



CENTFIN:2017:218

26 May 2017


CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

**[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

We, Debenture Trustees, hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Regulations'), provided to us by **The Indian Hotels Company Limited** ('the Company') for the Half year ended 31 March 2017.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For CENTBANK FINANCIAL SERVICES LTD


Yashda A Waghmare
MANAGER

CENTBANK FINANCIAL SERVICES LTD.

(Formerly: Centbank Financial & Custodial Services Ltd; erstwhile: The Central Bank Executor & Trustee Co. Ltd.)

Regd Office: Central Bank of India - MMO Bldg, 3rd Floor (East Wing)

55, Mahatma Gandhi Road, Fort, Mumbai 400001 ☎: (022) 2261 6217 ☎ (022) 2261 6208

E-mail: info@cfsl.in Website: www.cfsl.in CIN: U67110MH1929GO1001484



THE INDIAN HOTELS COMPANY LIMITED

CIN: L74999MH190211C000183

Registered Office: Mandlik House, Mandlik Road, Mumbai 400 001, India

Tel: 91 22 6639 5515 Fax: 91 22 2202 7442

Website: www.tajhotels.com

E-mail: investorrelations@tajhotels.com

May 26, 2017

Centbank Financial Services Limited
Debenture Trustee Section
Merchant Banking Department
Central Bank Building, 3rd floor
M. G. Road, Fort, Mumbai-400023

Dear Sir,

Sub: Information under Regulation 52 (4) of SEBI (LODR) Regulations, 2015

As per the requirement of Regulation 52 (4) of SEBI (LODR) Regulations, 2015, we are required to submit to the Stock Exchanges information in respect of the Secured/Unsecured, Non-convertible, Redeemable Debentures issued by the Company as on March 31, 2017 (copy enclosed). Whilst submitting the aforesaid information, the Company is also required to submit a certificate signed by the Debenture Trustees that it has taken note of the said information.

In view of the above, we are enclosing herewith a certificate from Statutory Auditors of the company certifying the following information as on March 31, 2017:

1. Credit Rating
2. Asset Cover
3. Debt Equity Ratio
4. Debt Service Coverage Ratio
5. Interest Service Coverage Ratio
6. Capital Redemption Reserve / Debenture Redemption Reserve
7. Net worth
8. Net Profit after tax
9. Earnings per share

You are requested to kindly issue us your certificate for having noted the contents of the aforesaid information required under Regulation 52 (4) of SEBI (LODR) Regulations, 2015.

Yours sincerely,


BEEJAL DESAI

Vice President - Legal & Company Secretary

Encl. a/a



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May 26, 2017

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001

National Stock Exchange of India Limited

5th floor, Exchange Plaza, Plot No.C/1
G Block, Bandra-Kurla Complex,
Mumbai- 400051

Sub: Information under Regulation 52 (4) of SEBI (LODR) Regulations, 2015

As per the requirement of Regulation 52 (4) of SEBI (LODR) Regulations, 2015, we give below the following information in respect of the Secured/Unsecured, Non-convertible, Redeemable Debentures issued by the Company as on March 31, 2017:

(a) Credit Rating(s): (March 31, 2017)

Secured /Unsecured Non-Convertible Debenture outstanding (Amount in ₹ / crores)	CARE	ICRA
1,495	AA+	AA

- (b) Asset Cover available: 2.09 times of total liability for outstanding secured debentures as on March 31, 2017.
- (c) Debt-Equity Ratio (as on March 31, 2017): 0.78
- (d) Previous due date for the payment of interest / dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares/ non-convertible debt securities and whether the same has been paid or not; and } Please see the table below:
- (e) Next due date for the payment of interest / dividend for non convertible Preference shares/principle along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount; }
- (f) Debt service coverage ratio: 0.84
- (g) Interest service coverage ratio: 3.52
- (h) Outstanding redeemable preference shares(quantity & value) : Nil
- (i) Debenture redemption reserve: ₹ 305.97 (in ₹ Crores)
- (j) Net Worth: ₹ 2,258.65 (in ₹ Crores)
- (k) Net profit after tax: ₹ 141.94 (in ₹ Crores)
- (l) Earnings per share (Diluted): 1.43

Secured Debentures:

Sl. No.	Particulars	Previous due date for payment of interest / principal	Date of payment	Next due date for payment of interest / principal	Principal Redemption Date	Listed on & Code
1	9.95% (250 crores) Secured Non-convertible Debentures allotted on 27/07/2011 INE053A07166	Interest: (Annual) 27/07/2016	27/07/2016	Interest: (Annual) 27/07/2017	Redemption: 27/07/2021	NSE INHOT21
2	10.10% (300 Crores) Secured Non convertible Debentures allotted on 18/11/2011 INE053A07174	Interest: (Annual) 18/11/2016	18/11/2016	Interest: (Annual) 18/11/2017	Redemption: 18/11/2021	NSE INHOT21
3	7.85% (495 Crores) Secured Non-convertible Debentures allotted on 20/01/2017 INE053A07182	NA	NA	Interest: (Annual) 20/01/2018	Interest: (Annual) 15/04/2022	NSE INHOT22

Unsecured Debentures:

Sl. No.	Particulars	Previous due date for payment of interest / principal	Date of payment	Next due date for payment of interest / principal	Principal Redemption Date	Listed on & Code
1	2% (200 Crores) Unsecured Non-convertible Debentures allotted on 23/04/2012 INE053A08073	Interest: (Annual) 23/04/2016	23/04/2016	Interest: (Annual) 23/04/2017	Redemption: 23/04/2017	NSE INHOT17

Sl. No.	Particulars	Previous due date for payment of interest / principal	Date of payment	Next due date for payment of interest / principal	Principal Redemption Date	Listed on & Code
2	2% (250 Crores) Unsecured Non-convertible Redeemable Debentures allotted on 09/12/2009 INE053A08057	Interest: 09/12/2016	09/12/2016	Interest (Annual) 09/12/2017	Redemption: 09/12/2019	BSE 946434

For The Indian Hotels Company Limited



BEEJAL DESAI

Vice President - Legal & Company Secretary



THE INDIAN HOTELS COMPANY LIMITED

CIN: L74999MH1902PLC000183

Registered Office: Mandlik House, Mandlik Road, Mumbai 400 001 India

Tel 91 22 6639 5515 Fax 91 22 2202 7442

Website: www.tajhotels.com

E-mail : investorrelations@tajhotels.com

June 16, 2017

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001

Sub: Certificate as per Regulation 57 (1) of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 57 (1) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we confirm that the Company has made payment of Redemption / Interest on due dates in respect of Secured/Unsecured, Non-convertible, Redeemable Debentures issued by the Company. The details of the payments are hereunder:

ISIN	Nature of Payment	Due date of payment	Actual date of payment	Mode of payment
INE053A08057	Interest	09/12/2016	09/12/2016	RTGS
INE053A07158	Principal & Interest	22/03/2017	22/03/2017	RTGS

This is for your information and records, please.

Yours sincerely,

BEEJAL DESAI
Vice President - Legal & Company Secretary

CC:

✓ Centbank Financial Services Limited,
Debenture Trustee Section
Merchant Banking Department
Central Bank Building, 3rd floor,
M. G. Road, Fort, Mumbai-400001



THE INDIAN HOTELS COMPANY LIMITED

CIN: I74999MH1902PLC000183

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Website: www.tajhotels.com

E-mail: investorrelations@tajhotels.com

June 16, 2017

National Stock Exchange of India Limited

5th floor, Exchange Plaza, Plot No. C/I

G Block, Bandra Kurla Complex,

Mumbai- 400051

Sub: Certificate as per Regulation 57 (f) of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 57 (f) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we confirm that the Company has made payment of Principal / Interest on due dates in respect of Secured/Unsecured, Non convertible, Redeemable Debentures issued by the Company. The details of the payments are hereunder:

ISIN	Nature of Payment	Due date of payment	Actual date of payment	Mode of payment
INE053A08073	Interest	23/04/2016	25/04/2016 *	RTGS
INE053A07166	Interest	27/07/2016	27/07/2016	RTGS
INE053A07174	Interest	18/11/2016	18/11/2016	RTGS
INE053A08065	Principal & Interest	24/02/2017	27/02/2017 **	RTGS
INE053A08073	Principal & Interest	23/04/2017	24/04/2017***	RTGS

*Holidays: Saturday, Sunday- paid on next working day.

**Holidays: Mahashivratri, Saturday & Sunday- paid on next working day.

*** Holiday: Sunday- paid on next working day

This is for your information and records, please.

Yours sincerely,,

BEEJAL DESAI

Vice President - Legal & Company Secretary

CC:

✓ Centbank Financial Services Limited,

Debenture Trustee Section

Merchant Banking Department

Central Bank Building, 3rd floor,

M. G. Road, Fort, Mumbai-400001



THE INDIAN HOTELS COMPANY LIMITED

CIN: L74999MH1902PLC000183

Registered Office: Mandlik House, Mandlik Road, Mumbai 400 001, India

Tel: 91 22 6639 5515 Fax: 91 22 2202 7442

Website: www.tajhotels.com

E-mail : investorrelations@tajhotels.com

June 29, 2017

Centbank Financial Services Ltd.
Debenture Trustee Section
3rd Floor (East Wing), Central Bank of India MMO Building,
55 M G Road, Fort,
Mumbai, 400 001

Dear Sirs,

Kind Attn.: Mr. H. V. Kamdar

Sub: Auditors' Certificate - Debenture Redemption Reserve (DRR) as on March 31, 2017.

This has reference to submission of a Certificate from the Statutory Auditors of the Company on the Debenture Redemption Reserve (DRR) as on March 31, 2017.

In this connection, please find enclosed Certificate dated June 28, 2017 from Deloitte Haskins & Sells LLP, one of the joint Statutory Auditors of the Company certifying the Statement of Maintenance of Debenture Redemption Reserve (DRR) as on March 31, 2017, as required to be maintained pursuant to provisions of Sec. 71(4) of the Companies Act 2013, Regulations 18(7) of the Companies (Share Capital and Debenture) Rules, 2014 read with Regulations 15(1) (ca) of the SEBI (Debenture Trustees) Regulation 1993.

You are requested to kindly acknowledge receipt and take the same on record.

Yours sincerely, ,

BEEJAL DESAI
Vice President- Legal & Company Secretary

Encl. 2/a

MJ/2017-18/23

AUDITORS' CERTIFICATE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. MJ/2016/55 dated September 12, 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number 11736W/W-100018), the statutory auditors of The Indian Hotels Company Limited (the "Company") having its registered office at Mandlik House, Mandlik Road, Mumbai 400 001, have examined the audited books of account and other relevant records and documents maintained by the Company for the year ended March 31, 2017 for the purpose of certifying the accompanying "Statement of Maintenance of Debenture Redemption Reserve (DRR) as on March 31, 2017" (hereinafter referred to as "the Statement"), duly stamped and signed for identification.

Management's Responsibility

3. The Management of the Company is responsible for the preparation of the Statement based on the books of account and other relevant records and documents and maintenance of adequate Debenture Redemption Reserve as specified under Section 71 of the Companies Act, 2013 (the "Act"). This includes collecting, collating and validating data and presentation thereof in the Statement and the design, implementation and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Statement on the basis of the audited books of account of the Company for the year ended March 31, 2017 and other relevant records and documents maintained by the Company and produced before us.
5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(i0) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).
6. 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.

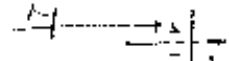
Opinion

7. On the basis of our verification of such audited books of account and other relevant records and documents as referred to in paragraph 3 above, and according to the information, explanations and representations provided to us by the Management of the Company, we certify that the particulars furnished by the Company in the said Statement, read with the notes thereon, are in agreement with the aforesaid books of account and other relevant records and documents maintained by the Company and produced before us.

Restriction on use

8. The certificate is issued at the request of the Company for onwards submission to the Debenture Trustees and should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Deloitte Haskins and Sells LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018



Mukesh Jain
Partner

Membership No. 108262

Place: Mumbai
Date: June 28, 2017

STATEMENT OF CALCULATION OF DEBENTURE REDEMPTION RESERVE (DRR) AS ON MARCH 31, 2017

(Rs. in Crore)

S. No.	Description	Issue Date	Maturity Date	Debenture Outstanding including premium on redemption of debentures	DRR required as per Section 71 of the Companies Act, 2013 (Refer Note 1 below)	Compliance Status
1	2% NCD (YTM 9.73%)	23-Apr-12	23-Apr-17	294.24	72.63	}
2	2% NCD (YTM 9.85%)	09-Dec-09	09-Dec-19	560.84	192.47	
3	9.95% NCD	27-Jul-11	27-Jul-21	250.00	35.48	
4	10.1% NCD	18-Nov-11	18-Nov-21	300.00	40.24	
5	7.85% NCD	20-Jan-17	15-Apr-22	495.00	4.53	
Total (A)				1,900.08	255.36	
Debenture Redemption Reserves ("DRR") as per books of account as on 31 March 2017 (B)					305.97	
Excess Reserves being carried in the books of account (B-A)					50.61	

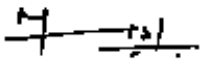
Note 1: The DRR has been calculated at 25% of the value of debentures (including premium on redemption of debentures) using the following formula:

$$\left\{ \begin{array}{l} \text{Outstanding NCDs (including premium on redemption} \\ \text{on} \\ \text{Debentures (where applicable) as on 31 March 2017} \end{array} \right\} \times \frac{\text{No. of Days from Issue date (i)}}{\text{Total Tenor of the NCDs}}$$

Note 2: The balance as per books is Rs. 305.97 crore as on 31 March 2017 which is higher than the amount required as per the formula indicated in Note 1 above.

In terms of our certificate bearing reference MJ/2017-18/23
For Deloitte Haskins & Sells LLP
ICAI Firm Registration No. 117366W/W-100018
Chartered Accountants

For The Indian Hotels Company Ltd.



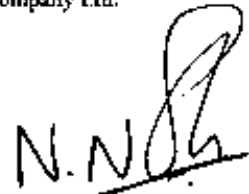
Mukesh Jain
Partner
Place : Mumbai

Date: June 28, 2017





Authorised Signatory
Name : Sumit Bawa
Designation : Associate Vice President - Finance



Name : Nabakumar Shome
Designation : Associate Vice President - Finance

CARE/HO/RI/2016-17/3631

Mr. Sumit Bazaz
Head - Treasury
The Indian Hotels Company Limited
9th Floor, Express Towers,
Barrister Rajni Patel Marg,
Nariman Point,
Mumbai - 400021

11th January 2017

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed medium term non-convertible debenture (NCD) issue aggregating to Rs. 500 crore of your company. The proposed NCDs would have tenure of 5 years and 3 months with bullet repayment in April 2022.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating ¹	Remarks
Proposed Non-Convertible Debenture issue	500 (Rs. Five hundred crore only)	CARE AA+ Stable (Double A Plus; Outlook Stable)	Assigned

- The rationale for the rating will be communicated to you separately.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is Jan 11, 2017).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.


¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

6. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as the NCDs have been placed.
7. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
11. CARE ratings are not recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,


[Priyadarshini Gang]
Manager
priyadarshini.gang@careratings.com


[Pawan Matkari]
Senior Manager
pawan.matkari@careratings.com

Enc.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.



NOVEMBER 08, 2016

**CARE REAFFIRMS THE RATINGS ASSIGNED TO BANK FACILITIES AND INSTRUMENTS OF
THE INDIAN HOTELS COMPANY LIMITED**

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long term Bank Facilities	175	CARE AA+ (Double A Plus)	Reaffirmed
Short term Bank Facilities	30	CARE A1+ (Single A One Plus)	Reaffirmed
Total Facilities	205 (Rupees Two Hundred Five crore only)		
Non- Convertible Debentures	1,286 (1,376) (Rupees One Twelve Hundred Eighty Six crore only)	CARE AA+ (Double A Plus)	Reaffirmed
Compulsorily Convertible Debentures (CCD)	0.00 (1000.00) (Nil)	-	Withdrawn

Rating Rationale

The reaffirmation of the ratings continues to factor in The Indian Hotels Company Limited's (IHCL's) dominant position in the Indian hospitality sector and global presence, strong brand image, and increasing focus on asset light strategy model and hiving off of loss making assets. The ratings also derive comfort from IHCL's established parentage (Tata Group owns 37% equity stake including about 28% held by Tata Sons Ltd and 9% by the Tata Trusts) by virtue of which the company enjoys significant financial flexibility.

The ratings are, however, constrained by the moderate albeit improving performance of some of the overseas properties and cyclical nature of hospitality industry. The ratings also factor in the moderate capital structure and debt coverage indicators of the company. The same is, however, partially mitigated by the equity infusion through conversion of the Compulsorily Convertible Debentures of Rs. 999.91 crore into equity in FY16 and the debt reduction measures undertaken by the company; company has utilized the proceeds realized from the sale of Taj Boston and Belmonde to pare its debt.

Any substantial debt funded acquisition or capital expenditure and any significant change in strategy of pursuing the asset light model remain the key rating sensitivities..

Background

Incorporated in 1903, IHCL is promoted by Tata Sons Limited. It has long-standing operations spanning over 100 years and operates the largest chain of hotels in South Asia. IHCL, its subsidiaries and associates are widely recognised under the umbrella brand name 'Taj Hotels Resorts and Palaces', which has 133 hotels with a room inventory of 16,592 rooms as at March 31, 2016. IHCL has presence across luxury, upper upscale, upscale and value segments of the market through its

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

various brands i.e. Taj Hotels Resorts and Palaces, Vivanta by Taj, Gateway and Ginger, respectively. The group also has presence in air catering, spas, wildlife lodges and service apartments.

In FY16 (refers to the period April 1 to March 31), the company reported a consolidated total operating income and loss after tax of Rs.4,590.92 crore and Rs.37.93 crore as compared with Rs.4,188.64 crore and Rs.347.08 crore, respectively, in the previous year.

Analyst Contact

Name: Mr Pawan Matkari

Tel: 022 - 6754 3529

Cell: +91-992101011

Email: pawan.matkari@careratings.com

Note: Mr Vittaldas Leeladhar, Non-Executive Director on the board of Tata Global Beverages Limited (a Tata group company), is one of CARE's Rating Committee Members. To comply with the regulations, the member has not participated in the rating process and in the rating committee meeting.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com.**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CONTACT

Head Office Mumbai

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 E-mail: amod.khanorkar@careratings.com

Mr. Saikat Roy
 Mobile: + 91 98209 98779
 E-mail: saikat.roy@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
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AHMEDABAD

Mr. Mehul Pandya
 32, Titanium, Prahaladnagar Corporate Road,
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BENGALURU

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 No. 30, M.G. Road, Bangalore - 560 001.
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 Tel: +91-80-4115 0445, 4165 4529
 E-mail: deepak.prajapati@careratings.com

CHANDIGARH

Mr. Sajan Goyal
 SCF No. 54-55,
 First Floor, Phase 11,
 Sector 65, Mohali - 160062
 Chandigarh
 Cell: +91 99888 05650
 Tel: +91-172-5171 100 / 09
 Email: sajan.goyal@careratings.com

CHENNAI

Mr. V Pradeep Kumar
 Unit No. D-509/C, Spencer Plaza, 5th Floor,
 No. 769, Anna Salai, Chennai - 600 002.
 Cell: +91 98407 54521
 Tel: +91-44-2849 7812 / 0811
 Email: vpradeepkumar@careratings.com

COIMBATORE

Mr. V Pradeep Kumar
 T-3, 3rd Floor, Manchester Square
 Puliakulam Road, Coimbatore - 641 037.
 Tel: +91-422-4332399 / 4502399
 Email: vpradeepkumar@careratings.com

HYDERABAD

Mr. Ramesh Bob
 401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
 Hyderabad - 500 029.
 Cell: + 91 90520 00521
 Tel: +91-40-4010 2030
 E-mail: ramesh.bob@careratings.com

JAIPUR

Mr. Nikhil Soni
 304, Pashupati Akshat Heights, Plot No. D-91,
 Madho Singh Road, Near Collectorate Circle,
 Bani Park, Jaipur - 302 016.
 Cell: +91 - 95490 33222
 Tel: +91-141-402 0213 / 14
 E-mail: nikhil.soni@careratings.com

KOLKATA

Ms. Priti Agarwal
 3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
 10A, Shakespeare Sarani, Kolkata - 700 071.
 Cell: +91-98319 67110
 Tel: +91-33- 4018 1600
 E-mail: priti.agarwal@careratings.com

NEW DELHI

Ms. Swati Agrawal
 13th Floor, E-1 Block, Videocon Tower,
 Jhandewalan Extension, New Delhi - 110 055.
 Cell: +91-98117 45677
 Tel: +91-11-4533 3200
 E-mail: swati.agrawal@careratings.com

PUNE

Mr. Pratim Banerjee
 9th Floor, Pride Kumar Senate,
 Plot No. 970, Bhamburda, Senapati Bapat Road,
 Shivaji Nagar, Pune - 411 015.
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ICRA

The Indian Hotels Company Limited

Instrument	Rated Amount (Rs. Crore)	Rating Action
Non-Convertible Debentures ^[1]	1,600	[ICRA]AA (Stable) reaffirmed
<i>[1] Comprises of six NCDs with outstanding amounts of Rs. 300 crore, Rs. 250 crore, Rs. 250 crore, Rs. 200 crore, Rs. 150 crore and Rs. 136 crore</i>		

ICRA has reaffirmed the long-term rating of [ICRA]AA (pronounced ICRA double A) to the Rs. 1,600 crore¹ Non-Convertible Debenture programme of The Indian Hotels Company Limited ('IHCL' or 'the company')[†]. The outlook on the long-term rating is 'Stable'.

ICRA is closely monitoring the developments at the shareholders' level of the company. Any development in this regard, which may have an impact on the credit profile of the company, would remain a rating sensitivity.

The reaffirmation of long-term rating factors in IHCL's dominant position in the Indian hotel industry and the established 'Taj' brand name. IHCL has a well diversified hotel portfolio, across geographical locations (India and overseas), business segments and price points. The rating also favourably factors in the recent uptick in the operating environment in the domestic hospitality industry, as supply additions slowed down across several key markets in the country, even as demand momentum picked up. IHCL has enjoyed continued support from the Tata group in the form of regular equity infusion to meet various investment and debt repayment obligations, while it continues to enjoy considerable financial flexibility with its lenders.

The Indian hospitality industry, which had experienced a prolonged downturn during FY2009-FY2015 because of excess supply in several key markets in India, posted moderate improvement – measured by Revenue per Available Room (RevPAR) – during FY2016 driven by improvement in occupancy. However, over the past couple of years (FY2015-FY2016), slowdown in the pace of supply additions coupled with robust growth in demand for rooms bolstered occupancy levels. Nevertheless, Average Room Rates (ARRs) remained flat and continued to remain subdued on account of down-trading by corporate clients and sizeable supply pipeline in some of the markets. Going forward, with growth in supply additions expected to be moderate and demand expected to remain robust, improvement in ARR is expected over the next 12-18 months; this would be key to improvement in IHCL's credit profile.

The rating, however, is constrained by the stretched consolidated capital structure and debt coverage indicators. The company has high revenue and profit concentration on luxury properties in Mumbai and New Delhi. There is currently an uncertainty on extension of license of one of its hotels in Delhi and any adverse outcome arising out of this matter could negatively impact the financial profile of the company.

IHCL's consolidated performance has historically been dragged down by the weak performance in some of its key overseas properties, particularly in the United States of America (the USA). While the company has, during YTD FY2017, sold one of its US properties (Taj Boston) for US\$ 125 million (retaining the operations of the hotel through a management contract) and has used bulk of the proceeds to repay debt in the US subsidiary, the other two US properties – especially The Plaza, New York – continue to remain a concern for IHCL as they post losses; ICRA expects IHCL to continue to support the US subsidiary over the medium term. The performance metrics of these properties would remain a key rating sensitivity, going forward. Further, considerable loss from diminution of its investments in Belmond Limited (erstwhile Orient-Express Limited) has been constraining IHCL's profitability (as measured by Return on Capital Employed-RoCE).

The consolidated capital structure of the company – which had witnessed some improvement during FY2015 aided by the rights issue of Rs. 999.91 crore Compulsorily Convertible Debentures (CCDs) in August 2014 and repayment of debt of -Rs. 550 crore from the proceeds thereof – deteriorated in FY2016 as the company brought the 'Sea Rock' asset and the related debt of Rs. 750 crore under its books. The consolidated debt levels increased from Rs. 4,077 crore as of March 31, 2015 to Rs. 4,783 crore as of March 31, 2016 and gearing stood stretched at 1.21x (PY: 1.04x) as of March 31, 2016.

¹ 100 lakh=1 Crore= 10 million

[†] For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications



ICRA

IHCL's debt coverage indicators continue to remain stretched as of March 31, 2016, with Total Debt/OPBDITA of 7.65x (PY: 8.25x) and Net Cash accruals/Total Debt of 5% (PY: -1%). Interest coverage remains moderate at 2.54x (PY: 2.82x). However, ICRA favourably factors in the recent reduction in debt levels to the tune of ~Rs. 1,000 crore (consolidated debt levels estimated at ~Rs. 3,800 crore as of September 30, 2016 – a eight year low) using the proceeds from the sale of Taj Boston and the stake sale of Belmond Limited.

While ICRA notes that the management has continued on its stated policy of future growth largely via the asset-light strategy of management contracts, thereby limiting capital expenditure, it also notes that the development of the Sea Rock asset could entail significant capital outlays, though the timelines and funding mix for the same has not yet been finalized by the management. ICRA would review the impact of these investments, as and when there is further clarity on this project.

About the Company

Incorporated, in 1902, by Jamshed N. Tata of the Tata group, IHCL is India's largest hospitality company. IHCL and its subsidiaries are collectively known as the 'Taj Hotels, Resorts and Palaces'. Taj Hotels Resorts and Palaces comprises of 136 hotels at over 60 locations across India and ten countries (Maldives, Nepal, Zambia, Malaysia, United Kingdom, United States of America, Bhutan, Sri Lanka, South Africa, and the Middle East). IHCL's total room inventory which stood at 15,658 rooms and 130 hotels as of March 31, 2015 increased to 16,759 rooms and 136 hotels as of March 31, 2016. The company proposes to add 10 properties (including one expansion of existing hotel) with 926 rooms during FY2017; of these planned additions only one (75 keys property at Andamans) property is being developed directly under IHCL, while the remaining are being developed through subsidiaries and management contracts.

The Taj Hotels Resorts and Palaces is grouped into four distinct business segments - Luxury (Taj Mahal/Exotica)², Upper Upscale (Vivanta), Upscale (Gateway), and economy/budget (Ginger) - to provide consistency across the different hotels and standardise products and services. Largely of these, the luxury properties in metro and key leisure destinations are in the books of IHCL while the rest are held through subsidiaries and associates. The Group also operates a number of properties on pure management contracts, a business model which is expected to increase significantly over the medium term.

Recent Results

IHCL, during Q1, FY2017, reported 6.4% y-o-y growth in standalone revenues to Rs. 474.47 crore with a total comprehensive income/(loss) of Rs. (5.90) crore (PY: total comprehensive income/(loss) of Rs. (5.95) crore). On a consolidated basis, for Q1 FY2017, IHCL reported 5.6% y-o-y growth in revenue to Rs. 946.63 crore with a Concern Share (Profit/(Loss) after tax, non-controlling interest and share of profit/loss in Associates/Joint Ventures) of Rs. (169.45) crore (PY: Concern Share of Rs. (72.39) crore). These results have been reported as per Indian Accounting Standards (Ind-AS).

For the full year FY2016, as per Indian GAAP based reporting, IHCL (standalone) posted operating income of Rs. 2,273.70 crore (PY: Rs. 2,024.38 crore) and profit/(loss) after tax of Rs. 201.24 crore (PY: profit/(loss) after tax of Rs. (82.02) crore). For full year FY2016, IHCL (consolidated) posted net sales of Rs. 4,590.92 crore (PY: Rs. 4,188.64 crore) and a Concern Share of Rs. (60.53) crore (PY: Concern Share of Rs. (378.10) crore).

October 2016

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²Some Taj Luxury hotels are The Taj Mahal Palace & Tower (Mumbai), Taj Lands End (Mumbai), The Taj Mahal Hotel (New Delhi), The Taj West End (Bangalore), Taj Coromandel (Chennai), Taj Krishna (Hyderabad), The Pierre (New York)



ICRA

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MJ/2017-18/10

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AUDITORS' CERTIFICATE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. MJ/2016/55 dated September 12, 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration Number 11736W/W-100018), Statutory Auditors of The Indian Hotels Company Limited (the "Company") having its registered office at Mandlik House, Mandlik Road, Mumbai 400 001, have verified the audited financial statements and other relevant records and documents maintained by the Company in the ordinary course of its business, to perform assurance procedures on the accompanying Statement of Ratios and Other Information as at March 31, 2017 (the "Statement"), prepared by the Management, which is attached to this certificate and signed by us for identification purposes, for submission to the debenture trustees of the following Secured and Unsecured Redeemable Non-Convertible Debentures ("NCDs") :

Secured:

- a) 7.85% Non-Convertible Debentures ₹ 495 crore
- b) 10.10% Non-Convertible Debentures ₹ 300 crore
- c) 9.95% Non-Convertible Debentures ₹ 250 crore

Unsecured:

- a) 2% Non-Convertible Debentures ₹ 250 crore
- b) 2% Non-Convertible Debentures ₹ 200 crore

Management's Responsibility

3. The Management of the Company is responsible for the preparation of the Statement from the audited standalone financial statements and other records maintained by the Company as at and for the year ended March 31, 2017. This includes collecting, collating and validating data and presentation thereof in the Statement and the design, implementation and maintenance of internal control relevant to the preparation of financial information that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Statement on the basis of the audited standalone financial statements for the year ended March 31, 2017 and other relevant records and documents maintained by the Company and produced before us.
5. The standalone financial statements as of and for the year ended March 31, 2017 have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 26, 2017. Our audit of these financial statements were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards

**Deloitte
Haskins & Sells LLP**

require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

6. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).
7. 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.

Opinion

8. Based on our examination, as above, and according to the information and explanations provided to us by the Management of the Company, we are of the opinion, that the particulars furnished by the Company in the said Statement, read with and subject to the notes thereon, have been derived from the audited books of account and other relevant records and documents maintained by the Company and the correctness of the arithmetical accuracy of the Ratios contained in the attached Statement which is signed by us for identification purposes.

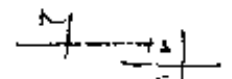
Restriction on use

9. The Statement has been prepared by the Company for submission to the debenture trustees of the above mentioned NCDs. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the information and use of the debenture trustees and the Board of Directors of the Company and is not intended to be and should not be used by anyone other than these specified parties without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Deloitte Haskins and Sells LLP

Chartered Accountants

ICAI Firm Registration No. 117366W/W-100018



Mukesh Jain

Partner

Membership No. 108262

MUMBAI, May 26, 2017

The Indian Hotels Company Limited
Statement of Ratios and Other Information as at March 31, 2017

Particulars	Reference	March, 2017
1. Debt Equity Ratio	Note 1	0.78
2. Interest Service Coverage Ratio (ISCR)	Note 2	3.52
3. Debt service coverage ratio (DSCR)	Note 3	0.84
4. Asset Coverage Ratio	Note 4	2.09
5. Net Worth (in Rs. crore)	Note 5	2,258.65
6. Profit After Tax (PAT) (in Rs. crore)	Audited Standalone Financial Statements	141.94
7. Debenture Redemption Reserve (DRR) (in Rs. crore)	Audited Standalone Financial Statements	305.97
8. Earning Per Share (EPS) - Basic (Rs. per share)	Audited Standalone Financial Statements	1.43
9. Earning Per Share (EPS) - Diluted (Rs. per share)	Audited Standalone Financial Statements	1.43

In terms of our certificate bearing reference MJ/2017-18/10
For Deloitte Haskins & Sells LLP
Chartered Accountants

M 12/17

Name : Mukesh Jain
Partner
Place : Mumbai
Date : May 26, 2017



For The Indian Hotels Company Ltd.

N. N. N.

Sunil Bhanu

Authorized Signatory

Workings for Ratios :

Note 1 Computation of Debt Equity Ratio

Particulars		Amount (Rs. in crore)
Total Debt		
Long Term Borrowings		1,494.54
Current maturities of long-term borrowings		547.13
Short Term Borrowings		7.31
Total Debt (A)		2,048.98
Equity Share Capital		98.93
Other Equity		2,516.97
Total Equity (B)		2,615.90
Debt - Equity Ratio (A / B)	Total Debt Total Equity	2,048.98 2,615.90
Debt - Equity Ratio		0.78

Footnote:

1. Long Term Borrowings include accrued premium upto March 31, 2017 of Rs. 289.60 crore.



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Note 2 Computation of Interest Service Coverage Ratio

Particulars	Amount (Rs. in crore)	Amount (Rs. in crore)
Profit Before Tax	258.85	
Provision for Impairment in value of long term investments	64.33	
Interest Expense (Net)	188.60	
Depreciation	151.29	
Earning Before Interest And Tax		663.07
Interest Expense (Net)	188.60	
Interest for calculation of coverage ratio		188.60
Interest Coverage Ratio =	$\frac{\text{EBIT}}{\text{Interest}}$	$\frac{663.07}{188.60}$
Interest Service Coverage Ratio		3.52



Note 3 Computation of Debt Service Coverage Ratio

Particulars	Amount (Rs. in crore)	Amount (Rs. in crore)
Net Operating Income		
Profit Before Tax	258.85	
Provision for Impairment in value of long term investments	64.33	
Interest Expense (Net)	188.60	
Depreciation	151.29	
Net Operating Income		663.07
Debt Service		
Interest Expense (Net)	188.60	
ECB Repayment	216.77	
Principal Repayment of Debenture	286.00	
Others	100.09	
		791.46
Debt Service Coverage Ratio = $\frac{\text{Net Operating Income}}{\text{Debt Services}}$		$\frac{663.07}{791.46}$
Debt service coverage ratio (DSCR)		0.84



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Note 4 Computation of Asset Coverage Ratio

Particulars	Amount (Rs. in crore)	Amount (Rs. in crore)
Secured Debentures		
10.10% Non-convertible debentures	300.00	
9.95% Non-convertible debentures	250.00	
7.85% Non-convertible debentures	495.00	1,045.00
Interest Accrued but not due		35.58
Total dues to debenture holders		1,080.58
Asset Cover available		
Net Block of Property, Plant and Equipment, Intangible assets and Capital work in progress)	2,294.60	
Less: Intangible Assets	(38.12)	
Less: Intangible Assets under development	(0.03)	2,256.45
Asset Coverage Ratio - Asset Coverage available		2,256.45
Total dues to debenture holders		1,080.58
Asset Coverage Ratio		2.09

Footnote:

1. Property, Plant and Equipment includes Residential Flats, Hotel Properties/Land with Building, Plant and Machinery, Furniture Fixtures and other equipment's, vehicles and work-in-progress as per First Schedule to Debenture Trust Deeds dated October 19, 2011, February 9, 2012 and April 20, 2017



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Note 5 Computation of Net Worth

Particulars	Amount (Rs. in crore)
Paid up share Capital	98.93
Free Reserves as per Audited Standalone Financials (see footnote)	2,197.87
SUB TOTAL (A)	2,296.80
Other Intangible Assets	38.15
SUB TOTAL (B)	38.15
Net worth (A) - (B)	2,258.65

Footnote:

(a) Free Reserves as per the Standalone balance sheet :

Particulars	Amount (Rs. in crore)
Capital Reserve	43.91
Securities Premium Reserve	1,230.65
General Reserve	459.99
Retained Earning	156.23
Capital Redemption Reserve	1.12
Debenture Redemption reserve	305.97
Free Reserves (excluding revaluation reserve) as per balance sheet	2,197.87

(b) Definition of Net Worth

As the definition of "Net Worth" in section 2(57) of the Companies Act, 2013, includes balances in paid up capital, securities premium and free reserves, the balance in the securities premium account has been included in the computation of Net Worth of the Company as at March 31, 2017.



Signature
N. N. S.