for those joint ventures and associates that are material to the Group are set out below. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not of the Group's share of those amount. They have amended to reflect adjustments made when using equity method for the differences in accounting policies.

(₹ crores)

Summarised Balance Sheet	Taj GVK Hotels and Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
	December 31 2020 *	December 31 2019 *	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current assets								
Cash and cash equivalents	0.15	0.68	2.99	2.19	43.11	66.42	23.65	46.22
Other assets	41.14	49.25	87.34	162.10	39.00	39.65	56.81	58.35
	41.29	**49.93**	**90.33**	**164.29**	**82.10**	**106.07**	**80.46**	**104.57**
Non-current assets	775.89	798.95	232.47	243.00	681.85	756.59	690.31	915.63
Total assets	**817.19**	**848.88**	**322.80**	**407.29**	**763.96**	**862.66**	**770.77**	**1020.20**
Current liabilities								
Financial liabilities (excluding trade payables)	63.28	41.15	6.07	14.10	22.17	19.74	38.94	43.24
Other liabilities	153.32	160.08	60.95	65.76	63.98	62.38	43.52	235.72
	216.60	**201.23**	**67.02**	**80.16**	**86.15**	**82.12**	**82.46**	**278.97**
Non-current Liabilities								
Financial liabilities (excluding trade payables)	116.53	135.98	0.99	1.75	83.33	81.39	219.63	191.85
Other liabilities	112.01	110.03	24.77	40.12	257.12	291.28	18.04	18.60
	228.54	**246.01**	**25.76**	**41.88**	**340.45**	**372.67**	**237.67**	**210.45**
Total liabilities	**445.14**	**447.24**	**92.79**	**122.03**	**426.60**	**454.79**	**320.13**	**489.42**
Net assets	**372.05**	**401.63**	**230.02**	**285.25**	**337.36**	**407.87**	**450.64**	**530.78**

Footnote:

* The latest available financial statement of this entity is only up to December 31, 2020 and accordingly has been used for the purpose of the preparation of the consolidated financial statement of the Company.

iv) Reconciliation of carrying amounts

(₹ crores)

Summarised Balance Sheet	Taj GVK Hotels and Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
	December 31 2020 *	December 31 2019 *	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Net Assets	372.05	401.63	230.02	285.25	337.36	407.87	450.64	530.78
Group's Share	25.52%	25.52%	51.00%	51.00%	27.49%	27.49%	35.67%	35.67%
Share of Net assets	94.96	102.51	117.31	145.48	92.74	112.12	160.74	189.33
Goodwill	20.70	20.70	-	-	12.62	12.62	49.66	49.66
Unrealised Gain	-	-	(75.53)#	(75.53)#	-	-	-	-
Carrying Amount	**115.66**	**123.21**	**41.78**	**69.95**	**105.35**	**124.74**	**210.40**	**238.99**

Unrealised gain represents profit on sale of air catering business by the Group to Taj SATS on a slump sale basis on October 1, 2001 and sale of air catering business of Taj Madras flight Kitchen.

Note 36 : Interest in Other Entities (contd.)

v) Summary Statement of Profit and Loss

(₹ crores)

Summarised Statement of Profit and Loss	Taj GVK Hotels and Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
	December 31 2020 *	December 31 2019 *	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue	127.09	330.75	152.51	395.24	105.28	273.50	123.12	298.83
Depreciation	16.67	16.57	16.58	14.48	39.02	40.48	28.75	27.70
Interest Income	0.44	0.28	1.33	1.47	0.49	0.18	3.10	5.00
Interest Expense	20.15	22.59	1.52	1.21	31.34	38.85	22.00	24.02
Income Tax Expense	(6.80)	18.29	(20.22)	2.84	6.43	(8.35)	(21.96)	0.20
Profit/(Loss) for the year	(29.05)	35.83	(59.82)	28.46	(69.57)	(8.26)	(71.28)	(8.26)
Other Comprehensive Income for the year	(0.54)	(0.08)	4.59	(2.13)	(0.78)	24.75	(5.30)	17.92
Total Comprehensive Income for the year	(29.59)	35.76	(55.23)	26.33	(70.35)	16.49	(76.58)	9.66
Dividend Received	-	0.96	-	-	-	1.95	1.27	3.19

* Refer Footnote of Note 36 (c)(iii) above

vi) Individually immaterial joint ventures and associates

(₹ crores)

	March 31, 2021	March 31, 2020
Aggregate carrying amount of individually immaterial	105.17	115.46
Aggregate amount of the group's share of profit/loss	(18.95)	(5.47)
Aggregate amount of the group's share of other comprehensive Income	0.28	(2.67)
Aggregate amount of the group's share of total comprehensive Income	(18.67)	(8.14)

Footnote:

The financial statements of joint ventures and associates consolidated are drawn upto the same reporting date as of the Company except in case of a joint venture and an associate company where the financial statements have been drawn upto December 31, 2020.

Note 37 : Acquisition of IHMS (SA) Hotels Pty Ltd ("IHMS SA")

IHMS (SA) Hotels Pty Ltd ("IHMS SA") was joint venture between the Group and Tata Africa Holdings Limited. On June 30, 2020, IHOCO BV (a wholly owned subsidiary of IHCL) acquired remaining 50% stake in IHMS. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of $1 (₹75) and assumption of all the debt in IHMS SA.

IHMS through its wholly owned subsidiary Good Hope Palace Proprietary Limited ("GHPH") owns Taj Cape Town, South Africa, a 159 keys luxury property in the commercial hub of Cape Town. As a result of the acquisition, IHMS and GHPH became a 100% step down subsidiary of IHCL with effect from July 1, 2020.

Note 37 : Acquisition of IHMS (SA) Hotels Pty Ltd ("IHMS SA") (contd.)

The following table summarises the consideration paid for IHMS and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date:

	(₹ crores)
Net assets acquired	
Land	64.80
Building	349.32
Other Property Plant and Equipment	20.52
Right of use assets	5.31
Lease Liability	(5.54)
Net Working Capital	(6.83)
Fair value of Tangible Assets acquired	**427.59**
Fair Value of Intangible Assets Acquired	-
Total fair value of tangible and intangible assets acquired (A)	**427.59**
Price paid per legal agreements (₹ 75)	-
Add: Fair value of debt obligations	427.59
Total Purchase consideration (B)	**427.59**
Goodwill (A - B)	**-**

Note 38 : Financial Instruments Measurements and Disclosures

a) Financial instruments by category:

(₹ crores)

	FVTPL		FVOCI		Amortised cost		Total carrying value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets:								
Measured at fair value								
Investments (Refer Footnote below):								
Equity shares	-	-	527.27	318.00	-	-	527.27	318.00
Mutual fund units	377.53	436.24	-	-	-	-	377.53	436.24
Total	**377.53**	**436.24**	**527.27**	**318.00**	**-**	**-**	**1,004.80**	**754.24**
Not measured at fair value								
Trade receivables	-	-	-	-	219.84	290.02	219.84	290.02
Cash and cash equivalents	-	-	-	-	94.27	250.82	94.27	250.82
Other balances with banks	-	-	-	-	60.97	75.56	60.97	75.56
Loans	-	-	-	-	21.73	21.42	21.73	21.42
Other financial assets	-	-	-	-	165.53	268.54	165.53	268.54
	-	**-**	**-**	**-**	**562.34**	**906.36**	**562.34**	**906.36**
Total	**377.53**	**436.24**	**523.21**	**318.00**	**562.34**	**906.36**	**1,467.14**	**1,660.60**
Financial liabilities:								
Measured at fair value								
Derivative instruments	153.86	179.68	-	-	-	-	153.86	179.68
Not measured at fair value								
Borrowings	-	-	-	-	3,632.84	2,602.07	3,632.84	2.602.07
Lease Liabilities					1,885.49	1,898.71	1,885.49	1,898.71
Trade payables	-	-	-	-	317.81	389.32	317.81	389.32
Other financial liabilities	-	-	-	-	581.34	531.56	581.34	531.56
Total	**153.86**	**179.68**	**-**	**-**	**6,417.48**	**5,421.66**	**6,571.34**	**5,601.34**

Footnotes:

a. The above excludes investments in joint ventures and associates amounting to ₹ 578.37 crores (March 31, 2020 - ₹ 672.35 crores) which are accounted as per equity method.

b. FVTPL = Fair Value Through Profit and Loss and FVOCI = Fair Value Through Other Comprehensive Income.

Note 38 : Financial Instruments Measurements and Disclosures (contd.)

b) Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis, it also includes the financial instruments which are measured at amortised cost for which fair values are disclosed.

(₹ crores)

	Level 1		Level 2		Level 3		Level 4	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets:								
Measured at fair value								
Investments:								
Equity shares	322.44	134.95	-	-	204.83	183.05	527.27	318.00
Mutual fund units	377.53	436.24	-	-	-	-	377.53	436.24
Total	**699.97**	**571.19**	**-**	**-**	**204.83**	**183.05**	**1,004.80**	**754.24**
Financial liabilities:								
Measured at fair value								
Derivative instruments	-	-	153.86	179.68	-	-	153.86	179.68
Not measured at fair value (Refer Footnotes below)								
Borrowings								
Non-convertible debentures	-	-	1,541.10	1,271.73	-	-	1,541.10	1,271.73
Total	**-**	**-**	**1,694.96**	**1,451.41**	**-**	**-**	**1,694.96**	**1,451.41**

Footnotes:

a. The Company has not disclosed the fair value of certain short term financial instruments such as trade receivables, trade payables, short term loans, deposits etc. as their carrying amounts are a reasonable approximation of fair value.

b. The carrying amounts of the borrowings excluding non-convertible debentures that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

c. The Investments measured at fair value and falling under fair value hierarchy level 3 are valued based on valuation reports provided by external valuers with the exception of two investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The investments other than those whose fair values approximate cost are individually immaterial.

c) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

a. **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This includes listed equity instruments, traded debentures and mutual funds that have quoted price / declared NAV. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

b. **Level 2:** Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

c. **Level 3:** If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

Note 38 : Financial Instruments Measurements and Disclosures (contd.)

d) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for the equity instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of non-convertible debentures is valued using FIMMDA guidelines
- the fair value for the cross currency swaps/principal swap is determined using forward exchange rates at the balance sheet date
- certain long term unlisted shares have been considered at their respective cost as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. All other unlisted shares are determined based on the income approach or the comparable market approach. These unquoted investments categorised under Level 3.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis.

e) Inter level transfers:

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

f) Reconciliations of level 3 fair values

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

(₹ crores)

	Equity instruments
Balance as at March 31, 2019	189.52
Net change in fair value (unrealised)	(6.47)
Balance as at March 31, 2020	**183.05**
Addition/ (deletion) during the year	10.66
Net change in fair value (unrealised)	11.12
Balance as at March 31, 2021	**204.83**

Note 39 : Financial Risk Management

Risk management framework

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal audit team. The Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Note 39 : Financial Risk Management (contd.)

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

a) Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Group's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

i) Financing arrangements

The Group had access to certain undrawn borrowing facilities at the end of the reporting period. Major facilities are listed below:

(₹ crores)

	March 31, 2021	March 31, 2020
Expiring within one year:		
Bank overdraft	112.04	94.34
Short term bank loans	70.35	102.56
Long-term bank loans	797.93	355.00
Expiring beyond one year	-	-
Total	**980.33**	**551.90**

The bank overdraft facilities may be drawn at any time by the respective companies in the Group.

Note 39 : Financial Risk Management (contd.)

In addition to above, the Group has also executed a facility agreement with certain banks/financial institution to avail loan in one of its overseas subsidiary to the extent of GBP 56 million, which will be essentially used to re-finance existing loans. The same has not been drawn down yet.

The Group continues to engage with the banks and financial institutions and evaluating options to raise money for future operation needs.

ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross, undiscounted and exclude future contractual interest payments.

(₹ crores)

	Carrying value as at March	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:						
Borrowings (including redemption premium)	**3,632.84**	**1,419.85**	**810.96**	**1,290.91**	**138.54**	**3,660.26**
	2,602.07	*479.88*	*1,006.96*	*942.00*	*178.42*	*2,607.26*
Lease liability	**1,885.49**	**177.20**	**179.32**	**537.48**	**9,094.75**	**9,988.75**
	1,898.71	*188.91*	*177.08*	*526.47*	*9,129.32*	*10,021.78*
Trade and other payables	**317.81**	**317.81**	**-**	**-**	**-**	**317.81**
	389.32	*389.32*	*-*	*-*	*-*	*389.32*
Interest Accrued on borrowings	**72.45**	**72.45**				**72.45**
	56.46	*56.46*				*56.46*
Other Financial liabilities	**508.89**	**486.86**	**2.57**	**19.46**	**-**	**508.89**
	475.10	*475.10*	*-*	*-*	*-*	*475.10*
Total	**6,417.48**	**2,474.17**	**992.85**	**1,847.85**	**9,233.29**	**14,548.16**
	5,421.66	*1,687.87*	*1,303.69*	*1,584.74*	*9,319.60*	*13,895.90*
Derivative instruments	**153.86**	**153.86**	**-**	**-**	**-**	**153.86**
	179.68	*2.45*	*177.23*	*-*	*-*	*179.68*
Financial guarantee contract	**-**	**-**	**-**	**-**	**-**	**-**
	-	*2.32*	*14.31*	*128.78*	*-*	*145.41*
Total financial liabilities	**6,571.34**	**2,628.03**	**992.85**	**1,847.85**	**9,233.29**	**14,702.02**
	5,601.34	*1,692.64*	*1,495.23*	*1,713.52*	*9,319.60*	*14,220.99*

Figures in italics are of the previous year.

The Group management periodically monitors its Interest Service Cover Ratio to manage the liquidity risk towards the repayment of the interest liability. The interest cover ratio for the Group for the year ending March 31, 2021 and March 31, 2020 was (0.18) and 3.48 respectively.

The formula used for the calculation of Interest Service Cover ratio (which has been computed on a trailing twelve-month basis) is as below:

Interest Service Coverage Ratio = (Profit before tax + Interest (Net) + Provision for diminution in long term investment + Depreciation)/Interest (Net)

Note 39 : Financial Risk Management (contd.)

iii) Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and current investment.

(₹ crores)

	Note	March 31, 2021	March 31, 2020
Borrowings	19	3,632.84	2,602.07
Less: Cash and cash equivalents	15	94.27	250.82
Less: Call and short term deposits	16	51.47	58.39
Less: Current investments	8(b)	377.53	436.24
Net debt		**3,109.57**	**1,856.62**
Total Equity	17/18	4,283.01	5121.71
Gearing ratio		0.73	0.36

c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

i) Foreign Currency risk

The predominant currency of the Group's revenue and operating cash flows is Indian Rupees (₹). The Company's reported debt has an exposure to borrowings held in US dollars. Movements in foreign exchange rates can affect the Company's reported profits and net assets.

The Group uses forward exchange contracts, interest rate swaps, currency swaps and options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:-

Derivative Instruments outstanding:

Nature of Derivative	Currency	March 31, 2021		March 31, 2020	
		Currency million	Fair values ₹ crores	Currency million	Fair values ₹ crores
Cross currency Interest rate Swap (CCS)	US$	55.17	152.62	55.17	177.23
Interest Rate Swap (IRS)	GBP	20.00	1.24	20.00	2.45
Total			**153.86**		**179.68**

Note 39 : Financial Risk Management (contd.)

Sensitivity

In relation to the CCS, for the year ended March 31, 2021 and March 31, 2020, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall reduce the Group's profit before tax by approximately 1.57% and 2.19% respectively. For the year ended March 31, 2021 and March 31, 2020, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall increase the Group's profit before tax by approximately 2.44% and 4.46% respectively. The above derivative is maturing in July, 2021 and the last reset of interest rate has been done in July, 2020. There will be no further reset of interest rate from March till July, 2021 and hence, the sensitivity is not computed

The above relates to the Company and foreign currency risk in respect of other components is insignificant.

Un-Hedged Foreign currency exposure payable:

Currency	March 31, 2021	March 31, 2020
United States Dollar (Million)	0.62	0.62

Sensitivity

For the year ended March 31, 2021 and March 31, 2020, every 3% depreciation/ appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the Company's profit before tax by approximately 0.03 % and 0.03 % respectively.

ii) Interest rate risk

The Group adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

The total borrowing at variable rate was ₹ 2,048.48 crores as at March 31, 2021 (March 31, 2020 - ₹ 1,316.08 crores). The carrying value of the long term debt approximates fair value since the current interest rate approximates the market rate.

iii) Other market price risks

The Group's exposure to equity securities' price risk arises from investments held by the Group and classified in the balance sheet as fair value through Other Comprehensive Income. If the equity prices of quoted investments are 3% higher/ lower, the equity for the year ended March 31, 2021 would increase/ decrease by ₹ (9.67) crores (for the year ended March 31, 2020: increase/ decrease by ₹ 4.05 crores).

Note 40 : Income Tax Disclosure

i) Income Tax recognised in the Statement Profit and Loss:

(₹ crores)

	March 31, 2021	March 31, 2020
Current Tax		
In respect of the current year	2.16	163.17
In respect of earlier years	(1.15)	5.98
	1.01	**169.15**
Deferred Tax		
In respect of the current year		
MAT credit	-	(1.17)
Other items	(155.94)	(21.02)
Adjustment to deferred tax attributable to changes in tax rates and laws*	-	(97.37)
In Respect of earlier years	(0.40)	(4.82)
	(156.34)	**(124.38)**
Total tax expense recognised in the current year	**(155.33)**	**44.77**

* During the previous year, some of the eligible companies in the Group has elected to exercise the option permitted under section 115BAA of the Income tax act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and the full impact of the re-measurement of the opening deferred tax liabilities amounting to ₹ 87.42 crores has been recognised in the statement of Profit and Loss account for the year ended March 31, 2020.

The Group reviews its income tax treatments in order to determine its impact on the financial statements. As a practice, where the interpretation of income tax law is not clear, management relies on the some or all of the following factors to determine the probability of its acceptance by the tax authority:

- Strength of technical and judicial argument and clarity of the legislation;
- Past experience related to similar tax treatments in its own case;
- Legal and professional advice or case law related to other entities.

After analysing above factors for each of such uncertain tax treatments, where the Company expects that the probability to sustain its position on ultimate resolution of such uncertain tax treatment is remote, the Company ensures that such uncertain tax positions are adequately provided for in the Company's financial Statements.

Note 40 : Income Tax Disclosure (contd.)

ii) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below:

(₹ crores)

	March 31, 2021	March 31, 2020
Profit/(Loss) before tax (a)	(849.54)	395.54
Income tax rate as applicable in India (b)	25.17%	25.17%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	(213.81)	99.55
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(0.04)	(1.89)
Income considered to be capital in nature under tax and tax provisions	-	(0.27)
Effect of expenses that are not deductible in determining taxable profit	9.84	11.53
Expense considered to be capital in nature under tax and tax provisions	5.18	5.14
Income subject to lower rate of income tax	-	(10.66)
Deferred tax asset not recognised in Statement of Profit and Loss	65.87	29.60
Fair value gain on acquisition of a joint venture	(20.65)	-
Effect on deferred tax balances due to the change in income tax rate	(0.56)	(97.37)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	(0.04)	(0.03)
Difference (net) in tax rates between the company and components/ Jurisdiction	5.38	2.94
Others items, individually not material	(4.95)	5.07
	(153.78)	**43.61**
Prior year taxes as shown above	(1.55)	1.16
Income tax expense recognised in the Statement of Profit and Loss	**(155.33)**	**44.77**

iii) Income tax recognised in Other Comprehensive Income:

(₹ crores)

	March 31, 2021	March 31, 2020
Current Tax		
Tax impact on profit on sale of investment in equity shares at fair value through Other Comprehensive Income	-	-
Deferred tax		
Arising on income and expenses recognised in Other Comprehensive Income:		
Net fair value gain on investments in equity shares at fair value through Other Comprehensive Income	2.58	(1.19)
Remeasurement of defined benefit obligation	9.20	(5.28)
Total income tax recognised in Other Comprehensive Income	**11.78**	**(6.47)**
Bifurcation of the income tax recognised in Other Comprehensive Income into:		
Items that will not be reclassified to profit or loss	11.78	(6.47)
	11.78	**(6.47)**

iv) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

(₹ crores)

	March 31, 2021	March 31, 2020
Deferred Tax assets (net)	117.98	76.50
Deferred Tax liabilities (net)	(78.05)	(186.85)
Net Deferred Tax Liability	**39.93**	**(110.35)**

Note 40 : Income Tax Disclosure (contd.)

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ crores)

	Opening Balance	Recognised in the Statement of Profit and Loss (net)		Recognised in Other Comprehensive Income (net)	Adjustment on adoption of Ind AS 116	MAT credit utilised	Exchange difference (net)	Closing balance
		Impact of change in Income Tax Rate	Others					
Deferred tax (liabilities)/ assets:								
Property, Plant and equipment & Intangible Assets	**(335.02)**	**-**	**6.65**	**-**	**-**	**-**	**(0.06)**	**(328.43)**
	(484.72)	*130.42*	*19.31*	*-*	*-*	*-*	*(0.03)*	*(335.02)*
Right-to-Use Assets Net of Lease Liability	**53.45**	**-**	**7.26**		**-**			**60.71**
	-	*(16.94)*	*6.48*		*63.91*			*53.45*
Unamortised borrowing cost	**(0.34)**	**-**	**(1.86)**	**-**	**-**	**-**	**-**	**(2.20)**
	(0.37)	*0.10*	*(0.07)*	*-*	*-*	*-*	*-*	*(0.34)*
Provision for Employee Benefits	**38.02**	**-**	**(6.86)**	**(9.20)**	**-**			**21.96**
	38.87	*(10.52)*	*4.39*	*5.28*	*-*			*38.02*
Fair valuation changes of derivative contracts	**5.93**	**-**	**(6.20)**	**-**	**-**	**-**	**-**	**(0.27)**
	(2.26)	*0.63*	*7.56*	*-*	*-*	*-*	*-*	*5.93*
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	**(0.38)**	**-**	**-**	**(2.83)**	**-**	**-**	**-**	**(3.21)**
	(1.57)	*-*	*-*	*1.19*	*-*	*-*	*-*	*(0.38)*
MAT Credit Entitlement	**20.43**	**-**	**-**	**-**	**-**	**-**	**-**	**20.43**
	19.34	*-*	*(0.08)*	*-*	*-*	*1.17*	*-*	*20.43*
Unused tax losses (Business) (net)	**70.67**	**-**	**148.18**	**-**	**-**	**-**	**5.77**	**224.62**
	73.52	*6.92*	*(12.12)*	*-*	*-*	*-*	*2.35*	*70.67*
Allowance for doubtful debts	**5.23**	**-**	**3.76**	**-**	**-**	**-**	**-**	**8.99**
	5.85	*(1.56)*	*0.94*	*-*	*-*	*-*	*-*	*5.23*
Reward Points	**12.31**	**-**	**(0.41)**	**-**		**-**	**-**	**11.90**
	14.83	*(4.15)*	*1.63*	*-*		*-*	*-*	*12.31*
Provision for Contingencies	**3.33**	**-**	**1.44**	**-**		**-**	**-**	**4.77**
	11.67	*(3.26)*	*(5.08)*	*-*		*-*	*-*	*3.33*
Others	**16.02**	**-**	**4.38**	**0.25**	**-**	**-**	**0.01**	**20.66**
	17.51	*(4.27)*	*2.89*	*-*	*-*	*-*	*(0.11)*	*16.02*
Total Deferred Tax Liability	**(110.35)**	**-**	**156.34**	**(11.78)**	**-**	**-**	**5.72**	**39.93**
	(307.33)	*97.37*	*25.85*	*6.47*	*63.91*	*1.17*	*2.21*	*(110.35)*

Figures in italics are of the previous year.

v) A deferred tax asset of ₹ 148.18 crores has been recognised by the Group for the unused tax losses during the current year. These losses essentially represents business losses and unabsorbed depreciation.

The recoverability of the deferred tax assets has been assessed based on:

- Internal budgets, profit forecasts prepared by management, after duly considering the potential impact of Covid-19 in the future business of the Company.
- applying tax principles to those forecasts; and
- following the methodology required by Ind AS 12 – Income Taxes.

Note 40 : Income Tax Disclosure (contd.)

Based on the assessments as above, the management determines that deferred tax assets created on unused tax losses (business losses and unabsorbed depreciation) should reverse well within the statutory time limit. These losses can be fully set-off against future taxable profits earned by the respective companies in the Group, and accordingly based on the reasonable certainty that sufficient future taxable income would be generated considering the size of the company, it growth trajectory and past performance history during normal times, appropriate amount of deferred tax asset has been created during the year. The management will continue to monitor and review these assets based on the profit forecasts in future.

vi) Deferred tax asset amounting to ₹ 701.95 crores and ₹ 657.28 crores as at March 31, 2021 and March 31, 2020 respectively in respect of unused tax losses have not been recognised by the Group. The tax loss carry-forwards of ₹ 3,261.28 crores and ₹ 3,064.04 crores as at March 31, 2021 and March 31, 2020, respectively, relates to certain subsidiaries on which deferred tax asset has not been recognised by the Group, because there is a lack of reasonable certainty that these subsidiaries may generate future taxable profits. Approximately, ₹ 687.25 crores and ₹ 412.52 crores as at March 31, 2021 and March 31, 2020 respectively of these tax losses has carry-forwards is not currently subject to expiration dates. The remaining tax loss carry-forwards of approximately ₹ 2,574.03 crores and ₹ 2,651.52 crores as at March 31, 2021 and March 31, 2020 respectively, expires in various years through fiscal 2038. Deferred tax assets on unused tax losses have been recognised by certain subsidiaries to the extent of profits arising from the reversal of existing taxable temporary differences.

vii) Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries amounting to ₹ 1,391.01 crores and ₹ 1,554.13 crores as at March 31, 2021 and March 31, 2020, respectively has not been recognised. Further, it is not practicable to estimate the amount of the unrecognised deferred tax liabilities for these undistributed earnings.

Note 41 : Employee Benefits

(a) The Group has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries):

(₹ crores)

	March 31, 2021	March 31, 2020
Provident Fund	23.28	26.04
Superannuation Fund	4.19	3.92
Total	**27.47**	**29.96**

Multi-Employer Benefit Plans

One of the international subsidiaries, United Overseas Holding Inc., along with its LLP's namely "the New York LLC" is a party to the Industrywide Collective Bargaining Agreement between the New York Hotel Trades Council ("NYC Union") and the Hotel Association of New York City, Inc. The collective bargaining agreement provides for union sponsored multi-employer defined benefit plans (the "Plans") to which the New York LLC makes contributions for the benefit of their employees covered by the collective bargaining agreements. The New York LLC has not received information from the Plans' administrators to determine their share of unfunded benefit obligations, if any. The New York LLC has not undertaken to terminate, withdraw or partially withdraw from the Plans. The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects:

(i) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

Note 41 : Employee Benefits (contd.)

(ii) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

(iii) If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The New York LLC's participation in the Plans for the year ended December 31, 2020 and 2019 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). The most recent Pension Protection Act (PPA) zone status available is for the Plans' year-end at December 31, 2020 and 2019.

The zone status is based on information that the New York LLC received from the Plans and is certified by the actuaries of the Plans. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's contributions to its respective Plans did not exceed more than 5% of the total contributions to the Plans by all participating employers. The following is a summary of the Plans to which the New York LLC make contributions for the benefit of their employees covered by the collective bargaining agreements.

Plans	EIN Number	Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contribution by the Company for the year ended	
			2020	2019		December 31, 2020 US $	December 31, 2019 US $
New York LLC							
Pension Fund (i)	13-1764242	001	Green	Green	Yes	1,859,270	4,046,529
Health Benefits Fund (ii)	13-6126923	501	NA	NA	Yes	7,569,220	7,954,067
Prepaid Legal Services Fund (iii)	13-3418414	508	NA	NA	Yes	54,253	76,968
Total - New York LLC						**9,482,743**	**12,077,564**

(i) New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund

(ii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund

(iii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund

Defined Contribution 401(k) Plans

United Overseas Holding Inc. and its LLC's, wholly owned subsidiaries in the United States of America, have defined contribution plans for the benefit of their eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plans require employer contributions of 3% of each eligible participant's plan compensation for each year. The employer may also make a profit sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined. The employer contributions charged to the Company's and the Subsidiaries' operations for the years ended March 31, 2021 and 2020 are as follows:

(US $)

	March 31, 2021	March 31, 2020
San Francisco LLC	40,586	110,987
New York LLC	95,073	188,498
Company	20,718	31,950
Total Employer Contributions	**156,377**	**331,435**

Note 41 : Employee Benefits (contd.)

(b) The Group operates post retirement defined benefit plans as follows :-

(i) Funded :

- Provident Fund
- Post Retirement Gratuity
- Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

(ii) Unfunded :

- Post Retirement Gratuity
- Pension to Executive Directors and Employees – Post retirement minimum guaranteed pension scheme for select existing and retired executive directors and certain categories of employees, which is unfunded.
- Post Employment Medical Benefits to qualifying employees

(c) Provident Fund:

The Company operates Provident Fund Scheme through a trust – 'The Indian Hotels Company Limited Employees Provident Fund' ('the Plan'), set up by the Company and for certain categories contributions are made to State Plan.

The Plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at March 31, 2021 and March 31, 2020.

The details of fund and plan asset position are given below:

(₹ crores)

	March 31, 2021	March 31, 2020
Plan Assets as at period end	687.57	634.96
Present Value of Funded Obligation at period end	687.57	634.96
Amount recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

(₹ crores)

	March 31, 2021	March 31, 2020
Guaranteed Rate of Return	8.50%	8.50%
Discounted Rate for remaining term to Maturity of Investment	6.80%	6.55%
Expected Rate of Return on Investment	8.70%	8.61%

The Company contributed ₹ 11.80 crores and ₹ 13.15 crores towards provident fund during the year ended March 31, 2021 and March 31, 2020 respectively and the same has been recognised in the statement of profit and loss.

In light of the Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement.

Note 41 : Employee Benefits (contd.)

(d) Pension Scheme for Employees:

The Group has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(e) The above defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

a. Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has a relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the Fund.

b. Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

c. Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

d. Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(f) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2021 :-

(i) Amount to be recognised in Balance Sheet and movement in net liability

(₹ crores)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Present Value of Funded Obligations	**226.38**	**-**	**-**	**-**	**8.08**
	231.97	-	-	-	*8.26*
Present Value of Unfunded Obligations	**2.43**	**7.30**	**3.30**	**18.44**	**-**
	2.32	*7.35*	*3.62*	*18.58*	-
Fair Value of Plan Assets	**(219.69)**	**-**	**-**	**-**	**(11.18)**
	(201.82)	-	-	-	*(10.73)*
Amount not recognised due to asset limit	**-**	**-**	**-**	**-**	**1.05**
	-	-	-	-	0.84
Net (Asset) / Liability	**9.12**	**7.30**	**3.30**	**18.44**	**(2.05)**
	32.47	*7.35*	*3.62*	*18.58*	*(1.63)*

Note 41 : Employee Benefits (contd.)

(ii) Expenses recognised in the Statement of Profit & Loss

(₹ crores)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Current Service Cost	**13.50**	**0.11**	**0.20**	**-**	**0.17**
	12.21	*0.09*	*0.15*	*-*	*0.15*
Past service Cost	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*
Interest Cost	**1.59**	**0.47**	**0.24**	**1.20**	**(0.11)**
	1.00	*0.49*	*0.19*	*1.21*	*(0.12)*
Total	**15.09**	**0.58**	**0.44**	**1.20**	**0.06**
	13.21	*0.58*	*0.34*	*1.21*	*0.03*

(iii) Expenses recognised in Other Comprehensive Income (OCI)

(₹ crores)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Remeasurements during the period due to:					
Changes in financial assumptions	**(2.21)**	**(0.11)**	**(0.06)**	**(0.25)**	**(0.09)**
	12.45	*0.62*	*0.37*	*1.47*	*0.54*
Changes in demographic assumptions	**-**	**-**	**-**	**-**	**-**
	0.04	*-*	*-*	*-*	*-*
Experience adjustments	**(6.18)**	**(0.31)**	**0.18**	**0.10**	**(0.19)**
	5.39	*(0.07)*	*0.66*	*0.41*	*(0.40)*
Actual return on plan assets less interest on plan assets	**(28.42)**	**-**	**-**	**-**	**(0.24)**
	0.23	*-*	*-*	*-*	*(0.18)*
Adjustment to recognise the effect of asset ceiling	**-**	**-**	**-**	**-**	**0.16**
	-	*-*	*-*	*-*	*0.02*
Expenses recognised	**(36.81)**	**(0.42)**	**0.12**	**(0.15)**	**(0.36)**
	18.08	***0.55***	***1.03***	***1.88***	***(0.02)***

Note 41 : Employee Benefits (contd.)

(iv) Reconciliation of Defined Benefit Obligation

(₹ crores)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Defined Benefit Obligation	**234.29**	**7.35**	**3.62**	**18.58**	**8.26**
	207.93	*6.61*	*2.65*	*16.62*	*7.91*
Current Service Cost	**13.50**	**0.11**	**0.20**	**-**	**0.17**
	12.21	*0.09*	*0.15*	*-*	*0.15*
Past Service Cost	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*
Interest Cost	**14.05**	**0.47**	**0.24**	**1.20**	**0.53**
	14.31	*0.49*	*0.19*	*1.21*	*0.56*
Remeasurements due to actuarial loss/ (gain) arising from:					
Changes in financial assumptions	**(2.21)**	**(0.11)**	**(0.06)**	**(0.25)**	**(0.09)**
	12.45	*0.62*	*0.37*	*1.47*	*0.54*
Changes in demographic assumptions	**-**	**-**	**-**	**-**	**-**
	0.04	*-*	*-*	*-*	*-*
Experience adjustments	**(6.18)**	**(0.31)**	**0.18**	**0.10**	**(0.19)**
	5.39	*(0.07)*	*0.66*	*0.41*	*(0.40)*
Benefits Paid	**(24.67)**	**(0.21)**	**(0.88)**	**(1.19)**	**(0.60)**
	(19.97)	*(0.39)*	*(0.40)*	*(1.13)*	*(0.50)*
Liabilities assumed	**0.02**	**-**	**-**	**-**	**-**
	1.93	*-*	*-*	*-*	*-*
Closing Defined Benefit Obligation	**228.81**	**7.30**	**3.30**	**18.44**	**8.08**
	234.29	*7.35*	*3.62*	*18.58*	*8.26*

(v) Reconciliation of Fair Value of Plan Assets

(₹ crores)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Fair Value of Plan Assets	**201.82**	**-**	**-**	**-**	**10.73**
	186.19	*-*	*-*	*-*	*10.15*
Interest on Plan Assets	**12.46**	**-**	**-**	**-**	**0.74**
	13.31	*-*	*-*	*-*	*0.74*
Remeasurements due to:					
Actual return on plan assets less interest on plan assets	**28.42**	**-**	**-**	**-**	**0.23**
	(0.23)	*-*	*-*	*-*	*0.18*
Contribution by Employer	**1.65**	**0.21**	**0.88**	**1.19**	**0.13**
	20.87	*0.39*	*0.40*	*1.13*	*0.16*
Benefits Paid	**(24.67)**	**(0.21)**	**(0.88)**	**(1.19)**	**(0.60)**
	(19.97)	*(0.39)*	*(0.40)*	*(1.13)*	*(0.50)*
Assets acquired	**-**	**-**	**-**	**-**	**-**
	1.66	*-*	*-*	*-*	*-*
Closing Fair Value of Plan Assets	**219.69**	**-**	**-**	**-**	**11.23**
	201.82	*-*	*-*	*-*	*10.73*
Expected Employer's contribution/ outflow next year	**17.00**	**-**	**-**	**-**	**-**
	17.10	*-*	*-*	*-*	*-*

Note 41 : Employee Benefits (contd.)

(vi) Actuarial Assumptions

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.) in %	**6.80%**	**6.80%**	**6.80%**	**6.80%**	**6.80%**
	6.65%	*6.65%*	*6.65%*	*6.65%*	*6.65%*
Salary Escalation Rate (p.a.) in %	**4.00-5.00%**	**-**	**4.00%**	**-**	**-**
	4.00-5.00%	*-*	*4.00%*	*-*	*-*
Pension Escalation Rate (p.a.) in %	**-**	**-**	**-**	**4.00%**	**-**
	-	*-*	*-*	*4.00%*	*-*
Annual increase in healthcare costs (p.a.) in %	**-**	**6.00%**	**-**	**-**	**-**
	-	*6.00%*	*-*	*-*	*-*
Mortality Table *					
Mortality table in service(LIC)	**Table 1**	**Table 1**	**Table 1**	**NA**	**NA**
	Table 1	*Table 1*	*Table 1*	*NA*	*NA*
Mortality table in retirement(LIC)	**NA**	**Table 2**	**Table 2**	**Table 2**	**Table 2**
	NA	*Table 2*	*Table 2*	*Table 2*	*Table 2*

* Table 1 – Indian Assured Lives Mortality (2012-14) Ult table

Table 2 – UK Published S1PA Mortality rate

(vii) Disaggregation of Plan Assets (Managed by an Insurance Company)

a) Gratuity Funded

(₹ crores)

	March 31, 2021				March 31, 2020			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Government Debt Instruments	93.96	-	93.96	43%	94.60	-	94.60	47%
Other Debt Instruments	52.31	0.09	52.40	24%	41.19	0.09	41.28	20%
Property	-	-	-	-	-	-	-	-
Other Equity Instruments	33.01	-	33.01	15%	30.53	-	30.53	15%
Insurer managed funds	-	24.46	24.46	11%	-	22.70	22.70	11%
Others	12.80	3.07	15.86	7%	0.62	12.10	12.72	6%
Total	**192.07**	**27.62**	**219.69**	**100%**	**166.94**	**34.89**	**201.83**	**100%**

b) Pension Staff Funded

(₹ crores)

	March 31, 2021				March 31, 2020			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Government Debt Instruments	4.72	-	4.72	42%	4.82	-	4.82	45%
Other Debt Instruments	3.60	-	3.60	32%	4.72	-	4.72	44%
Other Equity Instruments	0.21	-	0.21	2%	0.21	-	0.21	2%
Others	-	2.65	0. 98	24%	-	0.98	0. 98	9%
Total	**8.53**	**2.65**	**11.18**	**100%**	**9.75**	**0.97**	**10.73**	**100%**

Note 41 : Employee Benefits (contd.)

(viii) Sensitivity Analysis (for each defined benefit plan)

(%)

	Gratuity				Pension Top up			
	March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Salary Escalation rate
Impact of increase in 50 bps on DBO	(3.08)	3.33	(3.08)	3.32	(6.08)	-	(5.87)	-
Impact of decrease in 50 bps on DBO	3.27	(3.16)	3.27	(3.15)	6.65	-	6.41	-
Impact of life expectancy 1 year decrease	-	-	-	-	-	(1.90)	-	(1.93)
Impact of life expectancy 1 year Increase	-	-	-	-	-	1.82	-	1.85

(%)

	Pension Staff Funded					
	March 31, 2021			March 31, 2020		
	Discount rate	Life Expectancy	Pension rate	Discount rate	Life Expectancy	Pension rate
Impact of increase in 50 bps on DBO	(3.58)	-	-	(3.74)	-	-
Impact of decrease in 50 bps on DBO	3.85	-	-	4.01	-	-

(%)

	Post- Employment Medical Benefits Unfunded					
	March 31, 2021			March 31, 2020		
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Health care Cost
Impact of increase in 50 bps on DBO	(4.68)	-	-	(4.85)	-	-
Impact of decrease in 50 bps on DBO	5.10	-	-	5.29	-	-
Impact of life expectancy 1 year decrease	-	(3.61)	-	-	(3.52)	-
Impact of life expectancy 1 year Increase	-	3.43	-	-	3.35	-
Defined benefit obligation on healthcare costs rate minus 100 bps	-	-	(4.45)	-	-	(4.61)
Defined benefit obligation on healthcare costs rate plus 100 bps	-	-	5.23	-	-	5.44

(%)

	Pension Director Unfunded					
	March 31, 2021			March 31, 2020		
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Health care Cost
Impact of increase in 50 bps on DBO	(4.37)	-	-	(4.54)	-	-
Impact of decrease in 50 bps on DBO	4.72	-	-	4.93	-	-
Impact of life expectancy 1 year decrease	-	(4.19)	-	-	(4.02)	-
Impact of life expectancy 1 year Increase	-	4.04	-	-	3.88	-
Defined benefit obligation on pension increase rate minus 100 bps	-	-	(8.70)	-	-	(9.03)
Defined benefit obligation on pension increase rate plus 100 bps	-	-	10.02	-	-	10.45

(ix) Movement in Asset Ceiling

(₹ crores)

	March 31, 2021	March 31, 2020
Opening Value of asset ceiling	0.84	0.76
Interest on Opening balance of asset ceiling	0.05	0.06
Remeasurement due to:		
change in Surplus/(deficit)	0.16	0.02
Closing value of asset ceiling	**1.05**	**0.84**

Footnote: Figures in italics under (i) to (vi) are of the previous year.

Note 41 : Employee Benefits (contd.)

(x) Expected future benefit payments:

(₹ crores)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Within one year	**48.11**	**0.46**	**-**	**1.26**	**0.77**
	45.89	*0.43*	*-*	*1.21*	*0.71*
Between one and five years	**88.91**	**2.06**	**2.11**	**5.34**	**3.03**
	98.02	*1.99*	*3.06*	*5.17*	*2.87*
After five years	**251.70**	**14.85**	**2.09**	**33.60**	**11.54**
	248.48	*15.18*	*1.83*	*34.70*	*12.11*
Weighted average duration of the Defined Benefit Obligation (in years)	**6.43**	**9.77**	**12.85**	**9.08**	**7.05**
	6.39	*10.13*	*12.33*	*9.46*	*7.36*

Due to the restrictions in the type of investments that can be held by the gratuity and pension fund as per the prevalent regulations, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Note 42 : Other Regulatory Matters

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to the period prior to 1998. Arising out of such disclosures, the Company received show cause notices and the Company had replied to the notices. Prior to 2018, the Company has received adjudication cum demand of ₹ 10.89 crores on certain matters which has been disputed by the Company. This has been disclosed as Contingent Liability. The Company has filed appeal against the adjudication cum demand, and the appeal is pending. During the financial year 2018-19, the Company received adjudication cum demand aggregating ₹ 1.12 crores on three other matters being contested. The Company has filed appeals against these adjudication cum demand orders and the same are pending. For the balance Show Cause Notices, adjudication proceedings are pending.

Note 43 : Related Party Disclosures

(a) The names of related parties of the Group are as under:

i. **Company having significant influence**
Tata Sons Private Ltd. (including its subsidiaries and joint ventures)

ii. **Associates and Joint Ventures**
The names of all the associates and joint ventures are given in Note 36 (c)

iii. **Key Management Personnel**
Key managerial personnel comprise the whole-time directors of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Following are the Key Management Personnel:	Relation
Puneet Chhatwal	Managing Director & CEO

iv. **Post Employment benefit plans**
The Indian Hotels Company Ltd. Employees Provident Fund
The Indian Hotels Company Ltd. Superannuation Scheme
The Indian Hotels Employees Gratuity Trust
Taj Residency Employees Provident fund Trust (Bangalore unit)
Piem Hotel Employees Gratuity Trust
Taj Residency Hotel Employees Gratuity Trust

Note 43 : Related Party Disclosures (contd.)

(b) The details of related party transactions during the year ended March 31, 2021 and March 31, 2020 are as follows:

(₹ crores)

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
Interest expense	**4.76**	**-**	**-**	**-**
	1.53	-	*0.94*	-
Interest income	**-**	**-**	**2.11**	**-**
	-	-	*2.03*	-
Dividend Paid	**23.59**	**-**	**0.10**	**-**
	22.61	-	*0.10*	-
Dividend income	**4.50**	**-**	**1.52**	**-**
	4.60	-	*6.40*	-
Operating/ License Fees expenses	**-**	**-**	**-**	**-**
	0.21	-	-	-
Operating fees income	**11.68**	**-**	**20.20**	**-**
	12.73	-	*55.20*	-
Purchase of goods and services	**52.18**	**-**	**2.04**	**-**
	72.02	-	*2.60*	-
Sale of goods and services	**24.19**	**-**	**1.53**	**-**
	56.28	-	*1.01*	-
Purchase of shares	**6.60**	**-**	**4.99**	**-**
	-	-	*2.99*	-
Sale of shares	**-**	**-**	**-**	**-**
	-	-	*29.79*	-
Deputed staff reimbursements	**0.04**	**-**	**8.10**	**-**
	-	-	*9.52*	-
Deputed staff out	**0.98**	**-**	**22.73**	**-**
	0.23	-	*30.80*	-
Other cost reimbursements	**0.05**	**-**	**0.26**	**-**
	0.60	-	*0.78*	-
Loyalty expense (Net of redemption credit)	**-**	**-**	**0.40**	**-**
	0.07	-	*5.15*	-
Contribution to funds	**-**	**-**	**-**	**17.63**
	-	-	-	*49.09*
Inter Corporate Deposit ("ICD") Raised	**30.00**	**-**	**-**	**-**
	55.00	-	*23.00*	-
ICD Repaid	**15.00**	**-**	**-**	**-**
	15.00	-	*35.00*	-
ICD Placed	**-**	**-**	**1.11**	**-**
	-	-	*3.55*	-
ICD Encashed	**-**	**-**	**0.30**	**-**
	-	-	*3.00*	-
Remuneration paid / payable	**-**	**7.23**	**-**	**-**
(Refer Footnote (ii) & (iii))	-	*14.57*	-	-

Note 43 : Related Party Disclosures (contd.)

(₹ crores)

	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
Trade receivables (Refer Note 14)	**6.35**	**-**	**33.51**	**-**
	10.00	*-*	*34.52*	*-*
Trade payables (Refer Note 20)	**8.84**	**-**	**1.30**	**-**
	17.56	*-*	*2.00*	*-*
Other Receivable/ (Other Payable)	**0.57**	**-**	**14.91**	**-**
(Refer Note 10 and 21)	*0.74*	*-*	*80.73*	*-*
Interest Receivable	**-**	**-**	**0.02**	**-**
(Refer Note 10)	*-*	*-*	*0.49*	*-*
Interest Payable	**0.06**	**-**	**-**	**-**
(Refer Note 21)	*0.08*	*-*	*-*	*-*
Loan Receivable	**-**	**-**	**12.75**	**-**
(Refer Note 9)	*-*	*-*	*23.24*	*-*
Allowance for doubtful loan	**-**	**-**	**3.17**	**-**
(Refer Note 9)	*-*	*-*	*3.17*	*-*
Option Deposit	**71.10**	**-**	**-**	**-**
(Refer Note 21)	*71.10*	*-*	*-*	*-*
Deposits Payable	**55.05**	**-**	**-**	**-**
(Refer Note 19)	*40.05*	*-*	*-*	*-*
Deposits Receivable	**0.08**	**-**	**10.98**	**-**
(Refer Note 10)	*0.08*	*-*	*-*	*-*

* Including its subsidiaries and joint ventures

Including its subsidiaries

Footnotes:

(i) Figures in italics are of the previous periods.

(ii) Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company's liability to all its employees.

(iii) The remuneration paid/ payable to Managing Director & CEO for the years ended March 31, 2021 and March 31, 2020 is ₹ 7.23 crores and ₹ 14.57 crores, respectively. For the year ended March 31, 2021, remuneration includes ₹ 3.24 crores of incentive remuneration, being part of minimum remuneration, which is accrued based on recommendation by the Nomination and Remuneration Committee. The total managerial remuneration for the financial year (amounting to ₹ 7.23 crores) exceed the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by ₹ 5.91 crores. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual general Meeting.

(iv) From time to time key management personnel of the group including directors of entities, which they have control or significant influence, may purchase services from the group, those purchase are on the same terms and conditions as those entered into with other group employees or customers.

Note 43 : Related Party Disclosures (contd.)

(c) Statement of Material Transactions

(₹ crores)

	March 31, 2021	March 31, 2020
Company having substantial interest and its subsidiaries and joint ventures		
Tata Sons Private Limited		
Dividend income	4.50	4.50
Dividend paid	22.65	21.66
Trade payables	-	4.09
Sale of goods and services	3.46	6.65
Other cost reimbursements	0.04	0.57
Deposits Receivable	-	0.08
Tata SIA Airlines Limited		
Sale of goods and services	4.49	19.60
Tata AIG General Insurance Company Limited		
Purchase of goods and services	17.99	9.90
Tata Realty and Infrastructure Limited		
Option Deposit	71.10	71.10
Tata Zambia Limited		
Operating / Licence fees expense	-	0.21
Tata Consultancy Services Limited		
Operating fees income	10.75	-
Purchase of goods and services	24.34	56.86
Sale of goods and services	10.30	17.10
Trade receivables	1.89	3.57
Trade payables	6.54	9.57
Tata Communications Ltd.		
Trade Payables	1.17	2.39
Tata International Limited		
Interest expense	0.65	-
ICD Raised	15.00	-
Interest Payable	0.06	-
Deposit outstanding	15.00	-
Purchase of shares	6.60	-
Taj Air Limited		
Interest expense	4.10	1.53
ICD Raised	15.00	55.00
ICD Repaid	15.00	15.00
Interest Payable	-	0.08
Deposit outstanding	40.00	40.00
Remuneration to Key Management Personnel		
Puneet Chhatwal	7.23	14.57

Note 43 : Related Party Disclosures (contd.)

(₹ crores)

	March 31, 2021	March 31, 2020
Associates		
Oriental Hotels Ltd.		
Operating fees income	9.80	23.91
Deputed staff reimbursement	3.48	4.11
Deputed staff out	11.06	14.68
Loyalty expense (Net of redemption credit)	0.36	3.24
Other cost reimbursements	0.07	0.32
Trade receivables	9.70	8.37
Trade Payables	1.79	1.79
Other Receivable / (Payable)	4.83	-
Dividend Income	1.25	3.28
Taida Trading & Industries Ltd.		
Interest income	0.63	0.58
Interest receivable	0.02	0.45
ICD Placed	1.11	0.55
Loan Receivable	7.70	6.59
Allowance for doubtful loan	3.17	3.17
Joint Ventures		
Taj GVK Hotels & Resorts Ltd.		
Operating fees income	4.41	12.65
Deputed staff reimbursement	2.73	3.56
Deputed staff out	5.22	8.42
Other cost reimbursements	0.12	0.29
Trade Receivables	15.72	11.04
Other Receivable / (Payable)	5.70	-
Taj Kerala Hotels & Resorts Ltd.		
Deputed staff reimbursement	0.91	-
Other Receivable / (Payable)	3.92	-
Loyalty expense (Net of redemption credit)	0.05	-
Purchase of shares	4.99	-
Taj Karnataka Hotels & Resorts Ltd.		
Interest income	0.48	0.48
ICD Encashed	0.30	-
Other Receivable / (Payable)	0.07	-
Loan Receivable	5.05	5.35
Loyalty expense (Net of redemption credit)	0.06	-
Taj SATS Air Catering Ltd.		
Interest expense	-	0.94
Sale of shares	-	29.79
ICD Raised	-	23.00
ICD Encashed	-	35.00
Other Receivable / (Payable)	-	(0.89)
Taj Safaris Ltd.		
Other Receivable / (Payable)	0.13	-
Purchase of Shares	-	2.99
ICP Encashed	-	3.00
ICD Placed	-	3.00

Note 43 : Related Party Disclosures (contd.)

(₹ crores)

	March 31, 2021	March 31, 2020
Kaveri Retreat & Resorts Limited		
Other receivable/(Other payable)	(0.35)	(0.50)
TAL Hotels & Resorts Ltd.		
Dividend income	-	2.03
Interest income	1.00	0.96
Operating fees income	-	7.14
Other cost reimbursements	0.04	-
Other receivable/(Other payable)	-	(0.27)
Loan Receivable	10.98	11.30
Loyalty expense (Net of redemption credit)	0.07	1.38
IHMS Hotels (SA)(Pty) Ltd.		
Trade Receivable	-	5.87
Other Receivable	-	75.56
Post-employment benefits plans		
Contribution to superannuation fund	4.65	4.89
Contribution to provident fund	11.80	23.45
Contribution to Gratuity Fund	-	19.75

Note 44 : Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director and Chief Executive Officer of the Company who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker. From the internal organisation of the Group's activities and consistent with the internal reporting provided to the chief operating decision-maker and after considering the nature of its services, the ultimate customer availing those services and the methods used by it to provide those services, "Hotel Services" has been identified to be the Group's sole operating segment. Hotel Services include "Revenue from Operations" including Management and Operating Fees where hotels are not owned or leased by the Group. The organisation is largely managed separately by property based on centrally driven policies and the results and cash flows of the period, financial position as of each reporting date aggregated for the assessment by the Managing Director and Chief Executive Officer. The Group's management reporting and controlling systems principally use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under Ind AS. As the Group is engaged in a single operating segment, segment information that has been tabulated below is Group-wide:

(₹ crores)

Country	Revenue from Hotel Services by location of operations		Non-current assets (see footnote below)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
India	1,430.19	3,394.06	5,793.52	5,982.76
U.S.A.	96.82	665.63	1,050.16	1,118.33
U.K.	42.42	403.45	1,236.13	1,163.40
Other Overseas locations	5.73	-	432.29	0.02
Total	**1,575.16**	**4,463.14**	**8,512.10**	**8,264.51**

Footnote: Non-current assets exclude financial assets, deferred tax assets and goodwill.

No single customer contributes more than 10% or more of the Group's total revenue for the years ended March 31, 2021 and March 31, 2020.

Note 45 : Additional Information as Required under Schedule III to the Companies Act, 2013, of Enterprises consolidated as Subsidiary / Associates / Joint Ventures

Name of the entity of the Group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores
Parent								
The Indian Hotels Company Ltd.	92.71%	3,970.57	(72.87)%	(524.78)	86.98%	209.06	(65.81)%	(315.72)
Subsidiaries								
Indian								
Piem Hotels Ltd.	13.35%	571.83	(9.55)%	(68.76)	10.80%	25.95	(8.92)%	(42.81)
Benares Hotels Ltd.	1.69%	72.23	(0.73)%	(5.23)	0.05%	0.13	(1.06)%	(5.10)
United Hotels Ltd.	0.43%	18.35	(0.77)%	(5.51)	0.17%	0.42	(1.06)%	(5.09)
Roots Corporation Ltd.	3.39%	145.36	(6.86)%	(49.38)	0.05%	0.13	(10.27)%	(49.25)
Inditravel Ltd.	0.12%	4.98	(0.11)%	(0.76)	0.01%	0.03	(0.15)%	(0.73)
Taj Trade & Transport Company Ltd.	0.17%	7.08	(0.55)%	(3.97)	0.01%	0.02	(0.82)%	(3.95)
KTC Hotels Ltd.	0.07%	2.87	0.03%	0.19	-	-	0.04%	0.19
Northern India Hotels Ltd.	0.78%	33.32	0.34%	2.42	-	-	0.50%	2.42
Taj Enterprises Ltd.	0.13%	5.67	(0.22)%	(1.59)	-	-	(0.33)%	(1.59)
Skydeck Properties and Developers Private Ltd.	10.50%	449.58	0.02%	0.12	-	-	0.03%	0.12
Sheena Investments Private Ltd.	0.07%	2.91	0.01%	0.08	-	-	0.02%	0.08
ELEL Hotels and Investments Ltd.	12.97%	555.55	(1.96)%	(14.15)	-	-	(2.95)%	(14.15)
Luthria and Lalchandani Hotel and Properties Private Ltd.	-	(0.04)	-	-	-	-	-	-
Ideal Ice & Cold Storage Company Ltd.	-	(0.01)	-	-	-	-	-	-
Foreign								
United Overseas Holdings Inc.	10.97%	470.00	(33.55)%	(241.60)	-	-	(50.36)%	(241.60)
St. James Court Hotel Ltd.	14.93%	639.54	(9.34)%	(67.27)	-	-	(14.02)%	(67.27)
Taj International Hotels Ltd.	0.04%	1.58	(1.08)%	(7.77)	-	-	(1.62)%	(7.77)
Taj International Hotels (H.K.) Ltd.	3.08%	131.96	0.33%	2.37	-	-	0.49%	2.37
Piem International (HK) Ltd.	3.62%	155.25	(3.07)%	(22.08)	-	-	(4.60)%	(22.08)
IHOCO BV.	51.63%	2,211.15	(38.96)%	(280.55)	-	-	(58.48)%	(280.55)
IHMS Hotels (SA) Proprietary Ltd. (Refer Footenote ii)	1.89%	80.76	(0.04)%	(0.30)	-	-	(0.06)%	(0.30)
Good Hope Palace Hotels Proprietary Limited	2.37%	101.55	4.85%	34.93	-	-	7.28%	34.93
Non-controlling interests in all subsidiaries		634.57		75.52		(26.91)		48.61

Note 45 : Additional Information as Required under Schedule III to the Companies Act, 2013, of Enterprises consolidated as Subsidiary / Associates / Joint Ventures (contd.)

Name of the entity of the Group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores	As % of consolidated profit or loss	₹ crores
Associates (Investment as per the equity method)								
Indian								
Oriental Hotels Ltd.	4.91%	210.40	(3.53)%	(25.42)	(0.02)%	(0.04)	(5.31)%	(25.46)
Taj Madurai Ltd	0.12%	4.95	0.02%	0.11	0.45%	1.07	0.25%	1.18
Taida Trading & Industries Ltd (Refer Footnote i)	-	-	-	-	-	-	-	-
Foreign								
Lanka Island Resorts Ltd.	0.70%	29.90	(0.40)%	(2.89)	(0.03)%	(0.07)	(0.62)%	(2.96)
TAL Lanka Hotels Plc	0.03%	1.25	(1.39)%	(10.02)	(0.07)%	(0.18)	(2.13)%	(10.20)
Bjets Pte Ltd. (Refer Footnote i)	-	-	-	-	-	-	-	-
Joint Ventures (Investment as per the equity method)								
Indian								
Taj GVK Hotels and Resorts Ltd.	2.70%	115.66	(1.03)%	(7.41)	(0.06)%	(0.14)	(1.57)%	(7.55)
Taj Kerala Hotels and Resorts Ltd.	0.34%	14.72	(0.60)%	(4.30)	0.03%	0.08	(0.88)%	(4.22)
Taj SATS Air Catering Ltd.	0.98%	41.78	(4.24)%	(30.51)	0.97%	2.34	(5.87)%	(28.17)
Taj Karnataka Hotels and Resorts Ltd.	(0.03)%	(1.45)	0.01%	0.10	-	-	0.02%	0.10
Taj Safaris Ltd.	0.21%	9.13	0.01%	0.05	0.01%	0.03	0.02%	0.08
Kaveri Retreat & Resorts Ltd	1.06%	45.24	0.24%	1.75	-	-	0.36%	1.75
Zarrenstar Hospitality Private Ltd	-	-	-	-	-	-	-	-
Foreign								
IHMS Hotels (SA)(Pty) Ltd. (Refer Footnote ii)	-	-	(0.52)%	(3.77)	-	-	(0.79)%	(3.77)
TAL Hotels & Resorts Ltd.	2.46%	105.35	(2.66)%	(19.12)	(0.07)%	(0.17)	(4.02)%	(19.29)
Consolidation Adjustments / Eliminations	(153.18)%	(6,560.53)	77.68%	559.39	11.90%	28.61	122.56%	588.00
TOTAL	**100.00%**	**4,283.01**	**100.00%**	**(720.11)**	**100.00%**	**240.36**	**100.00%**	**(479.75)**

Footnotes:

i) The carrying value of these investments in Associates has been reported as Nil, as the Group's share of losses exceeds the cost of investments.

ii) IHMS Hotels (SA)(Pty) Ltd. has been accounted as Joint venture till june 30, 2020. Persuant to it becoming a subsidiary on July 1, 2020, it has been accounted as a subsidiary from the date of acquisition.

Note 46 : Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Ind AS 33 – 'Earnings Per Share'.

	March 31, 2021	March 31, 2020
Profit/(Loss) after tax (owner's share) – (₹ crores)	(720.11)	354.42
Weighted average number of Equity Shares	118,92,58,445	118,92,58,445
Earnings Per Share - Basic and Diluted - (₹)	(6.05)	2.98
Face Value per Equity Share (₹)	1	1

Note 47 : Going Concern

Negative working capital:
As at the year end, the group's current liabilities have exceeded its current assets by ₹ 1,794.18 crores primarily on account of current maturities of long term borrowings aggregating ₹ 1,166.48 crores and liabilities on account of derivative and other contracts aggregating to ₹ 319 crores falling due within 12 months following the balance sheet date. The Group has secured additional financing for the next 12 months to prevent disruption of the operating cash flows and enable the Group meet its debts and obligations as they fall due. Accordingly, the financial statements of the Group are prepared on a going concern basis.

Impact of COVID – 19
The Group and its associates and joint ventures faces significant uncertainties due to COVID-19 which have impacted the operations of these entities adversely starting from the month of March 2020 onwards. Management of the individual entities has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate financing requirements.

Subsequent to the reporting date, the group has undrawn lines of credit aggregating ₹ 980.33 crores. In addition, the group continues to engage with the banks and financial institutions and evaluating options to raise money for future operation needs. Also refer note 2 (e) Estimation uncertainty due to COVID-19.

Based on aforesaid assessment, management believes that as per estimates made conservatively, the group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as at March 31, 2021.

Note 48 : Government Grants

a) Government grants for the purpose of supporting businesses during the Covid 19 pandemic:

i. Corona Virus Job Retention Scheme in the United Kingdom (UK):

St James Court Limited (SJCL) and Taj International Hotels Limited (TIHL), subsidiaries of the Group in UK, have received grants of ₹ 35.50 crores (£ 3.67 million) and ₹ 9.67 crores (£ 1.00 million) under the Government's furlough scheme during the year. These grants are given for specified staff over a specified period of time during which they are not permitted to work for the company due to the pandemic. The grant is not repayable provided the conditions of grant have been met. The Group believes it has met all the required conditions. The amounts reimbursed to the companies for the furloughed staff are netted off against the company's payroll cost.

ii. Business Rates Relief Scheme (UK):

Under this scheme, property taxes were levied at nil rate for the eligible business. St James Court Limited received benefits under the Business Rates holiday from the government, amounting to ₹ 27.67 crores (£2.86 million) for FY 2020-21.

iii. Employee Retention Card Scheme in the United States of America (USA):

United Overseas Holding Inc. (UOH), wholly owned subsidiary, availed benefits under the furlough scheme given by the Federal government under the COVID 19 stimulus package which allows businesses to take credit of the wages paid to employees on furlough and not working. UOH has accrued ₹ 22.72 crores ($ 3.07 million) for the scheme. The amounts reimbursed to the companies for the furloughed staff are netted off against the company's payroll cost.

Note 48 : Government Grants (contd.)

b) Revenue grant under the Assam Industrial Policy

The Company had invested in a Greenfield Project in Guwahati, Assam which is eligible as "Mega Project" under the Industrial and Investment Policy of Assam, 2014 and is entitled to apply for the revenue grant under the Assam Industrial Policy. During the year, on receipt of the requisite eligibility certificate from the regulatory authority, the Company accrued income of ₹ 12.69 crores towards reimbursement of taxes for the past years & ₹ 0.45 crore for the current financial year which has been recognised in "Other Operating Income". This grant is expected to be received by the Company once the verification of claims/ scrutiny & assessment of the previous year's taxes is completed by the said department. (Refer Note 32 (d))

Note 49 : Dividends

Dividends paid during the year ended March 31, 2021 out of Retained Earning was ₹ 0.50 per equity share for the year ended March 31, 2020, aggregating to ₹ 59.46 crores.

The dividends declared by the Company are based on the profits available for distribution as reported in the standalone financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2021, retained earnings not transferred to reserves available for distribution was ₹ 250.64 crores.

On April 30, 2021, the Board of Directors of the Company have proposed a final dividend of ₹ 0.40 per share in respect of the year ended March 31, 2021, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 47.57 crores.

As per our report of even date as attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003

Mumbai, April 30, 2021

For and on behalf of the Board

N. Chandrasekaran
Chairman
DIN: 00121863

Puneet Chhatwal
Managing Director & CEO
DIN: 07624616

Nasser Munjee
Director
DIN: 00010180

Giridhar Sanjeevi
Executive Vice President &
Chief Financial Officer

Beejal Desai
Senior Vice President - Corporate Affairs
& Company Secretary (Group)

B S R & Co. LLP
Chartered Accountants

14th Floor, Central Wing B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai – 400 063

Telephone: +91 22 6257 1000
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Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results of The Indian Hotels Company Limited under Regulation 33 and Regulation 52 Read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
The Indian Hotels Company Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of The Indian Hotels Company Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive income of its associates and joint ventures for the quarter ended 30 September 2021 and year to date results for the period from 1 April 2021 to 30 September 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52 Read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 Read with Regulation 63(2) of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity",* issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP
(a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Cente
Western Express Highway, Goregaon (East), Mumbai - 400063

Limited review report on unaudited quarterly consolidated financial results and consolidate year-to-date results of The Indian Hotels Company Limited under Regulation 33 and Regulation 52 Read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 *(Continued)*

4. The Statement includes the results of the following entities:

Subsidiary Company
PIEM Hotels Limited
Benares Hotels Limited
United Hotels Limited
Roots Corporation Limited
Inditravel Limited
Taj Trade and Transport Company Limited.
KTC Hotels Limited
Northern India Hotels Limited
Taj Enterprises Limited
Skydeck Properties and Developers Private Limited
Sheena Investments Private Limited
ELEL Hotels and Investments Limited
Luthria & Lalchandani Hotel & Properties Private Limited
United Overseas Holdings Inc.
St. James Court Hotel Limited.
Taj International Hotels Limited
Taj International Hotels (H.K.) Limited.
PIEM International (H.K.) Limited.
IHOCO BV
IHMS Hotels (SA) Proprietary Limited
Good Hope Palace Hotels Proprietary Limited
Ideal Ice and Cold Storage Company Limited

Joint Ventures
Taj SATS Air Catering Limited (including its subsidiary Taj Madras Flight Kitchen Pvt. Ltd)
Taj Karnataka Hotels and Resorts Limited.
Taj Kerala Hotels and Resorts Limited
Taj GVK Hotels and Resorts Limited and its joint venture
Taj Safaris Limited
Kaveri Retreats and Resorts Limited.
TAL Hotels and Resorts Limited (including its subsidiary and associate)
Zarrenstar Hospitality Pvt Ltd

Limited review report on unaudited quarterly consolidated financial results and consolidate year-to-date results of The Indian Hotels Company Limited under Regulation 33 and Regulation 52 Read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 *(Continued)*

The Statement includes the results of the following entities *(Continued)* :

Associates
Oriental Hotels Limited
Taj Madurai Limited
Taida Trading & Industries Limited.
Lanka Island Resort Limited.
TAL Lanka Hotels PLC
Bjets PTE Limited, Singapore

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 Read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. **Emphasis of Matter**

We draw attention to Note 8 to the consolidated financial results, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Group’s financial performance as assessed by the management.

Our conclusion is not modified in respect of this matter.

Limited review report on unaudited quarterly consolidated financial results and consolidate year-to-date results of The Indian Hotels Company Limited under Regulation 33 and Regulation 52 Read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 *(Continued)*

7. We did not review the interim financial information of five subsidiaries included in the Statement, whose interim financial information reflect total assets of Rs. 2,093.09 crores as at 30 September 2021 and total revenues of Rs. 84.76 crores and Rs. 117 crores, total net loss after tax of Rs. 13.55 crores and Rs. 45.79 crores and total comprehensive income of Rs. 1.03 crores and loss of Rs. 25.04 crores, for the quarter ended 30 September 2021 and for the period from 1 April 2021 to 30 September 2021, respectively, and cash inflows (net) of Rs. 5.05 crores for the period from1 April 2021 to 30 September 2021, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net loss after tax of Rs. 4.75 crores and Rs. 21.64 crores and total comprehensive loss of Rs. 7.84 crores and Rs. 22.74 crores for the quarter ended 30 September 2021 and for the period from 1 April 2021 to 30 September 2021, respectively, as considered in the Statement, in respect of one associate and two joint ventures, whose interim financial information have not been reviewed by us. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of the above matters.

8. The Statement includes the interim financial information of twelve subsidiaries which have not been reviewed, whose interim financial information reflect total assets of Rs. 494.22 crores as at 30 September 2021 and total revenue of Rs. 14.72 crores and Rs. 22.91 crores, total net loss after tax of Rs. 1.6 crores and Rs. 3.81 crores and total comprehensive loss of Rs. 1.6 crores and Rs. 3.81 crores for the quarter ended 30 September 2021 and for the period from 1 April 2021 to 30 September 2021, respectively, and cash inflows (net) of Rs. 1.43 crores for the period from 1 April 2021 to 30 September 2021 as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 3.37 crores and Rs. 9.89 crores and total comprehensive income of Rs. 2.32 crores and total comprehensive loss Rs. 7.93 crores for the quarter ended 30 September 2021 and for the period from 1 April 2021 to 30 September 2021, respectively, as considered in the consolidated unaudited financial results, in respect of five associates and five joint ventures, based on their interim financial information which have not been reviewed. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

   Our conclusion on the Statement is not modified in respect of the above matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Tarun Kinger
Partner
Membership No. 105003
UDIN: 21105003AAAAEV4159

Mumbai
21 October 2021

THE INDIAN HOTELS COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2021

₹ lakhs

Particulars	Quarter Ended 30.09.2021 (Reviewed)	Quarter Ended 30.06.2021 (Reviewed)	Quarter Ended 30.09.2020 (Reviewed)	Half Year Ended 30.09.2021 (Reviewed)	Half Year Ended 30.09.2020 (Reviewed)	Year Ended 31.03.2021 (Audited)
Revenue						
Revenue from Operations	**72837**	34455	25667	**107292**	40028	157516
Other Income (Refer Note 4)	**2391**	2575	6687	**4966**	9860	16472
Total Income	**75228**	37030	32354	**112258**	49888	173988
Expenses						
Food and Beverages Consumed	**6278**	2807	2182	**9085**	3099	14382
Employee Benefit expenses and Payment to Contractors	**27880**	24861	20432	**52741**	44410	89401
Finance Costs	**11385**	10974	9677	**22359**	18466	40282
Depreciation and Amortisation expense	**10176**	10254	10284	**20430**	20298	40963
Other Operating and General Expenses	**31395**	21669	18087	**53064**	34152	89909
Total Expenses	**87114**	70565	60662	**157679**	120425	274937
Profit/ (Loss) before exceptional items and tax	**(11886)**	(33535)	(28308)	**(45421)**	(70537)	(100949)
Exceptional items (Refer Note 5)	**(1083)**	2033	2049	**950**	10656	15995
Profit/ (Loss) Before Tax	**(12969)**	(31502)	(26259)	**(44471)**	(59881)	(84954)
Tax Expense						
Current Tax	**167**	16	15	**183**	29	101
Deferred Tax (credit)/ expense	**(1301)**	(4513)	(4304)	**(5814)**	(11247)	(15634)
Total	**(1134)**	(4497)	(4289)	**(5631)**	(11218)	(15533)
Profit/ (Loss) after tax before share of associates and joint ventures	**(11835)**	(27005)	(21970)	**(38840)**	(48663)	(69421)
Add : Share of Profit/ (Loss) of associates and joint ventures	**(1257)**	(3153)	(3239)	**(4410)**	(7806)	(10142)
Profit/ (Loss) for the period	**(13092)**	(30158)	(25209)	**(43250)**	(56469)	(79563)
Other Comprehensive Income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of defined benefit obligation	**413**	(170)	1464	**243**	1410	3762
Change in fair value of equity instruments	**3414**	1523	2787	**4937**	8200	20990
Share of other comprehensive income of associates and joint venture	**172**	232	113	**404**	144	292
Add/(Less) : Income tax credit/(expense) on the above	**(312)**	(45)	(498)	**(357)**	(503)	(1178)
Net other comprehensive income not to be reclassified subsequently to profit or loss	**3687**	1540	3866	**5227**	9251	23866
Items that will be reclassified subsequently to profit or loss						
Currency translation difference (net)	**(3108)**	3804	(1604)	**696**	(1015)	3120
Share of other comprehensive income of associates and joint venture	**(416)**	115	(689)	**(301)**	(90)	(259)
Add/(Less) : Income tax credit/(expense) on the above	**-**	-	-	**-**	-	-
Net other comprehensive income to be reclassified subsequently to profit or loss	**(3524)**	3919	(2293)	**395**	(1105)	2861
Other Comprehensive Income	**163**	5459	1573	**5622**	8146	26727
Total Comprehensive Income	**(12929)**	(24699)	(23636)	**(37628)**	(48323)	(52836)
Profit/ (Loss) for the period attributable to:						
Owners of the company	**(12058)**	(27734)	(23001)	**(39792)**	(50993)	(72011)
Non-controlling interest	**(1034)**	(2424)	(2208)	**(3458)**	(5476)	(7552)
	(13092)	(30158)	(25209)	**(43250)**	(56469)	(79563)
Total comprehensive Income for the period attributable to:						
Owners of the company	**(12107)**	(22924)	(22272)	**(35031)**	(43792)	(47975)
Non-controlling interest	**(822)**	(1775)	(1364)	**(2597)**	(4531)	(4861)
	(12929)	(24699)	(23636)	**(37628)**	(48323)	(52836)
Paid-up Equity Share Capital (Face value per share - ₹ 1 each)	**11893**	11893	11893	**11893**	11893	11893
Other equity (including Non-controlling interest)						416408
Earnings Per Share (Face value - ₹ 1 each) Basic and Diluted (* not annualised)	***(1.01)**	*(2.33)	*(1.93)	***(3.35)**	*(4.29)	(6.05)

See accompanying notes to the financial results

THE INDIAN HOTELS COMPANY LIMITED

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

₹ lakhs

Particulars	As at 30.09.2021 (Reviewed)	As at 31.03.2021 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	**564886**	572800
Capital work-in-progress	**20941**	16499
Right-of-Use assets	**151118**	152974
Goodwill	**61544**	61097
Intangible assets	**55983**	56899
Intangible assets under development	**58**	-
Investments in associates and joint ventures	**53530**	57837
Financial assets		
Investments	**50554**	45617
Loans	**-**	505
Other financial assets	**8333**	7819
Deferred tax assets (net)	**13362**	11798
Advance income tax (net)	**22940**	20340
Other non-current assets	**29689**	31698
	1032938	1035883
Current assets		
Inventories	**9424**	9288
Financial assets		
Investments	**31758**	44863
Trade receivables	**22877**	21984
Cash and cash equivalents	**16306**	9427
Other Balances with Banks	**10498**	5936
Loans	**999**	1668
Other financial assets	**9057**	8895
Other current assets	**13102**	13220
	114021	115281
Assets classified as held for sale	**107**	107
	114128	115388
Total	**1147066**	1151271
Equity and Liabilities		
Equity		
Equity share capital	**11893**	11893
Other equity	**313163**	352951
	325056	364844
Non-controlling interests	**60860**	63457
	385916	428301
Non-current liabilities		
Financial liabilities		
Borrowings	**296970**	222383
Lease liabilities	**185229**	184638
Other financial liabilities	**2717**	2571
Provisions	**9469**	9174
Deferred tax liabilities (net)	**4000**	7805
Other non-current liabilities	**1310**	1593
	499695	428164
Current Liabilities		
Financial liabilities		
Borrowings	**111095**	140901
Lease liabilities	**4473**	3911
Trade payables	**34515**	31781
Other financial liabilities	**59439**	70949
Provisions	**18154**	17076
Current income tax liabilities (net)	**3559**	3495
Other current liabilities	**30220**	26693
	261455	294806
Total	**1147066**	1151271

THE INDIAN HOTELS COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021

₹ lakhs

Particulars	**Half Year Ended 30.09.2021 (Reviewed)**	Year Ended 31.03.2021 (Audited)	Half Year Ended 30.09.2020 (Reviewed)
Cash Flow From Operating Activities			
Profit/(Loss) before tax	**(44471)**	(84954)	(59881)
Adjustments to reconcile net profit to net cash provided by operating activities:			
Gain on investments carried at fair value through statement of profit and loss	**(131)**	(251)	(55)
Gain arising out of acquiring controlling stake in a joint venture	**-**	(8204)	(8204)
Profit on sale of Current Investments	**(204)**	(563)	(230)
Exchange (Gain)/ Loss on Long term borrowing/Assets (net)	**545**	(5638)	(1360)
Fair valuation (Gain)/ Loss on derivative contracts	**(629)**	(2500)	(1662)
Depreciation and amortisation expenses on Property, plant and equipment	**17217**	34766	17233
Depreciation and amortisation expenses on Right-of-Use assets	**3213**	6197	3065
Net (Gain)/ Loss on disposal of Property, plant and equipment	**(697)**	(4432)	(543)
Allowance for doubtful debts and advances	**166**	1251	519
Assets and Claims written off	**1933**	329	5
Dividend income	**(466)**	(543)	(540)
Interest income	**(1514)**	(4479)	(3287)
Finance costs	**22359**	40282	18466
Provision for disputed claims	**853**	1069	682
Provision for Employee Benefits	**520**	1132	523
	43165	58416	24612
Cash Operating Profit/(Loss) before working capital changes	**(1306)**	(26538)	(35269)
Adjustments for increase/ decrease in operating assets and liabilities:			
Inventories	**136**	1167	903
Other financial assets	**(2234)**	10738	3601
Other financial liabilities	**9274**	(19572)	(18957)
	7176	(7667)	(14453)
Cash Generated From/(Used In) Operating Activities	**5870**	(34205)	(49722)
Income taxes paid	**(2778)**	2336	(1010)
Net Cash Generated From/(Used In) Operating Activities (A)	**3092**	(31869)	(50732)
Cash Flow From Investing Activities			
Payments for purchase of property, plant and equipment	**(14984)**	(21547)	(6251)
Proceeds from disposal of property, plant and equipment	**70**	2830	838
Capital subsidy received from Government	**-**	110	-
Purchase of current investments	**(59905)**	(151232)	(78424)
Sale of current investments	**73347**	157930	86947
Purchase of non-current investments	**-**	(7300)	-
Disposal of long term investment	**-**	1131	1131
Interest received	**1158**	1760	771
Dividend received	**466**	698	627
Long-term deposits placed for Hotel properties	**(200)**	(304)	(204)
Long Term Deposits refunded/ (placed)	**30**	(622)	
Proceeds from sale of hotel properties	**1590**	3169	
Short term Loans (placed) /repaid by other	**1115**	-	(698)
Short-term deposits placed with Others	**-**	(49)	(55)
Bank Balances not considered as Cash and cash equivalents	**(4839)**	1460	2415
Net Cash Generated From/(Used In) Investing Activities (B)	**(2152)**	(11966)	7097
Cash Flow From Financing Activities			
Dividend	**(4758)**	(6005)	(6044)
Payment of lease liability (including Interest)	**(6603)**	(13893)	(6270)
Loan arrangement expenses	**(734)**	(15)	(14)
Interest and other borrowing costs paid	**(12986)**	(23208)	(10309)
Settlement of cross currency Interest rate swap (net)	**(14740)**	(79)	1
Proceeds from long-term borrowings	**127527**	104057	79284
Repayment of long-term borrowings	**(79485)**	(40224)	(32360)
Proceeds from short-term borrowings	**7120**	10002	10854
Repayment of short-term borrowings	**(9451)**	(2598)	-
Net Cash Generated From/ (Used In) Financing Activities (C)	**5890**	28037	35142
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)	**6830**	(15798)	(8493)
Cash and Cash Equivalents - Opening	**9427**	25082	25082
Add: Opening cash balance of Subsidiary on acquisition	**-**	160	142
Exchange difference on translation of foreign currency cash and cash equivalents	**49**	(17)	(115)
Cash and Cash Equivalents - Closing	**16306**	9427	16616

Notes

1. The consolidated financial results of the Company have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meetings held on October 21, 2021. The results have been reviewed by the Statutory Auditors of the Company.
2. The consolidated results for the quarter and half year ended September 30, 2021 are available on the Bombay Stock Exchange website (URL: www.bseindia.com), the National Stock Exchange website (URL: www.nseindia.com) and on the Company's website (URL: www.ihcltata.com).
3. These consolidated financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
4. Other Income for the quarter and half year ended September 30, 2021 includes ₹ 176 lakhs and ₹ 1694 lakhs towards lease rent concessions received for certain properties, in accordance with Ind AS 116.
5. Exceptional items comprise of:

Particulars	**Quarter Ended 30.09.2021 (Reviewed)**	Quarter Ended 30.06.2021 (Reviewed)	Quarter Ended 30.09.2020 (Reviewed)	**Half Year Ended 30.09.2021 (Reviewed)**	Half Year Ended 30.09.2020 (Reviewed)	Year Ended 31.03.2021 (Audited)
Exchange gain/(loss) on long term borrowing	**(1083)**	692	791	**(391)**	791	2912
Change in fair value of derivative contracts	**-**	629	1258	**629**	1662	2500
Profit on sale of a hotel property by a Subsidiary	**-**	712	-	**712**	-	2380
Gain arising out of acquiring controlling stake in a joint venture	**-**	-	-	**-**	8203	8203
	(1083)	2033	2049	**950**	10656	15995

6. The Board of Directors at its meeting on August 23, 2021, had considered and approved, subject to receipt of relevant approvals from regulatory authorities, as may be required, issue of Equity Shares by way of a Rights Issue to the existing shareholders of the Company on a record date for an amount not exceeding ₹ 3000 crores.

   In partial modification to its earlier decision taken on August 23, 2021 to raise funds not exceeding ₹ 3000 crores by way of a Rights Issue, the Board of Directors at its meeting on October 21, 2021 have decided / approved the following:

- Issue of Equity Shares by way of a Rights Issue to the existing shareholders of the Company on a record date for an amount not exceeding ₹ 2,000 crores.
- Raising of funds through equity issuance for an amount not exceeding ₹ 2,000 crores through Qualified Institutional Placement ("QIP"), post conclusion of the aforesaid Rights Issue, subject to approval of the Shareholders.

The above equity issuances shall be undertaken in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

The objective of the aforementioned equity issuances inter-alia is to meet the Company's financing needs for debt repayment, capital expenditure and growth plans & will be finalised in consultation with the merchant bankers.

7. Subject to receipt of requisite approvals, the Board of Directors at its meeting on October 21, 2021 have approved the purchase of 3,74,65,735 shares of Roots Corporation Limited ("RCL") (aggregating to ~ 39.84% of the equity share capital of RCL) from the existing shareholders of RCL, viz. Omega TC Holdings Pte Limited, Tata Capital Limited, Tata Investment Corporation Limited and Piem Hotels Limited, at an acquisition cost not exceeding ₹ 500 crores. The foregoing transaction will result in RCL becoming a wholly owned subsidiary of the Company.

8. The Group has assessed the possible impact of COVID-19 in preparation of the consolidated interim financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. The Group has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID--19 may be different from that estimated as at the date of approval of these consolidated interim financial results and the Group will continue to closely monitor any material changes to future economic conditions.

   The business has been impacted during the half year period on account of COVID-19. During the first three months of the year, the Group witnessed softer revenues due to the second wave of COVID-19 and consequent lockdowns in several states in India, where the Group predominantly operates. However in the beginning of the current quarter, the lockdowns were lifted due to lower active COVID-19 cases and increased vaccinations and the Group witnessed positive recovery of demand, especially in leisure destinations and business is gradually expected to improve.

   The management has secured additional financing for the next 12 months to prevent disruption of the operating cash flows and to enable the Group to meet its debts and obligations as they fall due. Accordingly, the financial results of the Group have been prepared on a going concern basis.

9. The Code on Social Security, 2020 ('the Code') relating to employee benefits received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020 and invited suggestions from the stakeholders. The date of implementation of the Code is yet to be notified by the Government and when implemented will impact the contributions by the Company towards benefits such as Provident Fund, Gratuity etc. The Company will assess the impact of the Code and give effect in the financial results when the Code and Rules thereunder are notified.

10. Disclosure of segment-wise information is not applicable, as hoteliering is the Company's only business segment.

11. Information pursuant to requirement of Regulation 52(4) and Regulation 54(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulation 2015) for half year ended September 30, 2021:

Sr. No.	**Particulars**	**Quarter Ended 30.09.2021 (Reviewed)**	Quarter Ended 30.06.2021 (Reviewed)	Quarter Ended 30.09.2020 (Reviewed)	**Half Year Ended 30.09.2021 (Reviewed)**	Half Year Ended 30.09.2020 (Reviewed)	Year Ended 31.03.2021 (Audited)
(a)	Debt Equity ratio (in times) [Non - Current Borrowings + Current Borrowings/ Total Equity]	**1.06**	1.01	0.80	**1.06**	0.80	0.85
(b)	Debt Service Coverage Ratio (in times) [(Profit before Tax + Interest (Net) + Provision for impairment of investments + Depreciation and amortisation expenses)/ (Interest (Net) + Principal Repayment of long-term Debt)] #	**0.10**	(0.06)	0.40	**0.10**	0.40	(0.11)

Sr. No.	Particulars	**Quarter Ended 30.09.2021 (Reviewed)**	Quarter Ended 30.06.2021 (Reviewed)	Quarter Ended 30.09.2020 (Reviewed)	**Half Year Ended 30.09.2021 (Reviewed)**	Half Year Ended 30.09.2020 (Reviewed)	Year Ended 31.03.2021 (Audited)
(c)	Interest Service Coverage Ratio (in times) [(Profit before Tax + Interest (Net) + Provision for impairment of investments + Depreciation and amortisation expenses)/ Interest (Net)][#]	**0.31**	(0.09)	1.58	**0.31**	1.58	(0.23)
(d)	Securities Premium (₹ lakhs)	**270206**	270206	270206	**270206**	270206	270206
(e)	Capital Redemption Reserve (₹ lakhs)	**1079**	1079	1079	**1079**	1079	1079
(f)	Debenture Redemption Reserve (₹ lakhs)	**10704**	15501	18740	**10704**	18740	15501
(g)	Other Equity (₹ lakhs)	**374023**	386953	420962	**374023**	420962	416408
(h)	Net Worth (₹ lakhs)	**385916**	398846	432855	**385916**	432855	428301
(i)	Outstanding Debt (₹ lakhs) [Non - Current Borrowings + Current Borrowings]	**408065**	404208	346222	**408065**	346222	363284
(j)	Net Loss after Tax (₹ lakhs)	**(12058)**	(27734)	(23001)	**(39792)**	(50993)	(72011)
(k)	Basic and Diluted Earnings per Share (in ₹) (* not annualised)	***(1.01)**	*(2.33)	*(1.93)	***(3.35)**	*(4.29)	(6.05)
(l)	Current ratio (in times) [(Current Assets)/ (Current Liabilities excluding current maturities of long term borrowings)]	**0.68**	0.67	0.78	**0.68**	0.78	0.65
(m)	Long term debt to working capital (in times) [(Non- Current Borrowings + Current Borrowings excluding Short Term Borrowings)/ (Net Working Capital)]	**(7)**	(7)	(10)	**(7)**	(10)	(5)
(n)	Bad Debts to Account receivable ratio (%) [Bad Debts/ Average Trade Receivables]	**0.14%**	0.20%	0.03%	**0.33%**	0.04%	0.22%
(o)	Current Liability ratio (in times) [(Current Liabilities excluding current maturities of long term borrowings)/(Total liabilities)]	**0.22**	0.21	0.22	**0.22**	0.22	0.25
(p)	Total Debts to Total Assets ratio (in times) [(Non - Current Borrowings+ Current Borrowings)/ Total Assets]	**0.36**	0.35	0.30	**0.36**	0.30	0.32
(q)	Debtors Turnover (in days) [Average Trade Receivables/ Average daily revenue from operations]	**27**	55	87	**38**	118	59
(r)	Inventory Turnover (in days)	**N.A.**	N.A.	N.A.	**N.A.**	N.A.	N.A.
(s)	Operating Margin (%) [(Profit/(Loss) before Depreciation and amortisation expenses, Interest, Tax and Exceptional Item less Other Income)/Revenue from Operations]	**10%**	(43)%	(59)%	**(7)%**	(104)%	(23)%
(t)	Net Profit/ (Loss) Margin (%) [(Profit/(Loss) after tax)/Total Income]	**(16)%**	(73)%	(68)%	**(35)%**	(98)%	(40)%

[#] computed on a trailing twelve month basis

12. Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W – 100022

For **THE INDIAN HOTELS COMPANY LIMITED**

Tarun Kinger
Partner
Membership No. 105003

Puneet Chhatwal
Managing Director and CEO
DIN: 07624616

Place: Mumbai
Date: October 21, 2021

Registered Office:

Mandlik House, Mandlik Road, Mumbai 400 001.

CIN: L74999MH1902PLC000183

Email: investorrelations@tajhotels.com, Website: www.ihcltata.com

ACCOUNTING RATIOS

Accounting Ratios

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Consolidated Financial Statements and Unaudited Limited Review Consolidated Financial Results included in the section entitled "*Financial Statements*" on page 108:

(₹ in crore, except per share data)

Particulars	Unaudited Limited Review Consolidated Financial Results		Annual Consolidated Financial Statements	
	As at and for the six months period ended September 30, 2021	As at and for the six months period ended September 30, 2020	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Basic EPS (₹)	(3.35)*	(4.29)*	(6.05)	2.98
Diluted EPS (₹)	(3.35)*	(4.29)*	(6.05)	2.98
Return on Net Worth (%)	(10.31)	(11.78)	(16.81)	6.92
Net Asset Value per Equity Share (₹)	32.45	36.40	36.01	43.07
EBITDA (₹ in crore)	**(16.82)**	**(211.17)**	**(37.09)**	**1,140.90**
EBITDA (before exceptional items (₹ in crore)	**(26.32)**	**(317.73)**	**(197.04)**	**1099.95**

* *Not annualized*

The formulae used in the computation of the above ratios are as follows:

Basic EPS	Profit/(loss) after tax as per consolidated statement of profit and loss attributable to owners of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares
Diluted EPS	Profit/(loss) after tax as per consolidated statement of profit and loss attributable to owners of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares and for the effects of all dilutive potential equity shares
Return on Net Worth	Profit/(loss) after tax for the period as presented in the consolidated statement of profit and loss in the Financial Statements / Net Worth
Net Asset Value per Equity Share	Net Worth / Number of Equity Shares subscribed and fully paid outstanding as at the end of the period
EBITDA	Profit/ (Loss) for the period before tax adjusted for finance costs and depreciation & amortisation, as presented in the consolidated statement of profit and loss in the Audited Consolidated Financial Statements for March and Unaudited Limited Review Consolidated September Financial Results.
EBITDA (before exceptional items)	Profit/ (Loss) for the period before exceptional items and tax adjusted for finance costs and depreciation & amortisation, as presented in the consolidated statement of profit and loss in the Audited Consolidated Financial Statements for March and Unaudited Limited Review Consolidated September Financial Results.

(a) Calculation of Return on Net Worth

(₹ in crore)

Particulars	Unaudited Limited Review Consolidated Financial Results		Annual Consolidated Financial Statements	
	As at and for the six months period ended September 30, 2021	As at and for the six months period ended September 30, 2020	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Profit/(loss) after tax attributable to owners of Company (A)	(397.92)	(509.93)	(720.11)	354.42
Equity Share capital (B)	118.93	118.93	118.93	118.93
Other equity (including non-controlling interest) (C)	3740.23	4209.62	4164.08	5002.78
Net Worth (D) [B + C]	**3859.16**	**4328.55**	**4283.01**	**5121.71**

Return on Net Worth [A / D] * 100 (%)	(10.31)	(11.78)	(16.81)	6.92

(b) Calculation of Net Worth and Net asset value per Equity Share

(₹ in crore, except per share data)

Particulars	Unaudited Limited Review Consolidated Financial Results		Annual Consolidated Financial Statements	
	As at and for the six months period ended September 30, 2021	As at and for the six months period ended September 30, 2020	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Equity Share capital (A)	118.93	118.93	118.93	118.93
Other equity (B)	3740.23	4209.62	4164.08	5002.78
Net Worth (C) [A + B]	**3859.16**	**4328.55**	**4283.01**	**5121.71**
No. of Equity shares subscribed and fully paid outstanding	1189258445	1189258445	1189258445	1189258445
Net Asset Value per Equity Share [C / D *10^7] (₹)	32.45	36.40	36.01	43.07

(c) Details of EBITDA and EBITDA (before exceptional items)

(₹ in crore, except per share data)

Particulars	Unaudited Limited Review Consolidated Financial Results		Annual Consolidated Financial Statements	
	As at and for the six months period ended September 30, 2021	As at and for the six months period ended September 30, 2020	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Profit/ (Loss) before exceptional items and tax (A)	(454.21)	(705.37)	(1009.49)	354.59
Finance costs (B)	223.59	184.66	402.82	341.12
Depreciation and amortisation expense (C)	204.30	202.98	409.63	404.24
EBITDA (before exceptional items) [D = A + B+ C]	**(26.32)**	**(317.73)**	**(197.04)**	**1099.95**
Exceptional Items [E]	**9.50**	**106.56**	159.95	40.95
EBITDA [F = D +E]	**(16.82)**	**(211.17)**	**(37.09)**	**1,140.90**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our consolidated statement of financial results as disclosed to the Stock Exchanges for the six months ended September 30, 2021 and the consolidated financial statements for the financial year ended March 31, 2021 with previous year comparatives, including the related notes, schedules and annexures. Our consolidated statement of financial results for the six months ended September 30, 2021 and the consolidated financial statements for the financial year ended March 31, 2021 has been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013 to the extent applicable and in accordance with applicable rules and regulations. Ind AS differs in certain material respects from other accounting standards such as Indian GAAP, IFRS and U.S. GAAP.*

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for the year ended March 31, 2021 with previous year comparatives included herein is based on the Audited Consolidated Financial Statements and the financial information included herein for the six months ended September 30, 2021 is based on the unaudited, reviewed consolidated financial results, included in this Letter of Offer. For further information, please see the section entitled "Financial Statements" on page 108.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under the sections entitled "Forward-looking Statements" and "Risk Factors" on pages 12 and 16, respectively.

Overview

We are one of the leading hospitality chains in India by number of hotels (*Source: Horwath HTL Report*) focussed on being a dynamic hospitality ecosystem. We are primarily engaged in the business of owning, operating and managing hotels and resorts primarily under various brands including, our flagship brand "*Taj*". The Company was incorporated in 1902 and is promoted by Tata Sons Private Limited, which held 38.09% of the Company's shareholding as of September 30, 2021.

Our first hotel, the Taj Mahal Palace, Mumbai, commenced operations in 1903. In the past few decades, we have expanded geographically to register our presence in key travel destinations both in India and internationally. We have also converted or restored former royal palaces in India into flagship hotels. Some of our marquee hotels which are operated out of former royal palaces include Rambagh Palace, Jaipur, Umaid Bhawan Palace, Jodhpur, Taj Falaknuma Palace, Hyderabad and Taj Lake Palace, Udaipur. In addition to the palace hotels, many hotels are located in iconic or heritage buildings, such as the Taj Mahal Palace, Mumbai, The Pierre, New York or the Taj Cape Town, South Africa. In 2004, we launched hotels under the brand, "*Ginger*", formerly, "*Indione*", to cater to the budget segment. We have, over time, systematically invested in creating assets directly or through subsidiaries, joint ventures or associates in both India and international locations. As of September 30, 2021 we operated or managed 170 hotels and resorts globally with approximately 19,774 rooms with a presence across various geographical segments, including beach resorts, hill stations, wildlife sanctuaries, major cities and tourist destinations. Of this, we have 17 international hotels with 2,654 rooms in 13 international locations.

The spirit of "*Tajness*" – and values of Trust, Awareness and Joy, define a common philosophy across all our hotels to ensure our customers are able to have the same experience across our hotels. We operate our hospitality business through our hospitality brands of "*Taj*", "*SeleQtions*", "*Vivanta*" and "*Ginger*" as well as the recently launched "*amã Stays and Trails*". In addition, we also operate restaurants and our food and beverage business under brands such as Golden Dragon, Wasabi by Morimoto, Thai Pavilion, House of Ming, Shamiana. Recently, we launched "*Qmin*", a repertoire of culinary offerings, delivered to homes using a proprietary Qmin mobile application and also has an offline presence through shops and food trucks. We launched a global version of "*The Chambers*", an exclusive business club in eight cities granting members exclusive benefits and privileges. In addition, we operate spas under the "*Jiva*" brand, shops under "*Khazana*", salons under "*niu&nau*" and cater to airlines from "*TajSATS*", through our joint venture Taj SATS Air Catering Limited. In 2021, "*Taj*" has been rated as the World's Strongest Hotel Brand by Brand Finance, the world's leading brand valuation consultancy in its annual 'Hotels 50 2021' report and ranked as #1 hospitality brand in India in its 'India 100 2021' report.

We undertake our business through direct ownership of hotels, lease arrangements, licensing arrangements and operating/management contracts and franchises. These diverse modes of business operation complement each other and enable us to efficiently capitalise on our brand for achieving sustained growth. We have taken up operating and management contracts in the last few years in order to move to an asset-light model and propose to undertake future expansion largely through development of our existing land bank, utilisation of the unutilised floor space index in our operating hotels and through management contracts.

We have won several awards for our hospitality operations and governance in India and internationally. For further details, please see the section entitled "*Our Business – Awards*" on page 101.

The total income for the financial year ended March 31, 2020, on a consolidated basis, was ₹4,595.56 crore and the profit after tax (attributable to owners) was ₹354.42 crore. Our financial results for the financial year ended March 31, 2021 and the six months ended September 30, 2021, was impacted by the COVID-19 pandemic which impacted global economy, including travel and tourism due to which our financial performance dropped significantly. On a consolidated basis, our total income was ₹1,739.88 crore for the financial year ended March 31, 2021 as compared to ₹4,595.56 crore for the financial year ended March 31, 2020 and our total income was ₹1,122.58 crore for the six months ended September 30, 2021 as compared to ₹498.88 crore for the six months ended September 30, 2020. The revenues have shown an upward trajectory during the second quarter of FY 2021-22.

Significant factors affecting our results of operations

Our results of operations and financial condition are affected by a number of important factors, including:

The impact of COVID-19 on our results of operations and financial condition

The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. Responding to the potentially serious threat that this pandemic has to public health, governments in India and the world took a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' from March 2020. Post June 2020 there was a gradual lifting of restrictions within regulated environments differing based upon infrastructural preparedness, testing, reported number of cases and political consensus of countries and states within India. Subsequently, a second wave of the COVID-19 pandemic coupled with newer mutations of the virus during the six months ended September 30, 2021 severely impacted our business in the countries where we have significant operations, including the Indian sub-continent. Our Company witnessed lesser revenues due to partial or complete lockdowns imposed during the six months ended September 30, 2021. Finally, since the beginning of 2021, availability of vaccines and penetration of vaccination within the population began to take precedence in deciding the level of economic activity.

The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to all businesses of our Company including subsidiaries, joint ventures, associates and properties managed and operated by us. Our business was severely impacted since the initial lockdown in March 2020. Our Company witnessed a substantial drop in revenues due to record low occupancies and significant reduction of dining and events at hotels due to the lockdowns imposed and regulation on social gatherings. Based on directives of local governments, a significant number of our Company's hotels had to be temporarily shut down. With the unlocking of restrictions, almost all of our Company's hotels have now been re-opened and business is expected to gradually improve across all hotels. During the second half of the financial year ended March 31, 2021 our Company witnessed a recovery in demand at leisure destinations, home delivery of food and beverages and small banquet events.

As our response to COVID-19, we assessed its potential impact on our capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. Various steps were initiated to raise finances from banks and institutions for working capital needs and long-term funds to meet our Company's funding requirements.

We also assessed the potential impact of COVID-19 on the carrying value of property, plant and equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of our Company. We are regularly monitoring the impact of COVID-19 on all aspects of our business and operations and as the pandemic continues to evolve and its impact on global health, the economy and our business may be different from what we have estimated.

The occurrence of any natural disaster, pandemics, epidemics and manmade disasters

The occurrence of natural disasters such as hurricanes, floods, earthquakes, tornedos, fires, explosions, pandemic and epidemic diseases and manmade disasters (wars, terrorist attacks, political violence, social unrest, economic crisis, etc.) could adversely affect our results of operations or financial conditions. We cannot assure prospective investors that such events will not occur in the future or that our results of operations and financial conditions will not be adversely affected.

General economic conditions

We are engaged in the hospitality business and face risks from socio-political environment including natural and political factors. Natural calamities, international political conflicts, border unrest terrorism incidents, which could have a direct impact on travel and affect our business. The hospitality business is highly sensitive to fluctuations of the economy and any untoward global or local incident(s). The hospitality sector is also affected by factors such as changes in domestic and global economies, local market conditions, surplus supply over demand for hotel rooms, reduction in demand of associated services, market competition, changes in interest rates or exchange rates, availability of finance and other social and economic factors.

Heavy dependence on India and key cities/destinations

A significant proportion of our revenue is realized from our Indian operations. Further, within India, a larger part of the revenue is generated through hotels present in key cities like Mumbai, New Delhi, Bengaluru, Goa, etc. We are susceptible to domestic socio-political and economic conditions and decline in tourist arrivals in these specific destinations.

Dependence on the high-end luxury segment

A significant portion of our revenue is realised from luxury hotels and any adverse development affecting these hotels or the regions in which they operate or any economic downturn which restricts luxury discretionary spending by our customers, may adversely affect our business.

Seasonality of business

The hospitality industry in India is subject to seasonal variations. The periods during which our hotels experience higher revenues vary from property to property, depending principally upon location and the guests served. Our revenues are generally higher during the second half of each financial year. Seasonality affects leisure travel, including weddings, as well as inbound foreign leisure travel, such that it mainly occurs between October and March. Business travel, which was generally more consistent during the year, has undergone a disruptive change in patterns during the recent lockdowns due to a greater use of technology for meetings and events. The extent and nature of corporate travel in the new normal, post-pandemic period remains uncertain. Seasonality can be expected to cause quarterly fluctuations in our revenue, profit margins and earnings.

Competition in the hotel sector

The hotel industry in India is intensely competitive and our hotels compete with large multinational and Indian companies, in each of the micro-markets in which we operate. Increased competition in the hotel sector may adversely affect our operations and there can be no assurance that the new or existing competitors will not significantly expand or improve facilities in the markets in which we operate.

High Operating Leverage

The hotel industry in general has a high operating leverage which requires periodic renovations, refurbishment and has high fixed operating costs. Consequently, it may be difficult for us to reduce these costs in case of an economic slowdown.

Our hotel ownership models

Our owned and leased hotels are a significant contributor to our revenues. Under our owned hotel business, we incur upfront capital costs on hotel assets, working capital and pre-opening expenditure. We expect higher revenues and contribution to profits after a generally long gestation period. Under the model of leased hotels, we make lease payments to the hotel asset owners for use of their assets and operate such hotels as if they were owned by us. The lease payments may be a fixed amount or where the asset-owners prefer to benefit from the hotel's performance, payments variable to operating income of the hotel, many a times accompanied by minimum guaranteed payments. Under the management and franchise models we earn a management fee for our services of operating the hotel while the owner or franchisee bears substantially all the capital expenditures, opening and operational expenses. The mix of owned, leased and managed hotels in our hotel portfolio affects our results of operations in a given period.

Key indicators of operating performance

We use a variety of financial and other information in monitoring the financial condition and operating performance of our business. Our management also uses other information that may not be financial in nature, including statistical information and comparative data that are commonly used within the hospitality industry to evaluate a hotel's financial and operating performance. Our management uses the following operational parameters to measure the performance:

Average Room Rate ("**ARR**") represents hotel room revenues divided by total number of room nights sold in a given period (including rooms that were available for only a certain portion of that period). ARR measures the average room price attained by a hotel or group of hotels and ARR trends provide useful information relating to pricing policies and the nature of the guest base of a hotel or group of hotels. Changes in ARR have an impact on overall revenues and profitability.

Average Occupancy represents the total number of room nights sold in a given period divided by the total number of room nights available at a hotel or group of hotels in the same period. Occupancy measures the utilization of our hotels' available capacity. Our management uses occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help us determine achievable ARR levels as demand for hotel rooms increases or decreases.

Revenue Per Available Room ("**RevPAR**") is calculated by multiplying ARR and the average occupancy achieved. RevPAR does not include other ancillary, non-room revenues, such as food and beverage revenues or transport, telephone and other guest service revenues generated by a hotel. We consider RevPAR to be a meaningful indicator of our performance as it provides a metric correlated to two primary and key drivers of operations at a hotel or group of hotels: average occupancy and ARR. RevPAR is also a useful indicator in measuring performance over comparable periods for comparable hotels.

RevPAR changes that are driven predominately by occupancy have different implications for overall revenue levels and hotel operating profit than changes driven predominately by ARR. For example, increases in occupancy at a hotel would lead to increases in room revenues, as well as incremental operating costs (including, but not limited to, housekeeping services, utilities and room amenity costs). RevPAR increases due to higher ARR, however, would generally not result in additional operating costs, with the exception of those charged or incurred as a percentage of revenue, such as distribution costs or credit card fees. As a result, changes in RevPAR driven by increases or decreases in ARR generally have a greater effect on operating profitability than changes in RevPAR driven by occupancy levels.

Significant Accounting Policies

Our Significant Accounting Policies for the financial year ended March 31, 2021 and as at March 31, 2021 are described in the section entitled "*Financial Statements*" on page 108. There was no change in the Significant Accounting Policies during the six months ended September 30, 2021.

(a) Basis of preparation of Consolidated Financial Statements

The Consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of our Company. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are entities (including structured entities) over which our Company has control. We control an entity when our Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to our Company.

We combine the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between entities within our Company are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by our Company. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

(ii) Joint ventures, associates and equity method accounting

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets and obligations for the liabilities, relating to the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance sheet.

Associates are entities over which our Company has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise our Company's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and our Company's share of Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When our Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, our Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between our Company and its Associates and its Joint Ventures are eliminated to the extent of our Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by our Company. The carrying amounts of equity accounted investments are tested for impairment.
The financial statements of subsidiaries, joint ventures and associates consolidated are drawn upto the same reporting date as that of the Company except one of the associate and joint venture which has the reporting date of December 31, 2020.

(iii) Changes in ownership interests

We treat transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of our Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When our Company ceases to consolidate an equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if our Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate.

(iv) Goodwill

a. Goodwill comprises the portion of the purchase price for an acquisition that exceeds our Company's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

b. Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.

c. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Consolidated Statement of Profit and Loss.

d. Goodwill on acquisition of the foreign subsidiaries is restated at the rate prevailing at the end of the year.

(c) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which our Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Income from operations

Rooms, Food and Beverage & Banquets: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Space and shop rentals: Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

Other Allied services: In relation to spa, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

Management and Operating fees: Management fees earned from hotels managed by our Company are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

Membership Fees: Membership fee income majorly consists of membership fees received from the loyalty program and Chamber membership fees. Income is earned when the customer enrolls for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

Loyalty program: We operate a loyalty programme, which provides a material right to customers that they would not exercise without entering in to a contract and the eligible customers earns points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and a contract liability is created and on redemption/ expiry of such award points, revenue is recognised at pre-determined rates.

Contract balances

a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If our Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which our Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when our Company performs under the contract.

Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

Dividend

Dividend income is recognised when our Company's right to receive the amount is established.

(d) Employee Benefits

i. Short term Employee Benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which our Company has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

ii. Post-Employment Benefits:

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

a) Provident and family pension fund

The eligible employees of domestic components of our Company are entitled to receive post-retirement benefits in respect of provident fund and family pension fund a defined contribution plan, in which both employees and our Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund managed by the trust set up by our Company, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred.

Employee benefits arising out of contributions towards Provident Fund and Family Pension Scheme to

Regional Provident Fund Commissioner or the Central Provident Commissioner and Social Security etc. paid/payable during the year are recognised as expense in the Statement of Profit and Loss account in the period in which the employee renders services.

Eligible employees of some of the overseas components of our Company are members of defined contribution plans. These plans, in addition to employee contribution, require our Company to make contributions equivalent to a pre-define percentage of each eligible participant's plan compensation for each year. Our Company may also make a profit sharing contribution of uniform percentage of eligible participant's plan compensation based on profit as defined. Our Company recognised such contribution as an expense in the year in which the employee renders service.

b) Superannuation

We have a defined contribution plan for eligible employees of its domestic components, wherein it annually contributes a sum equivalent to a defined percentage of the eligible employee's annual basic salary to a fund administered by the trustees. Our Company recognises such contributions as an expense in the year in which the corresponding services are received from the employees.

c) Others

We also have separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. Our Company accounts for the net present value of its obligation therein, based on independent external actuarial valuations carried out at the Balance Sheet date.

Certain international subsidiaries operate a defined contribution pension scheme and the pension charge represents the amounts paid/payable by them to the fund in the period in which the employee renders services.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Our Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

a) Gratuity

We accounts for the net present value of its obligations for gratuity benefits, based on independent actuarial valuations, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or asset as of the reporting date. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

In case of funded scheme, our Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds in respect of eligible employee in case of certain domestic components and the parent / company.

b) Post-Retirement Pension Scheme and Medical Benefits

The net present value of our Company's obligation towards post retirement pension scheme for retired whole time directors and post- employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

We also participates in an industry-wide defined benefit plan which provides pension linked to final salaries in respect of employees of certain overseas hotel properties. The plan is funded in a manner such that contributions are set at a level that is expected to be sufficient to pay the benefits falling due in the same period. It is not practicable to determine the present values of our Company's obligations as the covered hotel properties have not received information from the plan's administrator. In the absence of sufficient information the plan has been accounted as if it was a defined contribution plan.

We also have separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. Our Company accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

c) **Provident Fund Trust**

In respect of contribution to the trust set up by our Company, since our Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

Other Long-term Employee Benefits

Our Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(q) below). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalised and depreciated over their estimated useful life.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to our Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Indian Entities

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

The estimated useful lives of the assets are as follows:

Class of Assets	Estimated Useful Life

Building	30 to 80 years
Plant and Equipment	5 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Other miscellaneous hotel assets	4 years

In respect of buildings on leasehold land, depreciation is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to leasehold buildings are depreciated on the basis of their estimated useful lives or the expected lease period, whichever is lower.

Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effects of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Proportionate depreciation is charged for the addition and disposal made during the year.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

International Entities

Depreciation on assets is provided at Straight Line Method (SLM) based on the estimated useful life detailed below. In respect of improvements in the nature of structural changes and major refurbishment to buildings occupied on lease, depreciation is provided for over the period of the lease.

Class of Assets		**Estimated Useful Life**
Long term lease hold property		Over the term of lease
Plant and Equipment		5 to 20 years
Electrical Installation and Equipment		20 years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives. Freehold land is not depreciated.

(f) Intangible Assets

Intangible assets include cost of acquired software and designs, cost incurred for development of the Company's website and certain contract acquisition costs including the lease rights acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising for other intangible assets is as under:

Class of Assets		**Estimated Useful Life**
Website Development Cost		5 years
Software and Licences		6 years
Service and Operating Rights		10 years
Leasehold property rights		Over the term of lease

An intangible asset is derecognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(g) Impairment of Assets

Goodwill which has an indefinite useful life is not subject to amortisation and is tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(h) Foreign Currency Translation

Functional and presentation currency

The functional currency and presentation currency of the Company is Indian Rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.

Translation of financial statements of foreign operations

Assets and liabilities of foreign entities are translated into Indian Rupees on the basis of the closing exchange rates as at the end of the year. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. All resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as a part of gain or loss on sale.

(i) Lease

On inception of a contract, our Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in our Company statement of financial position as a right-of-use asset and a lease liability.

Right to Use Assets

The right-of-use asset recognised at lease commencement includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated to a residual value over the shorter of the asset's estimated useful life and the lease term. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed annually.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, our Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which our Company is reasonably certain to exercise and excludes the effect of early termination options where our Company is reasonably certain that it will not exercise the option. Minimum lease payments include the cost of a purchase option if our Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable Lease

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

We have opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Presentation of lease payments in Cash Flow Statements:

Lease payments are presented as follows in our Company statement of cash flows:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- Payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from financing activities; and
- Payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

COVID-19-related rent concessions

In the current year, our Company has applied the amendments to Ind AS 116 that are effective for an annual period that begins on or after 1 April 2020 Refer Note 2(x).

(j) Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost includes the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(k) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that our Company will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which our Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants which are essentially in the nature of reimbursements are netted of against the related expenses.

Government grants related to assets are presented in the balance sheet by deducting the grant in calculating the carrying amount of the asset.

(l) Income Taxes

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

Current tax

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates at the end of the reporting period in the countries where the company and its subsidiaries and its associates and joint ventures operate and generate taxable income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of the goodwill. The deferred tax is also not accounted if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profits/(taxable loss).

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Therefore, in case of a history of recent losses, our Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets positions are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences between the carrying amount and the tax bases of investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and our Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when our Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because our Company created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Provisions, contingent assets and contingent liabilities are reviewed at each balance sheet date.

(n) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that our Company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

(o) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

(p) Earnings per share

Basic earnings per share is computed by dividing the Profit or Loss after tax by the weighted average number of equity shares outstanding during the year adjusting the bonus element for all the reported period arising on account of issue of equity shares on rights and including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(q) Exceptional items

Our Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of our Company and provides consistency with our Company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of our Company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of properties/significant undertakings, impairment charges, exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

(r) Financial Instruments

a. **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when, our Company becomes a party to the contractual provisions of the financial instrument. We determine the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

- **Cash and cash equivalents -** Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

- **Debt Instruments –** We classify debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset:

i. **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of our Company's income in the Statement of Profit and Loss using the effective interest rate method.

ii. **Financial assets at Fair Value through Other Comprehensive Income ("FVOCI")**

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

iii. **Financial assets at Fair Value through Statement of Profit and Loss ("FVTPL")**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- **Equity Instruments -** We subsequently measures all equity investments (other than the investment in joint ventures and associates which are measured using equity method of accounting) at fair value. Where our Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when our Company's right to receive payment is established.

  Our Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments not held for trading.

  When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition

A financial asset is derecognised only when our Company has transferred the rights to receive cash flows from the financial asset. Where our Company has transferred an asset, our Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where our Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where our Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

Our Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments requires expected credit losses to be measured through a loss allowance. For trade receivables only, our Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

b. **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, our Company becomes a party to the contractual provisions of the financial instrument. Our Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in Statement of Profit and Loss.

Derivatives contracts

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The fair value changes of derivatives which are not designated as a hedging instrument are accounted through Statement of Profit and Loss. During the years reported, no hedge relationship was designated.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(s) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the Statement of Profit and Loss.

(t) Business combination

Our Company uses the "acquisition method" of accounting to account for its business combinations as per which the identifiable assets or liabilities (and contingent liabilities) assumed are recognised at their fair values (with limited exceptions). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interests of the acquire, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition date amounts of identifiable assets acquired and the liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in Other Comprehensive Income and accumulated in equity as Capital Reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as Capital Reserve.

Transaction costs incurred (other than debt / equity instrument related) in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees are expensed as incurred.

If our Company obtains control over one or more entities that are not businesses, then the bringing together of those entities are not business combinations. The cost of acquisition is allocated among the individual identifiable assets and liabilities of such entities, based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill and no non-controlling interest is recognised.

In case of business combinations involving entities under common control, the above policy done not apply. Business combinations of entities under common control are accounted using the "pooling of interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination.

Income and Expenses

The following descriptions set forth information with respect to key components of our statement of profit and loss:

Income

Income includes (i) revenue from operations; and (ii) other income.

Revenue from operations: Our revenue from operations consists of sale of services at our hotels which primarily consist of the following:

- Room, restaurants and banquets revenue comprises income received from occupied rooms and income from sale of food and beverages, sale of liquor and wine, rental income from meeting and banquet spaces, equipment rental for events, room service and in-room mini bars.
- Shop rentals includes rental income earned from renting spaces in hotel premises for shops and show windows.
- Membership fees comprises fees earned from members of 'The Chambers', an exclusive business club, spas and dining programmes.
- Management and operating fees includes fees earned from hotel asset owners who have given their hotel premises to us to operate under operation and management contracts;
- Other operating income includes income from guest services, including transport car hire, telecom and internet, laundry, spa and wellness, business centre usage and space rentals (i.e. income from rent received for usage of commercial spaces within our hotel assets including offices, retail, and other ancillary facilities).

Other income: This includes interest income from inter-corporate and bank deposits, interest on income tax refunds, dividend income, profit on disposal of property, plant and equipment, gains on redemption and revaluation of mutual funds, foreign exchange gain on revaluation of foreign currency assets or liabilities and waiver of lease payments on certain hotel properties and office premises.

Expenditure

Food and beverages consumed: This comprises expenses towards consumption of all food and beverage items (including alcoholic and non-alcoholic beverages, banquet costs, room service and restaurants), groceries and food staples.

Employee benefits expenses and payment to contractors: This primarily comprises of expenses incurred towards salaries, wages and bonus, staff welfare expenses, contributions to the provident fund and other funds and compensated absences as well as payment to contractors for supply of labour.

Other expenses: Other expenses primarily comprise expenses for power, fuel and water, consumption of stores and supplies, repairs and maintenance, rents, rates and taxes, licence fees, insurance premiums, commission paid, legal fees, professional fees, costs for outsourced support services, advertisement and business promotion expenses, expenditure on corporate social responsibility and other corporate costs.

Finance costs: Finance costs primarily comprise of interest expense on loans from banks and financial institutions, interest expense, other finance costs and interest expense on lease liability.

Depreciation and amortization expense: Depreciation and amortization expenses comprises depreciation on tangible assets, amortization of intangible assets and right-to-use assets.

Summary of Results of Operations

The following table sets forth select financial data from our consolidated statement of financial results as disclosed to the Stock Exchanges for the six months ended September 30, 2021 and the consolidated financial statements for the financial year ended March 31, 2021 along with comparisons against the six months ended September 30, 2020 and the consolidated financial statements for the financial year ended March 31, 2020, respectively:

(in ₹ crores)

	For the six months ended September 30		**Financial Year**	
	2021	**2020**	**2020-21**	**2019-20**
Revenue				
Revenue from Operations	1,072.92	400.28	1,575.16	4,463.14
Other Income	49.66	98.60	164.72	132.42
Total Income	**1,122.58**	**498.88**	**1,739.88**	**4,595.56**
Expenses				
Food and Beverages Consumed	90.85	30.99	143.82	370.56
Employee Benefit Expense and Payment to Contractors	527.41	444.10	894.01	1,494.60
Finance Costs	223.59	184.66	402.82	341.12
Depreciation and Amortisation expenses	204.30	202.98	409.63	404.24
Other Operating and General Expenses	530.64	341.52	899.09	1,630.45
Total Expenses	**1,576.79**	**1,204.25**	**2,749.37**	**4,240.97**
Profit/(Loss) before exceptional items and tax	**(454.21)**	**(705.37)**	**(1,009.49)**	**354.59**
Exceptional items	9.50	106.56	159.95	40.95
Profit/(Loss) Before Tax	**(444.71)**	**(598.81)**	**(849.54)**	**395.54**
Tax expense				
Current Tax	1.83	0.29	1.01	169.15
Deferred Tax (credit)/expense	(58.14)	(112.47)	(156.34)	(124.38)
Total tax expense	**(56.31)**	**(112.18)**	**(155.33)**	**44.77**
Profit/(Loss) after tax before share of profit of equity accounted investees	**(388.40)**	**(486.63)**	**(694.21)**	**350.77**
Share of Profit/(Loss) of associates and joint ventures	(44.10)	(78.06)	(101.42)	12.97
Profit/(Loss) for the period	**(432.50)**	**(564.69)**	**(795.63)**	**363.74**
Other Comprehensive Income	56.22	81.46	267.27	(7.56)
Total Comprehensive Income	**(376.28)**	**(483.23)**	**(528.36)**	**356.18**

Six months ended September 30, 2021 compared to six months ended September 30, 2020

Revenue

Our total income increased by 125.02% from ₹498.88 crores in the six months ended September 30, 2020 to ₹1,122.58 crores in the six months ended September 30, 2021. Our revenue from operations increased by 168.04% from ₹400.28 crores for the six months ended September 30, 2020 to ₹1,072.92 crores for the six months ended September 30, 2021. Even though we were adversely impacted by the second wave of the COVID-19 pandemic in India during the six months ended September 30, 2021, the improvement in revenue was attributable to a steady recovery in the Indian hospitality sector and select international markets, New York and San Francisco in the United States of America, London in the United Kingdom, where we have significant operations.

Other income decreased by 49.63% from ₹98.60 crores during the six months ended September 30, 2020 to ₹49.66 crores during the six months ended September 30, 2021. This was mainly due to a higher amount of lease rent concessions granted by lessors during the six months ended September 30, 2020.

Expenses

Our total expenses during the six months ended September 30, 2021 was ₹1,576.79 crores in comparison with ₹1,204.25 crores during the six months ended September 30, 2020, an increase of 30.94%. While our total income increased by 125.02%, our expenses were higher by 30.94% in comparison with the six months ended September 30, 2020. Our Company continues to manage costs stringently including discretionary costs and overheads.

Food and Beverages Consumed

Expenses on food and beverages consumed increased by 193.16% from ₹30.99 crores during the six months ended September 30, 2020 to ₹90.85 crores during the six months ended September 30, 2021, due to an increase in consumption of food and beverages during the six months ended September 30, 2021.

Employee Benefit Expenses and Payment to Contractors

Our employee benefit expenses increased by 18.76% from ₹444.10 crores incurred during the six months ended September 30, 2020 to ₹527.41 crores during the six months ended September 30, 2021. The increase in the employee benefit expenses was mainly due to increase in business activity, reduction in furloughs or government subsidies at our hotels in the United States of America and the United Kingdom. During the period we have continued emphasising on rationalisation of manpower through redeployments, reskilling, clustering teams and optimising 'staff to room ratios' across our brands.

Other Operating and General Expenses

Other operating and general expenses increased by 55.38% from ₹341.52 crores during the six months ended September 30, 2020 to ₹530.64 crores during the six months ended September 30, 2021. Other operating expenses increased with an increase in variable costs corresponding to improving business activity.

Finance Costs

Our finance costs, including interest on lease liabilities, increased by 21.08% from ₹184.66 crores during the six months ended September 30, 2020 to ₹223.59 crores during the six months ended September 30, 2021, due to increased borrowings availed by our Company to improve liquidity.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses marginally increased by 0.65% from ₹202.98 crores for the six months ended September 30, 2020 to ₹204.30 crores during the six months ended September 30, 2021.

Exceptional Items

The exceptional items during the six months ended September 30, 2021 was ₹9.50 crores, of which ₹3.91 crores was from exchange loss on long term borrowings, ₹6.29 crores was a gain from change in fair value of derivative contracts and ₹7.12 crores was from Profit on sale of a hotel property by a Subsidiary.

Tax Expense

Our tax expense was ₹(112.18) crores during the six months ended September 30, 2020 and ₹(56.31) crores during the six months ended September 30, 2021.

Share of Profit/(Loss) of associates and joint ventures

The share of loss of associates and joint ventures of our Company was ₹44.10 crores during the six months ended September 30, 2021.

Loss for the period

Our loss after tax decreased by 23.41% to ₹432.50 crores during the six months ended September 30, 2021 as compared to ₹564.69 crores being the loss after tax for the six months ended September 30, 2020.

Total comprehensive income

Our total comprehensive income decreased by 22.13% from ₹ (483.23) crores during the six months ended September 30, 2020 to ₹(376.28) crores during the six months ended September 30, 2021. This was mainly due to change in the fair value of equity instruments and remeasurement of defined benefit obligation partially offset by exchange differences on translating financial statements of foreign operations.

Financial year ended March 31, 2021 compared to financial year ended March 31, 2020

Revenue

Total Income

Our total income decreased by 62.14% from ₹4,595.56 crores for the financial year ended March 31, 2020 to ₹1,739.88 crores for the financial year ended March 31, 2021 primarily due to a decrease in our revenue from operations during the year.

Revenue from operations

Our revenue from operations decreased by 64.71% from ₹4,463.14 crores for the financial year ended March 31, 2020 to ₹1,575.16 crores for the financial year ended March 31, 2021 due to a decrease in rooms, restaurants and banquet income, shop rentals, membership fees, management and operating fees and other operating income. Our operations and consequently our revenue, was impacted by governments' responses all over the world to curtail the spread of COVID-19 which disrupted movement of goods, people and business activity except of essential and medical services during a major part of the year. The impact of the pandemic was severe in the key markets including the United States of America, the United Kingdom, Europe, Asia including India. However, contributions to our revenue from operations was mainly due to vacations within local drivable distances, smaller personalised banqueting events and intermittent dining by resident guests, introduction of an innovative food delivery service, Qmin and servicing our of guests with culinary experiences at their homes under the Hospitality@Home service. Our strategy to pursue revenue growth including 4D drivable distance vacations, bizcations, safe escapes and wellness retreats coupled with a general sense of confidence amongst domestic leisure travellers during the festive season resulted a rise in occupancies and a steady rise in ARRs during the financial year ended March 31, 2021.

Other Income

Our other income increased by 24.39% from ₹132.42 crores during the financial year ended March 31, 2020 to ₹164.72 crores during the financial year ended March 31, 2021, mainly due to lease rent concessions granted by lessors, gain on fair valuation of a financial liability for acquisition of shares in a company and an exchange gain recorded on restatement of a borrowing. Such increase was offset by a lower profit on sale of non-core assets during the financial year ended March 31, 2021.

Expenses

Total expenses

Our total expenses decreased by 35.17% from ₹4,240.97 crores during the financial year ended March 31, 2020 to ₹2,749.37 crores during the financial year ended March 31, 2021. This was primarily due to a decrease in employee benefit expenses and payments to contractors and decrease in other operating and general expenses including reduction in fixed and variable costs.

Food and Beverages Consumed

Our expenses on food and beverages consumed decreased by 61.19% from ₹370.56 crores during the financial year ended March 31, 2020 to ₹143.82 crores during the financial year ended March 31, 2021 due to a decrease in consumption of food and beverages, which was variable to income from food, beverages and banqueting business.

Employee Benefit Expenses and Payment to Contractors

Employee benefit expenses and payments to contractors decreased by 40.18% from ₹1,494.60 crores during the financial year ended March 31, 2020 to ₹894.01 crores during the financial year ended March 31, 2021 due a decrease in salaries, wages, bonuses etc., staff welfare expenses and payments to contractors. In response to the COVID-19 pandemic, our Company took proactive steps to control employee and contractual staff costs, many of which were fixed and contractual in nature. These included optimising manning at hotels, redeployment of people to newly opened hotels and other Tata Group entities, expiry of fixed term contracts, voluntary salary reductions by employees, management of leaves and reduction in variable pay and incentives. United Overseas Holdings Inc., a Subsidiary of the Company also received the benefit of an employee retention credit under a Federal Stimulus package.

Other Operating and General Expenses

Other operating and general expenses decreased by 44.86% from ₹1,630.45 crores during the financial year ended March 31, 2020 to ₹899.09 crores during the financial year ended March 31, 2021. Such decrease was primarily due to decreases in variable costs corresponding to lower business volumes. Shutting down floors within a hotel and temporary closure of select hotels within city clusters during the peak of the pandemic resulted in savings in semi-variable costs such as power and fuel, discretionary maintenance costs and expenses on security. General expenses decreased mainly due to reduction in variable lease costs, a business rates holiday for St James Court, London for the entire year announced by the Government of United Kingdom, discontinuation or reduction in the cost of consultancy contracts, reduction in inbound and outbound voice support centres and technology service contracts. United Overseas Holdings Inc., a Subsidiary of the Company also re-negotiated its long-term lease for our hotel in New York. Our Company also reviewed its advertising and marketing plans, focussing on campaigns and channels relevant to the consumer sentiment and new product launches thereby resulting in further reduction of expenses.

Finance Costs

Our finance costs, including interest on lease liabilities, increase by 18.09% from ₹341.12 crores during the financial year ended March 31, 2020 to ₹402.82 crores during the financial year ended March 31, 2021 due to increased borrowings by our Company to improve liquidity as well as other charges, including interest on income tax demands.

Depreciation and Amortisation expenses

Our expenses on depreciation and amortisation expenses increased marginally by 1.33% from ₹404.24 crores during the financial year ended March 31, 2020 to ₹409.63 crores during the financial year ended March 31, 2021.

Exceptional Items

Exceptional items in during the financial year ended March 31, 2021 was ₹159.95 crores, of which ₹82.03 crores was on account of a gain arising from acquiring controlling stake in a joint venture, ₹29.12 crores from exchange gain on long term borrowings/ assets (net), ₹25 crores was from change in fair value of derivative contracts and ₹23.80 crores from profit on sale of a hotel property in a Subsidiary.

Tax Expense

Our tax expense reduced from ₹ 44.77 crores during the financial year ended March 31, 2020 to ₹ (155.33) crores during the financial year ended March 31, 2021 due to a deferred tax asset of ₹148.18 crores for unused tax losses essentially representing business losses and unabsorbed depreciation.

Share of Profit/(Loss) of associates and joint ventures

The share of loss of associates and joint ventures in our Company during the financial year ended March 31, 2021 was ₹101.42 crores arising mainly from a disruption in the business of those companies from the pandemic. During the financial year ended March 31, 2020, the share in the profit of associates and joint ventures of our Company was ₹12.97 crores.

Profit/(Loss) for the year

Our loss during the financial year ended March 31, 2021 was ₹795.63 crores as compared to a profit during the financial year ended March 31, 2020, being ₹363.74 crores. This was due to a significant drop in the operating revenues of our Company due to a sudden limitation on global travel and tourism imposed by COVID-19, which was partially offset by reduction in variable costs and management interventions in reducing fixed costs.

Total comprehensive income for the year

Total comprehensive income during the financial year ended March 31, 2021 was ₹(528.36) crores. This included the loss for the year after tax which was offset by other comprehensive income of ₹267.27 crores arising from a change in the fair value of equity instruments, exchange differences on translating financial statements of foreign operations, share of other comprehensive income in associates and joint ventures (net of tax) and income tax credit/(expense) on the above.

Consolidated Statement of Cash Flows

The following table sets forth selected items from the consolidated cash flow statements during the six months periods ended September 30, 2021 and September 30, 2020 and the financial years ended March 31, 2021 and March 31, 2020:

(in ₹ crores)

Particulars	For the six months ended September 30		Financial Year ended	
	2021	2020	2021	2020
Net cash generated from or (used in) operating activities	30.92	(507.32)	(318.69)	823.47
Net cash generated from or (used in) investing activities	(21.52)	70.97	(119.66)	(501.88)
Net cash generated from or (used in) financing activities	58.90	351.42	280.37	(265.38)
Net increase or (decrease) in cash and cash equivalents	**68.30**	**(84.93)**	**(157.98)**	**56.21**

Operating Activities

Net cash generated from operating activities for the six months ended September 30, 2021 was ₹30.92 crores as against ₹(507.32) crores used in operating activities for the six months ended September 30, 2020. This was mainly due to the improvement in revenues and cash released from working capital during current period.

Net cash used in operating activities during the financial year ended March 31, 2021 was ₹(318.69) crores as against net cash generated of ₹823.47 crores during the financial year ended March 31, 2020. The reduction in cash from operating activities was mainly due to operating losses induced by COVID-19 net of savings in variable cost and fixed cost reductions by our Company.

Investing Activities

Cash used for investing activities for the six months ended September 30, 2021 was ₹(21.52) crores in comparison with ₹70.97 crores generated during the six months ended September 30, 2020. Inflows of ₹ 150.32 crore arose from proceed from sale of a hotel property in our Company's subsidiary ₹15.90 crore and redemption of current investments (net of purchase) ₹ 134.42 crore. The outlay towards capital expenditure for on-going critical projects during the period was ₹149.84 crores.

Cash used in investing activities was ₹(119.66) crores during the financial year ended March 31, 2021 as compared to ₹(501.88) crores during the financial year ended March 31, 2020 and this was due to planned project expenditures which were not prudent to defer or cancel. Inflows from investing activities included proceeds from sale of hotel properties owned by a subsidiary company, proceeds from disposal of tangible assets and a long-term investment as well as interest on surplus funds invested during the year.

Financing Activities

Net cash flows from financing activities for the six months ended September 30, 2021 was ₹58.90 crores. Proceeds from long term and short term borrowings (net of repayments) amounted to ₹457.11 crores while outflows were the net settlement of cross currency interest rate swap ₹147.40 crores as well as servicing of interest on borrowings, lease payments and disbursement of dividend for the financial year 2021.

Net cash generated from financing activities during the financial year ended March 31, 2021 was ₹280.37 crores as compared to net cash used in financing activating amounting to ₹(265.38) crores during the financial year ended March 31, 2020 mainly arising from long term loans and debentures. Our Company continued to repay its borrowings and service existing debt in a timely manner. Other outflows also included payment of interest on borrowings, lease payments and disbursement of dividend.

Indebtedness

As at September 30, 2021, we have outstanding borrowings of ₹ 4,080.65 crores at amortised cost on a consolidated basis, the details of which are given below:

(in ₹ crores)

Particulars	Outstanding amount as at September 30, 2021	Outstanding amount as at March 31, 2021
Non-current liabilities – Financial liabilities – Borrowings	2,969.70	2,223.83
Current liabilities – Financial liabilities – Borrowings	1,110.95	1,409.01
Total	**4,080.65**	**3,632.84**

Our total borrowings as at September 30, 2021 increased from March 31, 2021 as we required liquidity to meet our financial obligations and commitments. Liquidity positions were assessed based on estimated business volumes and its impact on cashflows. The Company met all its interest and principal repayment obligations in a timely manner during the periods. The Company's credit rating has been revised from AA+ (Negative) to AA (Stable) by CARE in January, 2021 and from AA (Negative) to AA (Stable) in August, 2021 by ICRA.

Known trends and uncertainties that have or are expected to have a material impact on income

Our business has been affected and we expect that it will continue to be affected by the trends identified above in the section entitled " - *Significant Factors Affecting Our Results of Operations*" on page 211 and the uncertainties described in the section entitled "*Risk Factors*" on page 16. To the best of our knowledge, except as disclosed in this Letter of Offer, there are no known factors which we expect to have a material adverse effect on our income.

Introduction of new products or services

Other than as disclosed in this section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and in the section entitled "*Our Business*" on page 92, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Dependence on a Few Customers or Suppliers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers or suppliers.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of risks on our financial instruments, especially derivatives.

a) ***Credit risk***

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, our Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

Our Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within our Company.

b) ***Liquidity risk***

Liquidity risk is the risk that our Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage tour Company's reputation.

Management monitors rolling forecasts of our Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that our Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration our Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

c) ***Market risk***

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect our Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Our Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee. There are no derivatives outstanding as at August 31, 2021.

Material Developments

Other than as disclosed in the section entitled "*Material Developments*" on page 244, no circumstances have arisen since the date of the last financial statements as disclosed in this Letter of Offer which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

*Our Company and our Subsidiaries are subject to various legal proceedings from time to time. Our Company has a "Policy for determining materiality for disclosures of events or information" framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by the Board. Notwithstanding such materiality policy approved by the Board, our Company has, solely for the purposes of this Issue, disclosed in this section, all outstanding civil, regulatory and tax proceedings involving our Company and Subsidiaries where the amount involved in such proceedings exceeds ₹ 40 crores ("**Materiality Threshold**") or where amount is not quantifiable or is below the Materiality Threshold but which materially and adversely affect the operations or the financial position of the Company.*

Further, except as disclosed in this section, there are no outstanding matters involving our Company and Subsidiaries which: (i) if they result in an adverse outcome, would have a material adverse effect on our operations or financial position; (ii) involve issues of moral turpitude or criminal liability; (iii) involve material violations of statutory regulations; (iv) involve economic offences where proceedings have been initiated

Pre-litigation notices received by our Company and/or our Subsidiaries from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company and/or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.

Litigation involving our Company

Litigation against our Company

Criminal Proceedings

1. The Additional Chief Judicial Magistrate, First Class, Gautam Buddha Nagar, Noida has issued two summons to Naveen Tomar, the then nominee under the Prevention of Food Adulteration Act, 1954, Skywok Restaurant and Ved Prakash, Chef, Skywok Restaurant, Noida respectively, in relation to adulterated samples of curd collected from Skywok Restaurant, Noida. Summons are yet to be served to Naveen Tomar and Ved Prakash. The matters are currently pending.

2. The Food Safety Officer, Kamrup Metro, Guwahati, ("**FSO**") has filed a criminal complaint before the Chief Judicial Magistrate, Kamrup Metro, Guwahati ("**Court**"), Vivanta by Taj, Guwahati (the "**Hotel**"), Ranju Bhatacharjee, Purchase Manager of the Hotel, and others, in relation to a sample of dried salted black beans collected from the Hotel, allegedly found to contain preservatives prohibited under provisions of the Food Safety and Standards Act, 2006 and the Food Safety and Standards (Food Products Standards and Additives) Regulations, 2011. Subsequently, pursuant to order dated June 23, 2017, Ranju Bhattacharjee has been allowed bail. The matter is currently pending.

3. The Wildlife Crime Control Bureau (the "**WCCB**") has filed a criminal complaint before the Additional Chief Metropolitan Magistrate Court, Delhi (the "**ACMM**"), against Digvijay Singh, the then General Manager, House of Ming, Taj Mahal Hotel, New Delhi (the "**TM Hotel**"), and other executives of the Company (the **Defendants**") on the allegation that a sea cucumber was in possession along with its dish mentioned in the menu card of the House of Ming, Taj Mahal Hotel, New Delhi. Since the sea cucumber was a scheduled animal under the Wildlife (Protection) Act, 1972, a violation of Sections 40(2), 49 and 49B of the Wildlife (Protection) Act, 1972 was alleged against the Defendants. The ACMM had issued summons to the Defendants and had also issued process against TM Hotel and Digvijay Singh. Digvijay Singh has filed an application for revision before the Court of District and Sessions Judge, New Delhi (the "**Sessions Court**"). The Sessions Court allowed the application for revision and quashed the summons issued in the name of Digvijay Singh. Consequently, WCCB has also filed an appeal before the Delhi High Court challenging the order of the Sessions Court for removal of Digvijay Singh's name. No notice has been issued to the Company in this regard. Meanwhile, WCCB made an application before the ACMM for substituting the Company as a party in place of TM Hotel and the ACMM allowed the application. TM Hotel has filed a petition before the Delhi High Court challenging the same. The ACMM has commenced trial and the matters are currently pending.

4. The Health Department, State of Rajasthan has filed a criminal complaint before the Additional Chief Judicial Magistrate, First Class, Udaipur, against the Taj Lake Palace Hotel, Udaipur (the "**Hotel**"), and other executives of the Company in relation to an allegedly inferior sample of "paneer" used at the Taj Lake Palace Hotel, Udaipur The Hotel has received summons in the name of the executives nominated under the Prevention of Food Adulteration Act, 1954. The Health Department, State of Rajasthan, also issued a notice to the Hotel, Udaipur to provide a valid permit from the local municipal body or to close the restaurant serving the alleged inferior sample of "paneer". Taj Lake Palace Hotel, Udaipur has filed an application before the Additional Chief Judicial Magistrate, First Class, Udaipur to expedite the process of getting the report on the sample of "paneer" from the concerned department. The matter is currently pending.

5. MCGM has filed two criminal complaints before the Metropolitan Magistrate, 41st Court, Mumbai (the "**Metropolitan Magistrate**") against P.R.P. Ramakrishnan ("**Accused**"), the then Chief Engineer of Taj Mahal Palace, Mumbai (the "**TMP Hotel**") for allegedly using motive power for electrical equipment at TMP Hotel without obtaining the license allowing for such usage under Section 390 of the MMC Act (the "**Factory License**"). Pursuant to inspections by the Inspecting Officer, MCGM, notices were issued to P.R.P. Ramakrishnan which stated that the carpentry workshop license had been taken for the premises of TMP Hotel in relation to an earlier basement of the old premises, and the carpentry workshop license had not been renewed by TMP Hotel for the new premises. The Company filed its reply to the notices with a request to renew the carpentry workshop license. The TMP Hotel also renewed the Factory License under protest. The Metropolitan Magistrate issued process against P.R.P. Ramakrishnan, pursuant to applications made by the MCGM. The first criminal complaint was subsequently disposed of by the magistrate court's order dated November 7, 2019, wherein the Accused was acquitted and the complaint was dismissed. In relation to the second criminal complaint regarding the use of power of the electrical equipment, the TMP Hotel's stand was that the same was an integral part of the hotel activities and no independent commercial activity was being undertaken. P.R.P. Ramakrishnan filed a criminal revision application before the Sessions Court challenging both notices by the Metropolitan Magistrate. The Sessions Court, Mumbai, passed two orders rejecting the criminal revision application and the appeal filed by the Company and remanded the matter to the Metropolitan Magistrate for trial. P.R.P. Ramakrishnan has filed a criminal writ petition before the Bombay High Court against MCGM challenging one of the orders passed by the Sessions Court, in relation to the latter matter. The Bombay High Court has granted a stay on the proceedings at the Metropolitan Magistrate until further orders. The matter is currently pending.

6. The Chief Enforcement Officer, in the Enforcement Directorate, Reserve Bank of India ("**RBI**"), Mumbai (the "**ED**"), has filed five criminal complaints before the Metropolitan Magistrate, Esplanade, against the Company and others, alleging, certain exchange control violations, including utilization of funds for purposes without obtaining the requisite RBI approval and the failure to repatriate dues within a prescribed time period, under the erstwhile Foreign Exchange Regulation Act, 1973 read with the Foreign Exchange Management Act, 1999. The matters are currently pending.

7. The Food Safety Officer, Department of Food Safety, New Delhi, has filed a criminal complaint dated December 17, 2020 before the Court of the Adjudicating Officer/Additional District Magistrate, District – New Delhi under the Rule 3.1.1(3) of the Food Safety and Standards Rules, 2011, alleging that the sample collected of 'Arborio Rice' from the premises of M/s Taj Mahal Hotel, Number one, Man Singh Road was misbranded as '100% Italian Arborio Rice' a claim in relation to an origin which is not permitted as per Section 23(1) of the Food Safety & Standards Act, 2006 & Regulation No. 2.3.1.5 of the Food Safety & Standards (Packaging and Labelling) regulation, 2011. The matter is currently pending.

8. The Department of Weights and Measures, Indore under the erstwhile Weights and Measures Act, has filed a criminal complaint before Chief Judicial Magistrate, Indore, against an erstwhile hotel of the Company, namely, The Hotel Taj Residency, Indore, and certain erstwhile employees of the Company ("**the Accused**"), for alleged violation of Section 24, 47 and 23(2) of the Standards of Weights and Measures (Packed Items) Act, 1985, read with Rule 39 of the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 for non-compliance of packaging standards. Subsequently, a challan was presented before the Court of the Chief Judicial Magistrate ("**CJM**") wherein bail was requested for the Accused, and subsequently, the Accused were granted bail. Pursuant to an order of the CJM, the Accused were directed to compound the violation by depositing ₹ 5,000 per person with the Lok Adalat. The matter is currently pending.

Civil Proceedings

1. Sonia Raj Sood, (the "**Petitioner**") has filed a public interest litigation before the Bombay High Court

against the Company and others, in relation to a proposed convention centre-cum-hotel on a plot of land at Bandstand, Bandra, Mumbai, which was acquired by the Company by way of purchase of shares in the sub-lessee company, ELEL Hotels and Investments Limited ("**ELEL**"). In 1979, ELEL had constructed Hotel Sea Rock on the leased land which was subsequently demolished in 2009. The Ministry of Environment and Forests (the "**MoEF**") approved reconstruction of the hotel with FSI of 2.49. Subsequently, the Government of Maharashtra approved sanction of additional FSI of 3.00 to the Company for reconstruction of the hotel under the Development Control Rules, 1991, subject to environmental clearance from the MoEF. The Petitioner has, inter alia, alleged that the project is situated on an ecologically sensitive area as the land on which Hotel Sea Rock is to be constructed falls on Coastal Regulation Zone I(A) ("**CRZ-I(A)")**, various approvals granted were illegal, non-payment of proper stamp duty on transfer of sub-lease and that FSI had been sanctioned under two different regulations namely, Development Control Rules, 1967 and Development Control Rules, 1991.

The Bombay High Court has passed an interim order recording the statement of the Company that it shall not commence work on the site till the application filed by the Company pending with the MoEF is decided. If the MoEF grants clearance to the said project, in that case, a four weeks' notice is to be given to the Petitioner, prior to the commencement of the work. Similarly, in case commencement certificate is to be issued, three weeks' notice is to be given to the Petitioner.

Subsequently, an application was filed before the National Green Tribunal ("**NGT**") by the Petitioner seeking the final coastal zone management plan for Sub-Urban Mumbai to be quashed and the status of the land/ area involved to be restored to its original status as CRZ-I(A). The relief sought was on the various grounds, *inter alia*, that the conversion of the said land/ area in to CRZ-II, (i) violates the 'Precautionary' and 'Sustainable Development' principles; (ii) the location of the Bandra Fort, an ancient historical monument has been superimposed on the location of Hotel Sea Rock in the final plan and such conversion will threaten the existence of the fort; and (iii) destroy the environment and natural habitat of flora, fauna, mangroves and marine species in the area. The NGT constituted a joint committee to examine the objections. Subsequently, placing reliance on the report submitted by the joint committee, the NGT quashed the application filed by the Petitioner. Aggrieved by the order, the Petitioner has filed a civil appeal against the NGT order dated September 9, 2020 before the Supreme Court of India. ELEL/IHCL have not been made parties to the proceedings by virtue of not being impleaded as parties in the application filed by the Petitioner before the NGT. ELEL has in turn, filed an application for impleadment pending before the Hon'ble Supreme Court. The appeal and the application is currently pending.

Lalit Kumar Sardarmal Jain ("**Petitioner**") has filed a PIL before the Bombay High Court against the State of Maharashtra and others, including the Company and Taj Wellington Mews alleging that Taj Wellington Mews has encroached upon the setback land and garden given to the Company for beautification and maintenance for a period of 60 months from 2001, since 15 years, which is in detriment of the rights of the general public. The matter has been filed and is currently pending admission. **Litigation by our Company**

Criminal Proceedings

1. The Company, through one of its employees, Sunil Singh, has filed a first information report with the Police Station, Shahnagar, Jodhpur, against Raju Singh, a casual worker in Hari Mahal Hotel, Jodhpur in relation to alleged theft of various items, including a mobile phone. Subsequently, criminal proceedings were instituted before the Additional Chief Judicial Magistrate (Junior Division), Jodhpur and the matter is currently pending.

2. 22 cases under the Negotiable Instruments Act, 1881, in relation to matters of dishonor of cheque and cheque bounce due to insufficient funds have been filed by our Company and are pending before various forums, including, Metropolitan Magistrate Andheri, Mumbai, Metropolitan Magistrate, Delhi, Metropolitan Magistrate, Thane, Magistrate Court, Panaji, District Court, Surat Magistrate Court, Alipore, Additional Chief Judicial Magistrate, Jodhpur, Metropolitan Magistrate, Udaipur and Metropolitan Magistrate, Patiala House. The aggregate amount demanded is approximately ₹1.46 crores, to the extent quantifiable. The matters are currently pending.

3. IHCL filed a criminal complaint before the Ld. Metropolitan Magistrate's 40th Court at Girgaum, Mumbai ("**Court**") under Section 452 of the Companies Act, 2013, against Simi Kumar ("**Appellant**"), wherein pursuant to the order dated November 13, 2018 ("**Order**"), being an ex-employee of IHCL, she was convicted for wrongful possession of property provided by IHCL after the termination of her employment

agreement, an offence punishable under Section 452 of the Companies Act, 2013. Aggrieved by the Order, Appellant filed an appeal dated December 4, 2018 before the Court of Sessions for Greater Mumbai to set aside the Order and acquit the Appellant from the charge under Companies Act, 2013. The Appellant vide interim order dated January 30, 2019 has vacated the property and handed over possession of the same on 31st March, 2019. The matter is currently pending.

4. IHCL filed a criminal complaint before the court of the Judicial Magistrate First Class at Panaji Goa against Apurva Suresh Chaphekar and Aum International Inc. ("**Accused**") alleging non-payment of ₹0.13 crore on account of booking three Deluxe Sea View Rooms and one Luxury Suite at IHCL's hotel 'Taj Exotica'. The amount after repeated intimations and legal notices remains unpaid. The matter was disposed pursuant to the order dated February 7, 2018 wherein the court convicted the accused for committing an offence under Section 138 of the Negotiable Instruments Act. The Accused was then heard on the point of sentence through judgment delivered by the court on May 14, 2018 wherein the Accused pleaded for leniency to be shown on account of no previous conviction. The court through the order directed the accused to pay ₹0.15 crore along with simple imprisonment for a period of six months. The Accused has filed an appeal against the impugned order dated May 14, 2018 challenging the legality of the order and persuading the Court of Sessions Judge North Goa at Panaji – Goa to set aside the impugned order. The Appeal is currently pending

Civil Proceedings

1. The Company had been granted lease of land for TMP Hotel by way of three long term leases executed with the trustees of the Mumbai Port Trust (the "**Mumbai Port Trust**") which expired in 1999 and 2001, respectively. The Company made applications to the Mumbai Port Trust requesting renewal of the terms of the lease deeds which should be made to run concurrently for a period of 99 years. Meanwhile, the Mumbai Port Trust had revised general rent rates for all its properties which were being challenged before the Bombay High Court and the Supreme Court by other tenants. Pending the approval of the revised rent by the courts, the Mumbai Port Trust agreed to renew the lease of TMP Hotel for a term of 30 years on revised rates. The Company agreed to such renewal without prejudice to its right to get the leases renewed for a period of 99 years. In 2006, the Mumbai Port Trust further revised the rent, pursuant to its decision that all companies having a paid up capital exceeding ₹ 1 crore would be exempt from the Maharashtra Rent Control Act with effect from September 1, 2006.

   The Mumbai Port Trust by way of several letters alleged that the Company is liable for alleged unauthorised construction of mezzanine floors of TMP Hotel and arrear in the revised lease rental terms of 2006, in service tax and has consequently delayed renewal of the lease. The Company also received notices issued by the Mumbai Port Trust for termination of the lease of TMP Hotel under the provisions of the Public Premises (Eviction of Unauthorised Occupants) Act, 1971. Consequently, the Company filed a suit before the Bombay High Court challenging the said notices as illegal, arbitrary and unreasonable and notice of motion has also been filed for relief for stay of the said two notices of termination. The Mumbai Port Trust filed a statement before the Bombay High Court that it shall not give effect to its notice of termination during the pendency of the suit and the statement continues to be in force till date.

   Subsequently, the Mumbai Port Trust has filed a notice of motion with the Bombay High Court requesting expedition of the matter and vacation of the earlier order of interim relief. The Mumbai Port Trust's notice of motion was dismissed and the Company's notice of motion was made absolute through order dated October 23, 2018. The Court directed the Mumbai Port Trust to accept the lease rent in consonance with the arrangement of 2002. The Company continues to pay lease rent in terms of the said arrangement. The Mumbai Port Trust has filed an appeal against the order dated October 23, 2018. The appeal is currently pending.

2. The Company ("**Plaintiff**") has filed a commercial suit before the High Court of Judicature at Bombay, Ordinary Original Civil Jurisdiction, Commercial Jurisdiction. The building Oxford House was leased to the Plaintiff by Mumbai Port Trust ("**MPT**') was leased to the Company in 1923 and subsequently assigned to the Company in 2001. Prior to the expiry of the lease, the Company had, in 2015, pursuant to a letter to MPT, sought extension of the lease till 2024 and had also sought renewal of the lease in accordance with the Policy Guidelines for Land Management, 2015 in 2020. After the expiry of the lease, MPT allowed the Company to remain on the lease plot and accepted the lease rent. MPT, however, issued bills for compensation for wrongful use and unauthorized occupation of the plot after the said expiry. Pursuant to the commercial suit, the Company prayed to have MPT either renew the lease or extend the term of the lease till 2024, or have MPT renew the lease policy in accordance with the Land Policy, 2015. The

Company has also filed an interim application to restrain MPT from taking steps to terminate the lease or initiate process of eviction till the final disposal of the suit. The matter is currently pending.

Material Property Tax Proceedings involving our Company

IHCL filed a writ petition before the Extraordinary Civil Writ Jurisdiction of the Hon'ble High Court of Delhi against an assessment order dated December 27, 2017 in respect of an assessment in respect to 34 separate assessment years i.e. 1983-1984 to AY 2016-2017, wherein the relevant assessing authority has fixed the rateable value of the subject premises i.e. Hotel Taj Place New Delhi. The Delhi High Court stayed the operation of the order, subject to the deposit of Rs. 30 Crore by the Company, which has already been deposited. The consequent property tax demand is for approximated ₹147 crore in aggregate. IHCL has, pursuant to the writ petition, prayed for the order dated December 27, 2017 to be quashed and set aside along with property tax bill dated January 1, 2018. Subsequently, a bill was received for the year 2018-19, on the basis of the same rateable value, as was determined in the assessment order which had been stayed. The Company filed an interim application in the pending Writ Petition, wherein the Delhi High Court issued notice to NDMC, and orally asked the counsel of NDMC not to take any coercive action against the Hotel. This was followed by another bill was received for 2019-20 on the same rateable value. IHCL again moved an interim application in the pending writ petition seeking stay of the same. The Court was pleased to grant a stay of all the bills, subject to IHCL depositing Rs. 2 Crore. The money has been deposited by IHCL. The matter is currently pending.

Proceedings before regulatory authorities involving our Company

A. The Enforcement Directorate, Mumbai (the "**ED**"), had issued 47 show cause notices ("**SCN**") under the erstwhile Foreign Exchange Regulation Act, 1973 to the Company and others in respect of certain alleged exchange control violations including but not limited to irregular reporting; utilization of fund for other purposes without obtaining general and/or special permission of the Reserve Bank of India ("**RBI**"); failure to repatriate dues within the prescribed time period; misutilization of funds borrowed and/or accrued from overseas operations into second and third generation companies created without obtaining RBI permission; diversion of overseas loans raised by the Company without RBI approval, for the period prior to 1998.

Out of the above 47 SCNs, the office of Special Director of Enforcement, Enforcement Directorate ("**SDE - ED**") has passed orders dated September 5, 2017 and March 13, 2019 in respect of 22 SCNs, as follows:

1. The Special Directorate, Western Region, Mumbai, in relation to 4 SCNs, passed an order dated March 13, 2019 dropping the charges against the Company in relation to failure to receive accrual of ₹ 3.14 crore as dues receivable by the Company and operating the casino in Hotel Annapurna ("**HA**") without RBI approval amongst other violations and in relation to granting a loan of ₹50 lakhs through State Bank of India, Mumbai ("**SBI**") to Nepal SBI for benefit of Hotel Annapurna noting that no penal charges were warranted against the Company for the same. However, consolidated penalty of ₹50 lakhs was imposed against charges alleged under the SCN involving demand draft issued by SBI, in favour of HA to avail a loan for HA. Aggrieved by the order, the Company has filed an appeal against the order to set-aside the said order to the extent of order passed in respect of two SCNs citing failure to consider all contentions put forth through replies by the Company. The appeal is currently pending.

2. The Special Directorate, Western Region, Mumbai, passed an order dated September 5, 2017 jointly dealing with the 7 SCNs which were issued for alleged contraventions under provisions of the Foreign Exchange Regulation Act, 1973 and levyied a penalty of ₹10.88 crores cumulatively for the 7 SCNs on the Company. Aggrieved by the order, the Company filed an appeal before the Appellate tribunal to set-aside the order on grounds of failure to consider submissions on imposition of penalty on grounds that the monetary decisions were made by the earlier management without the approval of the Board of Directors in respect to which the Company was infact a whistle blower in the matter. The appeal is currently pending.

3. The Special Directorate, Western Region, Mumbai passed 2 orders dated March 13, 2019 in respect to 3 SCNs against the Company wherein one the SCNs were filed for allegedly acquiring and transferring certain amounts and carrying out various other transactions without a special or general permission from the RBI. Pursuant to the orders, the Special Directorate imposed a penalty of ₹0.35 crore and ₹0.32 crores on the Company, respectively. The Company has filed 2 appeals against the respective orders on grounds of not being heard, incorrect recording of facts and arbitrary calculation of penalty along with an interim

applications to stay the recovery of monetary penalty till the appeals are pending. The matter is currently pending.

4. The Enforcement Directorate had issued 8 show cause notices ("**SCN**") to the Company in relation to various transactions carried out by the Company including remittance of money, assignment of rights, payment of fees and operation of guest houses without Government or Reserve Bank of India ("**RBI**") approval among other violations. The SCNs issued were in pursuance of statements issued by various individuals. A cross-examination application was filed by the Company to examine individuals who were ex-office bearers at the Company. However, the application was refused and the Company was not permitted to cross-examine the individuals by virtue of being ex-office bearers capable of causing adverse impact on the proceedings. The Company was hence asked to make arguments on merits without being given an opportunity to cross-examine the individuals failing which adjudication was to be passed depriving the Company of the right to be heard. Aggrieved by this order, the Company filed an appeal against the same praying to quash the order and give the Company a fair opportunity to be heard. The appeal is currently pending.

B. The Government of Goa, Tourism Department ("**Government of Goa**") issued a show cause notice dated February 6, 2013 ("**SCN**") to Indian Resorts Hotel Limited, Sinquerim (subsequently amalgamated with IHCL) (the "**Company**") for alleged non-payment of lease rental of ₹ 14 crore for the period between July 1, 1998 to June 30, 2012, along with an accumulated interest of ₹ 16.82 crore, pursuant to the lease deed entered into between the Government of Goa and the Company ("**Lease Deed**"), in terms of which the Government of Goa agreed to grant *inter alia* sanctions, clearances, approvals NOCs in respect of the proposed project within two months from the date of submission of the applications. The Company filed its reply to the SCN alleging non-receipt of the requisite approvals and permissions from the Government of Goa, required for commencement of the project. The Company further contended that pursuant to the minutes of the meeting dated January 27, 2006 of the Chamber of the Commissioner Secretary Tourism stated rentals are to be paid as soon as all licenses are obtained for commencement of the project. Thereafter, the Secretary of Tourism on October 20, 2021 passed an order terminating the Lease Deed with effect from six months from the date of the aforesaid order and directed amongst others, for the Company (i) to handover possession of the property on or before 6 months from the date of the said order, and (ii) pay the arrears of lease rental along with the adequate interest from 1998 until October 2021 ,aggregating to ₹ 65 crore within 30 days from the date of the receipt of the said order. The Company has challenged the said order before High Court of Bombay's Goa bench. Simultaneously, the Company has invoked arbitration proceedings by filing an application dated October 17, 2020 before the High Court of Bombay. The matter is currently pending.

Litigation against our Subsidiaries

Criminal Proceedings

1. Pawan Kumar, Food Inspector, Nagar Nigam, Lucknow, filed a criminal complaint before the Chief Judicial Magistrate, First Class, Lucknow, against Ravi Prakash Saxena and Abhay Apte, in their capacity as representatives of one of our Subsidiaries, PIEM Hotels Limited, in relation to a sample of chocolate taken from the Taj Residency, Lucknow, allegedly, found to be in contravention of the Prevention of Food Adulteration Act, 1954 and the rules thereunder. The matter is currently pending.

2. Three criminal complaints have been filed by the Food Inspector, Nagar Nigam, Varanasi before the District Courts, Varanasi against certain executives of one of our Subsidiaries, Benaras Hotels Limited, for violation of the provisions of the Prevention of Food Adulteration Act, 1954 and rules made thereunder in relation to misbranding of food items in two of such complaints and adulterated samples of food collected from Taj Ganges Hotel, Varanasi (now known as The Gateway Hotel Ganges, Varanasi), a unit of Benaras Hotels Limited in the third. Sunil Vig, one of the former executives of the Benaras Hotels Limited, against whom the complaint in respect of adulteration of food was filed, was discharged by an order of the First Additional Chief Judicial Magistrate, Varanasi, which in appeal before the High Court of Judicature, Allahabad, passed an order remanding the proceedings to a lower court for fresh trial. The matters are currently pending.

3. Adjudicating Officer, Directorate of Enforcement, Delhi Zonal Office, New Delhi has initiated adjudication proceedings against Taj Trade and Transport Company Limited, including, certain of its directors, on the grounds that they had failed to realize the proceeds from the export of certain goods by Taj Trade and Transport Company Limited, for a total amount of ₹ 0.07 crores. Pursuant to an order (the

"**Order**"), penalty of ₹ 0.10 crore was imposed on Taj Trade Transport Company Limited and penalty of ₹ 0.03 lakhs was imposed on each of the directors. Against such Order, Taj Trade and Transport Company Limited, and the directors filed an appeal before the Appellate Tribunal for Foreign Exchange, New Delhi. The matter is currently pending.

4. A criminal complaint has been, registered with the Tughlaq Road Police Station, New Delhi, against the erstwhile Chief Engineer of The Ambassador Hotel, New Delhi – IHCL SeleQtions, under section 336, 338 and 304A of the Indian Penal Code, in relation to an accident giving rise to three casualties due to a gas leak at the Sewerage Treatment Plant ("**STP**") of the hotel which was being managed by a third party contractor. The Chief Engineer has been granted bail, however the complaint is currently pending.

Civil Proceedings

An arbitration petition had been filed by one Sunil Gupta ("**Petitioner**") against Roots Corporation Limited ("**RCL**") before the High Court of Delhi. RCL had entered into a lease agreement with Aerens GoldSouk ("**AGIL**") subsequent to which AGIL was to sell the property to the Petitioner. The right to first refusal for such a transaction rested with RCL, however, AGIL alleged that the same was not exercised by RCL and the property was sold to the Petitioner pursuant to which RCL tendered rent to the Petitioner. RCL maintains that it was only supplied with the copy of a copy of the unregistered sale deed. The Petitioner has alleged that RCL defaulted in its payments and requested a rent reduction multiple times. Subsequently, the Petitioner issued a termination notice against the lease agreement following a rental due of ₹43.70 crore and invoked the arbitration clause and filed an arbitration petition. In its reply to the petition, RCL stated that not only did the Petitioner not have jurisdiction, the agreement to lease was between AGIL and RCL and no arbitration agreement was in place between the Petitioner and RCL. Further, it also stated that the agreement to lease was improperly stamped and hence liable to be impounded. The Court in it order dated October 4, 2016 observed that the Petitioner had failed in his duty to duly stamp and register the lease agreement and found merit in RCL's contention that the rent was to be calculated according to the clauses of the agreement and that the sub-registrar report based on which the stamp duty was calculated stands refused and the arbitration petition was accordingly dismissed subject to having a fresh petition filed when the stamp duty was paid.

However, RCL had filed a suit simultaneously before the district court of Ludhiana, for restraining AGIL and the Petitioner from interfering with RCL's enjoyment of property along with damages, however, following the arbitration petition's dismissal, this suit was dismissed holding that an arbitration clause existed between the Petitioner and RCL. Subsequently, RCL filed a civil revision petition before the Chandigarh High Court to have the order passed by the Ludhiana district court revised following which the Petitioner re-filed the arbitration petition after purportedly paying the stamp duty as directed by the High Court. Order dated January 10, 2019 ruled in favor of the Petitioner and the arbitration petition passed and a sole arbitrator was appointed accordingly. RCL filed a Special leave petition before the civil appellate jurisdiction of the Supreme Court of India on the grounds that the stamp duty on the lease agreement was not duly paid, and that Sunil Gupta was not party to the lease agreement. The Supreme Court vide order dated February 22, 2019 stayed further arbitration proceedings. Due to the stay granted, RCL's civil revision petition is also pending adjudication. The matters are currently pending.

Litigation by our Subsidiaries

Criminal Proceedings

Six cases under the Negotiable Instruments Act, 1881, in relation to matters of dishonor of cheque and cheque bounce due to insufficiency funds have been filed by one of our Subsidiaries, PIEM Hotels Limited, and are pending before various forums, namely, Chief Metropolitan Magistrate Esplanade Courts, Mumbai, and the Additional Chief Judicial Magistrates Court, Lucknow. The aggregate amount demanded is approximately ₹0.07 crores, to the extent quantifiable. The matters are currently pending.

Other Proceedings Involving Subsidiaries.

The New Delhi Municipal Council ("**NDMC**") sent two property tax demand notices dated October 21, 2019 and July 30, 2021 demanding an amount payable of approximately ₹18.65 crore of which ₹16.37 crore was stated to be in arrears and ₹2.27 crore was stated as tax to Sir Sobha Singh & Sons Pvt Ltd("**Applicant**"). owners of the land leased to M/s United Hotels Ltd, a subsidiary of IHCL, in relation to its property Hotel Ambassador. Aggrieved by the notices, the owner of the land had filed a writ petition before High Court of Delhi's extraordinary civil writ jurisdiction, seeking direction quashing the said notices on grounds of being in disregard to past orders of the High

Court and Supreme Court and being based on rateable value which has been judicially invalidated as it was based on 2009 bye laws which have been declared *ultra vires*. The Applicant had made oral arguments before the Joint Director (Tax) previously under notice for hearing dated March 28, 2019, however, was re-called for making arguments due to the transfer of the previous Joint Director. Since this led to the issuance of a fresh notice and opportunity for hearing the Applicant refrained from pressing the writ petition. However, the opportunity for hearing was not extended and the NDMC issued an assessment order dated February 4, 2021 imposing rateable value. The Applicant has filed an application for restoration of the writ petition under the circumstances. The Application is currently pending.

Action initiated by SEBI against the Entities operating in the Securities Market with which Directors are associated

Apart from Venkataramanan Anantharaman, none of our Directors are associated with entities operating in the securities market. No action has been initiated by SEBI against the entities operating in the securities market with which the Directors are associated.

Tax Proceedings involving our Company

Details of outstanding tax proceedings involving our Company are disclosed below.

Nature of Proceedings	Number of Proceedings	Amount involved (₹ crore)*
Direct Tax		
Company	2	327.26
Sub-Total	2	327.26

** To the extent quantifiable*

GOVERNMENT AND OTHER APPROVALS

As disclosed in the section entitled "*Objects of the Issue*" on page 48, one of the objects of the Issue is part payment for the acquisition of 4,02,846 equity shares (aggregating 14.28% of the paid-up equity share capital) of ELEL Hotels and Investments Limited from Excalibur Assets and Capital Management Private Limited. In this regard, except as disclosed below, there are no material pending government and regulatory approvals pertaining to the objects of the Issue:

1. Amended approval to the building plans under the Development Control Rules and commencement certificate up to plinth;

2. Environmental Clearance/ Coastal Regulation Zone Clearance from the Ministry of Environment and Forests under the Coastal Regulation Zone Notification, 2011 (*superseded by the Coastal Regulation Zone Notification, 2019*) and the Environment Impact Assessment Notification, 2006 for re-construction of the Sea Rock Hotel; and

3. No objection certificates or approvals, as the case may be, from various regulatory authorities and persons including, the Ministry of Civil Aviation, High Rise Building Committee, Mumbai Metropolitan Region Development Authority, Collector, Mumbai Suburban District, Maharashtra Pollution Control Board and Mumbai Heritage Conservation Committee, in relation to redevelopment of the Sea Rock Hotel.

MATERIAL DEVELOPMENTS

Other than as disclosed below, no material developments have occurred since the date of the last financial statements i.e., September 30, 2021 which materially or adversely affect or are likely to affect the profitability of the Company or the value of its assets or its ability to pay its liabilities within the next 12 months:

a) The possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial position and performance;

b) Pursuant to the resolution passed by the Board of Directors on October 21, 2021, in partial modification of the resolution passed by the Board on August 23, 2021, the Board of Directors have approved the following:

- Issue of Equity Shares by way of a rights issue to the existing shareholders of the Company as on a record date for an amount not exceeding ₹2,000 crore; and
- Raising of funds through equity issuance for an amount not exceeding ₹2,000 crore though qualified institutional placement, post conclusion of the Issue, subject to the approval of the Shareholders.

c) Subject to receipt of the requisite approvals, the Board, pursuant to its resolution dated October 21, 2021, have approved the purchase of 3,74,65,735 equity shares of RCL (aggregating 39.84% of the equity share capital of RCL) from the existing shareholders of RCL, namely, Omega TC Holdings Pte Limited, Tata Capital Limited, Tata Investment Corporation Limited and Piem Hotels Limited, at an acquisition cost not exceeding ₹500 crores.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at its meetings held on August 23, 2021 and October 21, 2021, pursuant to Section 62(1)(a) of the Companies Act. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by the Rights Issue Committee – 2021 at its meeting held on November 9, 2021.

The Rights Issue Committee - 2021, in its meeting held on November 9, 2021 has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at ₹150 per Rights Equity Share (including a premium of ₹149 per Rights Equity Share) and the Rights Entitlement as one Rights Equity Share for every nine fully paid-up Equity Share, as held on the Record Date aggregating to ₹1,982.10 crore. The Issue Price is ₹150 per Rights Equity Share and has been arrived at by our Company in consultation with the Lead Managers prior to determination of the Record Date.

The Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their respective letters dated November 2, 2021 and October 29, 2021, respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN: INE053A20011 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, please see the section entitled *"Terms of the Issue"* on page 255.

Prohibition by SEBI or Other Governmental Authorities

Our Company, the Promoter, the members of the Promoter Group and our Directors have not been prohibited from accessing or operating the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Further, the Promoter and the Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Apart from Venkataramanan Anantharaman, none of our Directors are associated with entities operating in the securities market. No action has been initiated by SEBI against the entities operating in the securities market with which the Directors are associated.

Neither our Promoter nor any of our Directors are declared fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1882. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter and members of our Promoter Group are in compliance and undertake to comply with the requirements of the Companies (Significant Beneficial Ownership) Rules, 2018, as amended, to the extent applicable, as on the date of this Letter of Offer.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and has received their in-principle approvals for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having, nationwide trading terminals, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

2. The entire shareholding of the members of the Promoter Group is held in dematerialized form as at the date of filing this Letter of Offer with the Designated Stock Exchange;

3. The average market capitalization of the public shareholding (as defined under the SEBI ICDR Regulations) of our Company is at least ₹ 250 crore;

4. The annualized trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six-months period;

5. The annualized delivery-based trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six-month period;

6. Our Company has been in compliance with the equity listing agreement and the SEBI LODR Regulations, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month at the date of filing this Letter of Offer with the Designated Stock Exchange;

8. No show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company, its Promoter or whole-time Directors. Further, no show-cause notices have been issued by SEBI in a proceeding for imposition of penalty and/or no prosecution proceedings have been initiated by SEBI against our Company, its Promoter or whole-time Directors;

9. Our Company, the members of our Promoter Group or our Directors have not settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI during the three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

10. Our Equity Shares have not been suspended from trading as a disciplinary measure during three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

11. There is no conflict of interest between the Lead Managers and our Company or its Group Companies in accordance with applicable regulations;

12. Our Promoter has undertaken and confirmed in relation to this Issue to subscribe on its own account, and not through any nominated entity or person to:

a. the full extent of their Rights Entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations;

b. the full extent of any rights entitlement in the Issue that may be renounced in their favor by any of the members of the promoter group of the Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations; and

c. any unsubscribed portion in the Issue, in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations, to ensure subscription to the extent of 100% of the Issue.

The Promoter has confirmed that such acquisition of Equity Shares will not result in a change of control or the management of the Company, and any such acquisition shall be subject to the aggregate shareholding of the Promoter and Promoter Group of the Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of the Company after the Issue.

Our Promoter Group, to the extent that they hold Equity Shares in the Company, undertake to either (i) subscribe on their account, and not through any nominated entity or person, to the full extent of their rights entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations, as amended; or (ii) renounce, any or all, of their rights entitlement in the Issue in favour of Tata Sons Private Limited. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations.

Any participation by our Promoter, over and above its Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

For subscription by our Promoter and details in relation to compliance with minimum public shareholding norms prescribed under the SCRR, please see the section entitled "*Capital Structure – Subscription to the Issue by the Promoter and the Promoter Group*" on page 47; and

13. There are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company in respect of the Financial Year for which such accounts are disclosed in this Letter of Offer.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI LODR Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

2. The reports, statements and information referred to above are available on the websites of BSE and NSE; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR

THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGERS, NAMELY KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 9, 2021, WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE.

(2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

> **(a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**
>
> **(b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
>
> **(c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

(3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. <u>COMPLIED WITH</u>

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. <u>NOT APPLICABLE</u>

(5) WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. <u>NOT APPLICABLE</u>

(6) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION,

HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. <u>NOT APPLICABLE</u>

(7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. <u>NOT APPLICABLE</u>

(8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER(S) TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. <u>NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE</u>

(9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. <u>COMPLIED WITH TO THE EXTENT APPLICABLE</u>

(10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR EQUITY SHARES, WHERE THE COMPANY HAS OUTSTANDING SUPERIOR EQUITY SHARES. <u>COMPLIED WITH</u>; AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. <u>COMPLIED WITH</u>

(11) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. <u>NOTED FOR COMPLIANCE</u>

(12) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. <u>NOT APPLICABLE</u>

(13) NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY. <u>COMPLIED WITH</u>

(14) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS INCLUDING SEBI CIRCULAR SEBI/HO/CFD/CIR/CFD/DIL/67/2020 DATED APRIL 21, 2020. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. <u>COMPLIED WITH</u>

(15) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. <u>COMPLIED WITH</u>

(16) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE COMPANY UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE EQUITY SHARES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE

(17) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. COMPLIED WITH

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from the Company and the Lead Managers

The Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by the Company or by any other persons at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to the Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

The Company and the Lead Managers shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to the Company, post scrutiny of the Letter of Offer prior to filing of the Letter of Offer is as under:

"BSE Limited ("the Exchange") has given, vide its letter dated November 02, 2021 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed.

The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of NSE

As required, a copy of the Letter of Offer has been submitted to NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of the Letter of Offer is as under:

"As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/28872 dated October 29, 2021 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form may come are required to inform themselves about and observe such restrictions.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders who are outside the United States in offshore transactions in reliance on Regulation S located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer/ Abridged Letter of Offer and Application Form or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Equity Shares and the Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer, the Abridged Letter of Offer and the Application Form or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements;

and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED UNDER "*RESTRICTIONS ON PURCHASES AND RESALES*" BEGINNING ON PAGE 287.

Filing

This Letter of Offer is being filed with Stock Exchanges and SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process or the R-WAP process may be addressed to the Registrar, with a copy to the SCSBs(in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of the R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of the e-acknowledgement (in case of the R-WAP process). For details on the ASBA process and R-WAP, please see the section entitled see *"Terms of the Issue"* on page 255.

The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park, 1st Floor
L.B.S. Marg, Vikhroli West
Mumbai 400 083
Tel: +91 22 4918 6200
E-mail: ihcl.rights2021@linkintime.co.in
Investor Grievance e-mail: ihcl.rights2021@linkintime.co.in
Contact person: Sumeet Deshpande
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058

Company Secretary and Compliance Officer

Beejal Desai
Senior Vice President Corporate Affairs & Company Secretary (Group) and Compliance Officer
The Indian Hotels Company Limited
9th Floor, Express Towers
Barrister Rajani Patel Marg
Nariman Point
Mumbai 400 021
Tel: +91 22 6137 1710
E-mail: investorrelations@tajhotels.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Investors are requested to note that application in this issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA and the relaxation on applications to be made by physical shareholders, are onetime relaxations made available by SEBI in view of the COVID 2019 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.linkintime.co.in.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

(i) our Company at www.ihcltata.com;
(ii) the Registrar at www.linkintime.co.in;
(iii) the Lead Managers, i.e. (a) Kotak Mahindra Capital Company Limited at www.investmentbank.kotak.com; and (b) HSBC Securities and Capital Markets (India) Private Limited at https://www.business.hsbc.co.in/engb/in/generic/ipo-open-offer-andbuyback;
(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com;
(v) the Registrar's web-based application platform at www.linkintime.co.in ("**R-WAP**").

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.ihcltata.com).

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the R-WAP (instituted only for resident Investors in this Issue, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.**

  The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 269.

  Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

  Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

(i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

(ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP) shall be treated as incomplete and shall be rejected. For details, please see the section entitled "- ***Grounds for Technical Rejection*" on page 265. Our Company, the Lead Managers, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please see the section entitled "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 260.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

(a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

(b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

(f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

(i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

Don'ts for Investors applying through ASBA:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(c) Do not send your physical Application to the Lead Managers, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

(e) Do not submit Application Form using third party ASBA account.

▪ ***Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process***

In accordance with the SEBI Rights Issue Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.

At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP. Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

Set out below is the procedure followed using the R-WAP:

(a) Prior to making an Application using the R-WAP facility, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the SEBI Rights Issue Circulars.

(b) Resident Investors should visit R-WAP (accessible at www.linkintime.co.in) and fill the online Application Form available on R-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN and Folio number (for resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) along with all other details sought for while submitting the online Application Form.

(c) Non-resident Investors are not eligible to apply in this Issue through R-WAP.

(d) Investors should ensure that Application process is verified through the e-mail / phone / mobile number or other means as applicable. Post due verification, Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.

(e) Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares applied for in the Issue.

(f) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.

(g) Verification, if any, in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

(h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account "IHCL Rights Issue Escrow Collection Account – R" for resident investors or "IHCL Rights Issue Escrow Collection Account- NR" for non-resident investors opened by our Company with the Escrow Collection Bank(s).

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (www.linkintime.co.in.) or call helpline number (+91 (22) 4918 6200).

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY, THE REGISTRAR AND THE LEAD MANAGERS SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, PLEASE SEE THE SECTION ENTITLED "*RISK FACTORS - THE R-WAP FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS*" ON PAGE 35.

Do's for Investors applying through R-WAP:

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.

(b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.

(c) Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.

(d) Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.

(e) Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.

(f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through R-WAP:

(a) Do not apply from bank account of third parties.

(b) Do not apply if you are a non-resident Investor.

(c) Do not apply from non-resident account.

- ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Managers. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT THE APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being The Indian Hotels Company Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue

5. Number of Equity Shares held as on Record Date;

6. Allotment option – only dematerialised form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for within the Rights Entitlements;

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for;

11. Total amount paid at the rate of ₹150 per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

16. All such Eligible Equity Shareholders are deemed to have accepted the following:

    *"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions only outside the United States in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**") to existing shareholders and located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

    I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

    I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer entitled "Restrictions on Purchases and Resales" on page 287.

    I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The remaining procedure for Application shall be same as set out in the section entitled "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 260.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled "- *Basis of Allotment*" on page 277.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an Application

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 260.

(d) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(e) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Managers.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Managers shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such**

delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Managers, SCSBs or the Registrar will not be liable for any such rejections.

(k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(m) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit multiple Applications.

(s) Investors are required to ensure that the number of Rights Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

(u) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, the Lead Managers, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United

States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Investors that are residing in U.S. address as per the depository records.

(s) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds including in relation to insufficient funds available in the opted bank account):

i. Applications by non-resident Investors.
ii. Payment from third party bank accounts.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, please see the section entitled "- *Procedure for Applications by Mutual Funds*" on page 268.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on R-WAP as well as through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled "*Capital Structure – Subscription to the Issue by the Promoter and the Promoter Group*" on page 47.

- ***Procedure for Applications by certain categories of Investors***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%)

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies ("**NBFC-SI**")*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Wednesday, December 8, 2021, *i.e.,* Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled "- *Basis of Allotment*" on page 277.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the e-mail withdrawal request to ihcl.rights2021@linkintime.co.in in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.ihcltata.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: INE053A20011. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements the will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an

Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* https://linkintime.co.in/EmailReg/Email_Register.html). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "LIIPL IHCL RIGHTS 2021 ESCROW DEMAT ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by Friday, December 3, 2021 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Managers and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) *On Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE053A20011 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from November 18, 2021 to December 2, 2021 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE053A20011 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) *Off Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE053A20011, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

For details of mode of payment in case of Application through R-WAP, please see the section entitled "- *Making of an Application through the Registrar's Web-based Application Platform ("R-WAP") process*" on pages 258.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, please see the section entitled "*The Issue*" on page 40.

- ***Fractional Entitlements***

  The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of one Equity Share for every nine Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than nine Equity Shares or not in the multiple of nine, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any.

Further, the Eligible Equity Shareholders holding less than nine Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

- ***Ranking***

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- ***Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number DCS/RIGHTS/JR/IP-RT/1623/2021-22 dated November 2, 2021 and from the NSE through letter bearing reference number NSE/LIST/28872 dated October 29, 2021. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 500850) and NSE (Scrip Code: INDHOTEL) under the ISIN: INE053A01029. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of the Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, please see the section entitled "*Capital Structure – Subscription to the Issue by the Promoter and the Promoter Group*" on page 47.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

(a) The right to receive dividend, if declared;

(b) The right to receive surplus on liquidation;

(c) The right to receive offers for rights shares and be allotted bonus shares, if announced;

(d) The right to free transferability of Rights Equity Shares;

(e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and

(f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Notices***

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai, where our Registered and Corporate Office is situated).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- ***Offer to Non-Resident Eligible Equity Shareholders/Investors***

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.linkintime.co.in. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Managers and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Please note that only resident Investors can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at ihcl.rights2021@linkintime.co.in.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE THE SECTION ENTITLED "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 278.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	Thursday, November 18, 2021
ISSUE OPENING DATE	Wednesday, November 24, 2021
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	Thursday, December 2, 2021
ISSUE CLOSING DATE*	Wednesday, December 8, 2021
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	Thursday, December 16, 2021
DATE OF ALLOTMENT (ON OR ABOUT)	Friday, December 17, 2021
DATE OF CREDIT (ON OR ABOUT)	Monday, December 20, 2021
DATE OF LISTING (ON OR ABOUT)	Wednesday, December 22, 2021

\# *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

* *Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, *i.e.*, Friday, December 3, 2021 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, Tuesday, December 7, 2021 .

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above.

The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank(s) with list of Allottees and corresponding amount to be transferred to the Allotment Account(s). Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

- ***Mode of making refunds***

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

(a) Unblocking amounts blocked using ASBA facility.

(b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) **National Electronic Fund Transfer** (“**NEFT**”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

- ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- ***Receipt of the Rights Equity Shares in Dematerialized Form***

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

a) Tripartite agreement dated October 8, 2019 amongst our Company, NSDL and the Registrar to the Issue; and

b) Tripartite agreement dated October 7, 2019 amongst our Company, CDSL and the Registrar to the Issue

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for

resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.

3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6) Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.

7) As on date the Company does not have any convertible debt instruments.

8) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "IHCL Rights Issue 2021" on the envelope and postmarked in India) to the Registrar at the following address:

   Link Intime India Private Limited
   C-101, 247 Park, 1st Floor
   L.B.S. Marg, Vikhroli West
   Mumbai 400 083
   Tel: +91 22 4918 6200
   E-mail: ihcl.rights2021@linkintime.co.in
   Investor Grievance e-mail: ihcl.rights2021@linkintime.co.in
   Contact person: Sumeet Deshpande
   Website: www.linkintime.co.in
   SEBI Registration No.: INR000004058

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91(22) 4918 6200.

4. The Investors can visit following links for the below-mentioned purposes:

   a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://www.linkintime.co.in

b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: https://linkintime.co.in/EmailReg/Email_Register.html

c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://www.linkintime.co.in

d) Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: ihcl.rights2021@linkintime.co.in

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs through the FDI Circulation 2020 (defined below).

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Rights Equity Shares in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Rights Equity Shares may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Rights Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out below.

United States

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements (including their credit) and the Rights Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Neither receipt of this Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Letter of Offer and its accompanying documents directly from our Company or the Registrar.

The Rights Entitlements and the Rights Equity Shares are being offered outside the United States in offshore transactions in reliance on Regulation S.

Each purchaser by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

2. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.

3. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

4. Without limiting the generality of the foregoing, the purchaser is aware and understands (and each account for which it is acting has been advised and understands) that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States.

5. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

6. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

7. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Managers or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

8. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, nor the Lead Managers or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to

our Company, the Rights Entitlements or the Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

9. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) none of the Lead Managers or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Managers or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.

10. The purchaser will not hold our Company, the Lead Managers or its affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Equity Shares has been or will be provided by the Lead Managers or its affiliates to it.

11. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company, or to the Lead Managers, for all or part of any such loss or losses it may suffer.

12. The purchaser understands and acknowledges that the Lead Managers are assisting our Company in respect of this Issue and that the Lead Managers are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Managers arising from its engagement with our Company and in connection with this Issue.

13. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that neither our Company, nor the Registrar, the Lead Managers or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.

14. The purchaser (i) is aware that the Rights Entitlements and the Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Equity Shares are, located outside the United States and eligible to subscribe for Rights Entitlements and Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act.

15. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Equity Shares are, entitled to subscribe for the Equity Shares, and the sale of the Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

16. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

17. The purchaser is authorized to consummate the purchase of the Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.

18. The purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate.

19. The purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" (as defined in Regulation S under the U.S. Securities Act) in the United States with respect to the Equity Shares.

20. The purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold.

21. The purchaser acknowledges that the Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

22. Upon a proposed sale, transfer, assignment, pledge or other disposition of the Equity Shares, we will notify any purchaser of such Equity Shares, the executing broker and any other agent of the transferor involved in selling the Equity Shares, as applicable, of the transfer restrictions set forth in this Application Form that are applicable to the Equity Shares being sold and will require the broker and such other agent, as applicable, to comply with such restrictions.

Australia

This Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Letter of Offer has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Equity Shares under this Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Letter of Offer, and any offers made under this Letter of Offer, you represent to the Issuer and the Lead Managers that you will not provide this Letter of Offer or communicate any offers made under this Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the Lead Managers) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. Our Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and the Letter of Offer will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, the Letter of Offer or the marketing of the Rights Entitlements or the Equity Shares in the Kingdom of Bahrain. Accordingly, the Rights Entitlements and the Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Rights Entitlements and the Equity Shares may be offered to persons located in the British Virgin Islands who are "qualified investors" for the purposes of the Securities Investment Business Act 2010 ("SIBA").

Qualified investors include (i) certain entities which are regulated by the Financial Services Commission in the British Virgin Islands, including banks, insurance companies, licensees under SIBA and public, professional and private mutual funds; (ii) a company, any securities of which are listed on a recognised exchange; and (iii) persons defined as "professional investors" under SIBA, which is any person (a) whose ordinary business involves, whether for that person's own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property of our Company; or (b) who has signed a declaration that he, whether individually or jointly with his spouse, has net worth in excess of US$1,000,000 and that he consents to being treated as a professional investor.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Equity Shares may be made to the public in the Cayman Islands.

China

This Letter of Offer may not be circulated or distributed in the People's Republic of China ("**PRC**") and the Rights Entitlements and the Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Letter of Offer are required by the Issuer and its representatives to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Dubai International Financial Centre

This Letter of Offer relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This Letter of Offer is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. This Letter of Offer must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with exempt offers. The DFSA has not approved this Letter of Offer nor taken steps to verify the information set forth herein and has no responsibility for this Letter of Offer. The Rights Entitlements and the Equity Shares to which this Letter of Offer relate may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Rights Entitlements and the Equity Shares offered should conduct their own due diligence on the Rights Entitlements and the Equity Shares. If you do not understand the contents of this Letter of Offer you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area (EEA)

In relation to each member State of the European Economic Area (each, a "**Relevant State**"), no Rights Entitlement or Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlement and the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlement and the Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons per Relevant State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Managers for any such offer; or

(c) in any other circumstances falling within article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Equity Shares requires the Issuer to publish a prospectus pursuant to article 3 of the Prospectus Regulation or supplement of a prospectus pursuant to article 23 of the Prospectus Regulation. This Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this provision, the expression "offer to the public" in relation to any Rights Entitlement and the Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Rights Entitlement and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement and the Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended from time to time.

Hong Kong

The Rights Entitlements and the Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Equity Shares. No Rights Entitlements or Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Equity Shares (the "**QII Rights Entitlements and the QII Rights Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and the QII Rights Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Equity Shares in the State of Kuwait. The Rights Entitlements and the Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Rights Entitlements or the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Equity Shares in the State of Kuwait.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of the Rights Entitlements and the Equity Shares. The Rights Entitlements and the Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

Mauritius

The Rights Entitlements and the Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Oman

This Letter of Offer and the Rights Entitlements and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("CMA") and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Rights Entitlements and the Equity Shares, no prospectus has been filed with the CMA. The offering and sale of the Rights Entitlements and the Equity Shares described in the Letter of Offer will not take place inside Oman. The Letter of Offer is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar

This document is provided on an exclusive basis to the specifically intended recipient thereof upon that person's request and initiative, and for the recipient's personal use only. Nothing in this document constitutes, is intended to constitute, or shall be treated as constituting, any offer or sale of the securities in the State of Qatar or in the Qatar Financial Centre or any attempt to do business as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre.

This document and any related document have not been reviewed, approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar.

Recourse against our Company or others involved with the Issue may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and the Qatar Financial Centre.

Any distribution of this document by the recipient to third parties in State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient**.**

Saudi Arabia

This Letter of Offer may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("CMA") pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended (the "CMA Regulations"). The CMA does not make any representation as to the accuracy or completeness of this Letter of Offer and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Letter of Offer. Prospective purchasers of the Rights Entitlements and the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Rights Entitlements and the Equity Shares. If you do not understand the contents of this Letter of Offer, you should consult an authorized financial adviser.

Singapore

Each Lead Manager has acknowledged that this Letter of Offer has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Lead Manager has represented and agreed that it has not offered or sold any Rights Entitlement or Equity Shares or caused the Rights Entitlement and Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Rights Entitlement or Equity Shares or cause the Rights Entitlement or Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Letter of Offer or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlement and the Equity Shares, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Rights Entitlement and the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(d) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(e) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Rights Entitlement and the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

South Korea

We are not making any representation with respect to the eligibility of any recipients of this Letter of Offer to acquire the Rights Entitlements and the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Rights Entitlements and the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and the Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Rights Entitlements and the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and the Equity Shares.

Switzerland

This Letter of Offer is not intended to constitute an offer or solicitation to purchase or invest in the Rights Entitlements and the Equity Shares described herein. The Rights Entitlements and the Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Rights Entitlements and the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Letter of Offer nor any other offering or marketing material relating to the Rights Entitlements and the Equity Shares or the Issue constitutes a prospectus pursuant to the FinSA or pursuant to Articles 652a and 1156 of the Swiss Code of Obligations (as in effect immediately prior to the entry into force of the FinSA) or pursuant to Articles 27 ff. of the listing rules of SIX Exchange Regulation or any other trading venue in Switzerland, and neither this Letter of Offer nor any other offering or marketing material relating to the Rights Entitlements and the Equity Shares or the Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Letter of Offer nor any other offering or marketing material relating to the Rights Entitlements and the Equity Shares or the Issue or our Company have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Letter of Offer will not be filed with, and the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), and the Issue has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Rights Entitlements and the Equity Shares.

This Letter of Offer, as well as any other offering or marketing material relating to the Rights Entitlements and the Equity Shares or the Issuer, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Rights Entitlements and the Equity Shares in Switzerland and it does not constitute an offer to any other person. This Letter of Offer may only be used by those investors to whom it has been handed out in connection with the Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Rights Entitlements and the Equity Shares have not and will not be registered with the Financial Supervisory Commission of Taiwan or any other governmental authorities of Taiwan, and are not being offered or sold and may not be offered or sold, directly or indirectly, in Taiwan or otherwise, to, or for the benefit of, any resident or entity of Taiwan, except (i) pursuant to the requirements of the securities related laws and regulations in Taiwan; and (ii) in compliance with any other applicable requirements of Taiwan laws.

United Arab Emirates (except Dubai International Financial Centre)

Neither this document nor the Rights Entitlements and the Equity Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has our Company received authorisation or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the Rights Entitlements and the Equity Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purposes of an offer or invitation. No services relating to the Rights Entitlements and the Equity Shares, including the receipt of applications and/or the allotment or redemption of the Rights Entitlements and the Equity Shares, may be rendered within the United Arab Emirates by our Company.

United Kingdom

In the United Kingdom, this Letter of Offer and any investment or investment activity to which this Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged in only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) to whom it can otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). Persons who are not relevant persons should not take any action on the basis of this Letter of Offer and should not act or rely on it or any of its contents.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by the Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated November 9, 2021 between the Company and the Lead Manager.

2. Registrar Agreement dated November 9, 2021 between the Company and the Registrar to the Issue.

3. Bankers to the Issue Agreement dated November 9, 2021 between the Company, the Lead Managers, Registrar and the Bankers to the Issue.

4. Monitoring Agency Agreement dated November 9, 2021 between the Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of the Company as amended.

2. Certificate of Incorporation dated April 1, 1902 of the Company.

3. Letter of Offer dated February 27, 2008 issued by the Company.

4. Letter of Offer dated July 16, 2014 issued by the Company.

5. Addendum to the Letter of Offer dated August 7, 2014 issued by the Company.

6. Letter of Offer dated September 25, 2017 issued by the Company.

7. Share purchase agreement dated July 21, 2020 between the Company, Claridges Hotel Private Limited, Excalibur Assets and Capital Management Private Limited, ELEL Hotels and Investments Limited, Suresh Nanda, Sheena Investments Private Limited, Skydecks Properties & Developers Private Limited.

8. Consents of the Directors, Company Secretary and Compliance Officer, the Statutory Auditors, Lead Manager, Bankers to the Issue, Legal Counsel to our Company as to Indian Law, Legal Counsel to the Lead Managers as to Indian Law, the Registrar to the Issue, the Monitoring Agency and Horwath HTL India for inclusion of their names in this Letter of Offer to act in their respective capacities.

9. Resolutions of our Board of Directors dated August 23, 2021 and October 21, 2021 in relation to this Issue and other related matters.

10. Resolution of the Rights Issue Committee – 2021 dated November 9, 2021 in relation to the terms of the Issue including the Record Date and Rights Entitlement Ratio.

11. The report of the Statutory Auditors, being B S R & Co. LLP, Chartered Accountants, dated April 30, 2021 on the consolidated annual financial results of the Company for the financial year ended March 31, 2021.

12. The report of the Statutory Auditors, being B S R & Co. LLP, Chartered Accountants, dated June 10, 2020 on the consolidated annual financial results of the Company for the financial year ended March 31, 2020.

13. The limited review report of the Statutory Auditors, being B S R & Co. LLP, Chartered Accountants, dated October 21, 2021 on the unaudited quarterly consolidated financial results of the Company for the quarter ended September 30, 2021.

14. The limited review report of the Statutory Auditors, being B S R & Co. LLP, Chartered Accountants, dated November 4, 2020 on the unaudited quarterly consolidated financial results of the Company for the quarter ended September 30, 2020.

15. Statement of possible special tax benefits under direct tax laws dated September 30, 2021 issued by B S R & Co. LLP, Chartered Accountants for the Company, its material domestic Subsidiaries and shareholders.

16. Statement of possible special tax benefits under indirect tax laws dated September 30, 2021, issued by PKF Sridhar & Santhanam LLP, Chartered Accountants for the Company, its material domestic Subsidiaries and shareholders.

17. Statement of possible special tax benefits dated September 30, 2021 issued by KNAV P.A., Certified Public Accountants, under the Internal Revenue Code and the relevant state tax laws in force in the United States for the Company, its foreign material Subsidiary, United Overseas Holdings Inc. and shareholders.

18. Statement of possible special tax benefits dated September 30, 2021 issued by Kraaijeveld Coopus Legal B.V. under the direct and indirect tax legislations in the Netherlands for the Company, IHOCO B.V., and shareholders.

19. Statement of special tax benefits dated October 1, 2021 issued by PKF Littlejohn LLP under UK direct and indirect tax laws for the Company and St. James Court Hotels Limited.

20. Annual Reports of the Company for the Fiscals 2021, 2020 and 2019.

21. Report entitled "*Industry Report - Upper Tier and Economy Hotels*" dated October 28, 2021 prepared by Horwath HTL India

22. Due Diligence Certificate dated November 9, 2021 addressed to SEBI from the Lead Manager.

23. In-principle listing approvals dated November 2, 2021 and October 29, 2021 issued by BSE and NSE respectively.

24. Tripartite agreement dated October 8, 2019 amongst our Company, NSDL and the Registrar to the Issue.

25. Tripartite agreement dated October 7, 2019 amongst our Company, CDSL and the Registrar to the Issue.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

N. Chandrasekaran
Chairman and Non-Executive Director

Date: November 9, 2021
Place: Mumbai

IHCL

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Puneet Chhatwal
Managing Director and Chief Executive Officer

Date: November 9, 2021
Place: GERMANY

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Nasser Munjee
Independent Director

Date: November 9, 2021
Place: UK

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Hema Ravichandar
Independent Director

Date: November 9, 2021
Place: BANGALORE

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Venkataramanan Anantharaman
Independent Director

Date: November 9, 2021
Place: MUMBAI

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Venu Srinivasan
Non-Executive Director

Date: November 9, 2021
Place: Chennai

IHCL

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Mehernosh Kapadia
Non-Executive Director

Date: November 9, 2021
Place: MUMBAI

IHCL

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Anupam Narayan
Additional Independent Director

Date: November 9, 2021
Place: Portland, OR, USA

IHCL

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY

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Giridhar Sanjeevi
Chief Financial Officer

Date: November 9, 2021
Place: MUMBAI