IHCL

REPORT ADOPTED BY THE AUDIT AND COMPLIANCE COMMITTEE OF THE INDIAN HOTELS COMPANY LIMITED ('COMPANY') RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN ORIENTAL HOTELS LIMITED AND THE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS AT ITS MEETING HELD ON AUGUST 23, 2026

Members Present

Nasser Munjee – Independent Director and Chairman of the Committee
Ms. Hema Ravichandar – Independent Director
Mr. Venkataramanan Anantharaman – Independent Director
Mr. Anupam Narayan – Independent Director

In attendance
Ms. Melisa Alva – Senior Vice President & Company Secretary

Management
Mr. Puneet Chhatwal – Managing Director & Chief Executive Officer
Mr. Ankur Dalwani – Executive Vice President & Chief Financial Officer

Registered Valuers – Representatives of PwC Business Consulting Services LLP
Neeraj Garg
Aanosh Doctor
Bhavik Shah
Jay Ponda

Merchant Bankers – Representatives of Kotak Mahindra Capital Company Limited
Amit Joshi
Abhishek Anand

A. BACKGROUND:

1. A proposal involving the amalgamation of Oriental Hotels Limited (**"OHL"**/**"Transferor Company"**) with The Indian Hotels Company Limited (**"Transferee Company"**/ **"Company"**/ **"IHCL"**), by way of a scheme of arrangement under the provisions of Sections 230 - 232 of the Companies Act, 2013 (**"Act"**) (including the rules thereunder) and other relevant provisions of the Act, as applicable and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B)/ Income Tax Act,2025, including Section 2(6) (**"Scheme/ Amalgamation"**) was placed before the Audit and Compliance Committee at its meeting held on August 23, 2026 for the purpose of considering and if thought fit,

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recommending, the draft Scheme to the Board of Directors in terms of the SEBI Master Circular dated June 20, 2023 bearing reference number SEBI/HO/CFD/POD-2/P/CIR/2023/93 ("**SEBI Circular**").

2. Words and expressions, used in capitalized form but not defined in this report, shall have the meaning ascribed to them in the Scheme.

3. The Scheme is subject to the receipt of approval from the Board of Directors and (a) requisite majority of the shareholders of the respective Transferor Company and Transferee Company (collectively "**Companies**"); (b) NCLT (c) SEBI (d) The National Stock Exchange of India Limited and the BSE Limited (hereinafter collectively referred to as "**Stock Exchanges**"); and (e) such other approvals, permissions and sanctions of regulatory and other statutory or governmental authorities / quasi-judicial authorities, as may be necessary as per applicable laws.

4. In terms of SEBI Circular, a report from the Audit and Compliance Committee recommending the draft Scheme is required, taking into consideration, inter alia the valuation report and commenting on the:

    a) Need for the amalgamation/arrangement;

    b) Rationale of the Scheme;

    c) Synergies of business of the entities involved in the Scheme;

    d) Impact of the Scheme on the shareholders; and

    e) Cost benefit analysis of the Scheme.

5. This report of the Audit and Compliance Committee is made in compliance with the requirements of the SEBI Circular.

B. DOCUMENTS/DRAFT DOCUMENTS PLACED BEFORE THE AUDIT AND COMPLAINCE COMMITTEE

The following documents were placed before the Audit and Compliance Committee at its meeting held on August 23, 2026:

(a) Draft of the proposed Scheme;

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(b) Valuation report dated August 23, 2026, jointly issued by PwC Business Consulting Services LLP (Reg No. IBBI/RV-E/02/2022/158), registered valuer appointed by the Company and SSPA & Co., Chartered Accountants (Reg No. IBBI/RV-E/06/2020/126), registered valuer appointed by OHL on the valuation of shares and recommendation of share exchange ratio ("**Valuation Report**");

(c) Fairness Opinion dated August 23, 2026, issued by Kotak Mahindra Capital Company Limited (Reg No. INM000008704), an independent SEBI Registered Category 1 Merchant Banker, providing its opinion on the fairness on the Share Exchange Ratio recommended in the Valuation Report ("**Fairness Opinion Report**");

(d) The draft certificate from BSR & Co LLP, the statutory auditors of the Company, in terms of Para(A)(5) of Part I of the SEBI Circular and proviso to sub-clause (j) of Section 232(3) of the Companies Act, 2013, certifying that the accounting treatment proposed in the Scheme is in compliance with the accounting standards prescribed under Section 133 the Act; and

(e) Other presentations, reports, documents and information pertaining to the draft Scheme made available to/ circulated to the Board.

C. SALIENT FEATURES OF THE SCHEME:

1. This Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and dissolution of the Transferor Company without winding up;

2. Pursuant to the sanction of the Scheme by the NCLT and upon the conditions for the Scheme to become effective being fulfilled, the Scheme shall become effective from the opening of business hours on April 01, 2027 or such other date as may be directed by the NCLT ("**Appointed Date**").

3. With effect from the Appointed Date and upon the Scheme becoming effective, the entire Undertaking (*as defined in the Scheme*) of the Transferor Company shall stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Company to become undertaking of the Company, in the manner provided for in the Scheme, in accordance with Sections 230 to 232 of the Companies Act, the IT Act/ IT Act 2025 and other applicable laws.

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4. The entire paid-up share capital of the Transferor Company including the shares issued by the Transferor Company to the Transferee Company shall stand cancelled in its entirety without being required to comply with the provisions of Section 66 of the Companies Act, 2013.

5. Pursuant to the Scheme the Transferee Company will issue equity shares to the equity shareholders of the Transferor Company (other than the Transferee Company and/or its subsidiaries) pursuant to Sections 230 to 232 and other applicable provisions of the Act, and Section 2(1B) of the IT Act / Section 2(6) of IT Act 2025.

6. The Scheme is conditional upon, and subject to:

   (a) Stock Exchanges issuing their observation letter/ no objection letter in relation to the Scheme pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (b) approval of the Scheme by the requisite majority of the shareholders of the Companies, creditors (where applicable) of all the Companies as required under sections 230 to 232 of the Act, the SEBI Circular or as per directions of the NCLT, subject to any dispensation that may be granted by the NCLT;

   (c) the Scheme being sanctioned by the NCLT in terms of Section 230 to Section 232 and relevant provisions of the Act on terms acceptable to the Companies;

   (d) receipt of approval from the Competition Commission of India, if required, for this Scheme in form and substance reasonably satisfactory to the Transferor Company and the Transferee Company or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

   (e) approval of the Scheme (through e-voting) by the requisite majority of public shareholders of the Companies in accordance with the provisions of the SEBI Circular;

   (f) the certified copies of the sanction orders of the NCLT approving the Scheme being filed with the Registrar of Companies; and

   (g) such other approvals and sanctions including sanction of any Governmental Authority or contracting party as may be required by law in respect of the Scheme being obtained.

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D. NEED AND RATIONALE FOR THE AMALGAMATION AND SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME:

The Scheme shall enable the Companies to reap several benefits including:

(a) The Companies are engaged in similar businesses and have complementary portfolios, as the Transferor Company has a significant presence in the states of Tamil Nadu, Kerala and Karnataka. The Amalgamation will create synergies amongst the businesses, and will facilitate a wider and stronger base for future growth;

(b) The Scheme shall enable the business of the Transferor Company, by virtue of becoming part of a larger entity, to have access to the financial resources, management experience and expertise of the Transferee Company. The Scheme would thus enable the business of the Transferor Company to leverage the resources of the Transferee Company and facilitate operational and cost synergies, asset management opportunities, rationalization, standardisation and simplification of business processes;

(c) The Scheme is in consonance with the strategy of the Transferee Company to reduce the number of operating entities under its holding, which in turn will lead to elimination of duplication, simpler management structure, better administration, rationalisation of administrative expenses, etc, consequently reducing costs of maintaining separate entities;

(d) The Scheme will make it possible to achieve a full accounting consolidation and joint utilisation of financial resources which are independently available within the Companies, allowing standardisation in accounting policies and practices;

(e) Due to the abovementioned business, operational and financial synergies, the Scheme will be beneficial to the public shareholders of the Transferee Company; and

(f) The Scheme/ Amalgamation will provide the public shareholders of the Transferor Company with an opportunity to participate directly in the consolidated hospitality business of the Transferee Company through the Consideration Shares proposed to be issued pursuant to the Scheme and they would continue to play a part in the growth of one of India's leading hospitality companies, i.e., the Transferee Company.

E. IMPACT OF THE SCHEME ON THE SHAREHOLDERS OF THE COMPANY:

1. The Transferor Company is an associate company of the Transferee Company.

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2. As recommended in the Valuation Report and upon the Scheme becoming effective and in consideration of the Amalgamation, IHCL shall allot equity shares, credited as fully paid-up to the members of OHL, holding fully paid up equity shares in OHL and whose names appear in the register of members of OHL (other than IHCL and/or its subsidiaries) on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner: *"25 equity shares in the Transferee Company of the face value of INR 1 (Indian Rupees one only) each (credited as fully paid-up) for every 117 equity shares of the face value of INR 1 (Indian Rupees one only) each fully paid-up held by such member in the Transferor Company."*

3. The shares allotted to OHL shareholders by IHCL as set out above shall rank *pari passu* in all respects with the then existing equity shares of IHCL and shall be listed on BSE Limited and National Stock Exchange of India Limited.

4. The Amalgamation will, pursuant to the Share Exchange Ratio and the terms of the Scheme, result in an approximate dilution of 0.62% of the promoter group shareholding in the Transferee Company and in turn will increase the public shareholding of the Transferee Company's shares to that extent.

5. Given that the Scheme envisages issue of equity shares by the Transferee Company to the shareholders of the Transferor Company as mentioned above, the Audit and Compliance Committee have considered the impact of the said issuance on the shareholders of the Transferee Company. However, considering the Scheme is expected to have several benefits for the Company as indicated in the rationale of the Scheme above and after due deliberations, the Audit and Compliance Committee has concluded that the said issuance in terms of the Scheme will have no significant impact on the shareholders of the Transferee Company.

6. Accordingly, the Scheme will not have any adverse impact on the shareholders of the Company.

F. COST BENEFIT ANALYSIS OF THE SCHEME:

The implementation of the Scheme will involve incurring costs including, administrative/ statutory levy(ies), fees payable to financial/legal advisors, etc. However, considering the rationale and synergies detailed above, creation of a single large unified operational lending entity will lead to various operational synergies and benefits and help value

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creation. These synergies and benefits are expected to outweigh the costs over a long period.

G. VALUATION REPORT AND FAIRNESS OPINION:

The Audit and Compliance Committee reviewed the Valuation Report, discussed the methods of valuation and the Share Exchange Ratio with the independent registered valuer and the SEBI registered Category-I merchant banker, who were present at the meeting.

Based on the discussions, with the registered valuer and the SEBI registered Category — I merchant bankers, review of documents including the Fairness Opinion placed at the meeting, the Audit and Compliance Committee is of the view that the Share Exchange Ratio is fair.

H. RECOMMENDATION OF THE AUDIT AND COMPLIANCE COMMITTEE:

The Audit and Compliance Committee has reviewed the Valuation Report, Fairness Opinion and other documents stated above and noted the recommendations made therein.

Taking into consideration the aforesaid, the Audit and Compliance Committee recommends the draft Scheme including the Share Exchange Ratio, for favourable consideration and approval by the Board of Directors of the Company.

For and on behalf of the Audit and Compliance Committee of the Company

Nasser Munjee
Chairman
(DIN:00010180)

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Date: August 23, 2026
Place: Goa