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November 13, 2017

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 500850

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Symbol: INDHOTEL

Kind Attn: **Mr. S. Subramanian**
DCS- CRD

Dear Sirs,

Further to our letter of date, intimating the Financial Results of the Company for the quarter/half year ended September 30, 2017, enclosed is a copy of the investors / analyst presentation on the performance of the Company for quarter/half year ended September 30, 2017 for your records.

Kindly acknowledge receipt.

Yours sincerely,

BEEJAL DESAI
Vice President - Legal & Company Secretary

Encl: a/a

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The Indian Hotels Company Limited

Analyst Meet

Results for the Period ended September 30, 2017

November 13, 2017

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Disclaimer

These presentations may contain forward-looking statements within the meaning of applicable securities laws. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties and other factors that may cause actual results to differ materially from those anticipated at the time the forward-looking statements are made. Future results, performance and achievements may be affected by general economic conditions, regulatory environment, business and financing conditions, foreign exchange fluctuations, cyclicality and operating risks associated with the hospitality industry and other circumstances and uncertainties.

Although we believe the expectations reflected in such forward looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained or that results will not materially differ. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise

Please visit our corporate website **www.tajhotels.com** for previous investor communications

Agenda

- Industry Overview & Executive Summary – Mr. Puneet Chhatwal, MD & CEO
- Market Trends / Sales & Marketing Initiatives - Chinmai Sharma, Chief Revenue Officer
- Summary Financials & Treasury Update - Giridhar Sanjeevi, Chief Financial Officer
- Q&A

Industry Overview & Executive Summary

- At the end of 2016 - International travel and tourism arrivals grew by about 4% globally. The growth rates have been positive in most areas except Middle East where demand growth was uneven
  - Asia Pacific (+8%)
  - Europe (+2%)
  - America (+4%)
  - Africa (+8%)
  - Middle East (-4%)
- In India for H1 – the room demand growth rates continue to outpace new supply growth rate resulting in an all India occupancy level north of 60% for the last many quarters. Most cities saw a healthy increase in demand and there were no key markets lagging in RevPAR performance over LY.

Source : WTTC, UNWTO, STR

Q2 FY2018 Highlights

Standalone

- ↓ Revenue marginally declined over the previous year.
- ↑ EBITDA grew on the back of lower expenses, EBITDA margins at 15.03% showed an increase of 1.63 pp.
- ↓ Loss reported at the PAT level due to write downs.

Consolidated

- ↓ Revenue and EBITDA declined mainly due to renovations impact and currency depreciation of USD & GBP.
- ↓ Loss widened at PAT level due to one time gains in the previous year.

H1 FY2018 Highlights

Standalone

↑ Revenue increased by 3% over the previous year.

↑ EBITDA grew at a very healthy 14%, EBITDA margins at 15.23% showed an increase of 1.47 pp.

↓ Loss reported at the PAT level due to write downs.

Consolidated

↓ Reported Revenue and EBITDA declined by 4% and 12% respectively.

↑ Like for Like basis Revenue grew by 1% and EBITDA increased by 10%.

↑ Loss reduced at PAT level due to higher write downs in the previous year.

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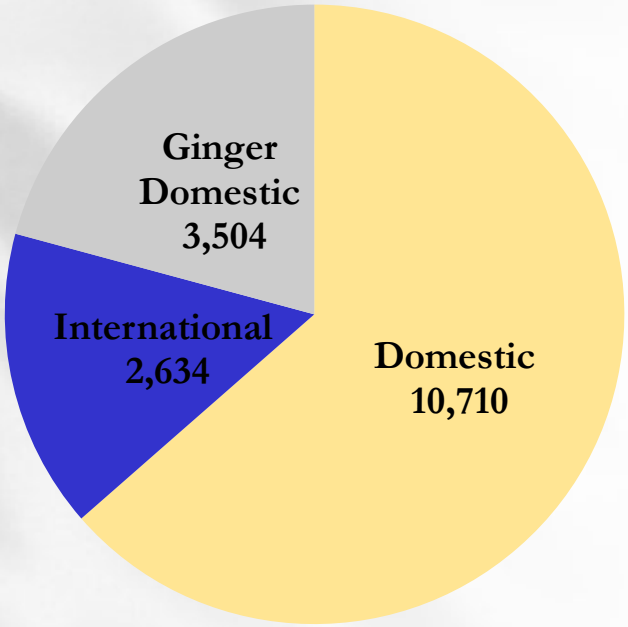
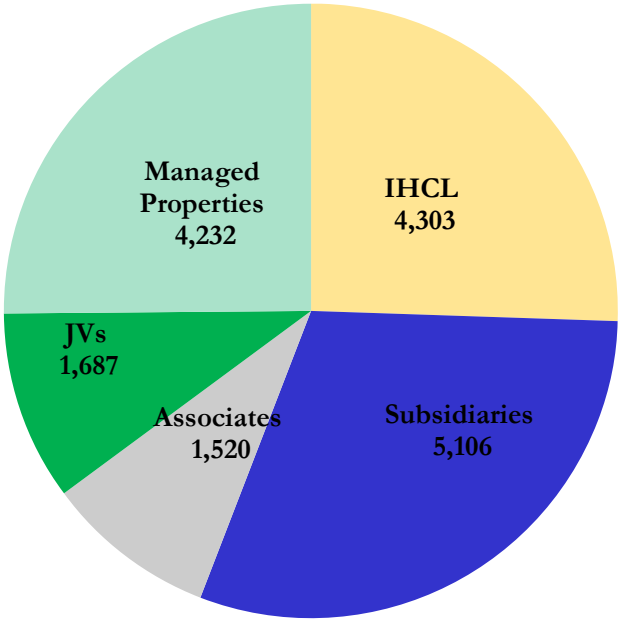
Taj Group Inventory

Existing Inventory

Geography wise



Legal Entity wise



- As at September 30, 2017, the Taj Group has **137 hotels** with **16,848 rooms.**

Recently opened hotels and upcoming development
Next 12 months

Hotel	Company	Rooms
Havelock, Andamans	IHCL	75
Udaipur	Management Contract	125
Rishikesh	Management Contract	79
Shimla (Theog)	Management Contract	95
Ginger		
Ahmedabad – Satellite (*Opened in May 2017*)	Management Contract	36
Ahmedabad - SG Highway(*Opened in May 2017*)	Management Contract	44
Mumbai (Telli Gali) *(Opened in July, 2017)*	Roots Corporation	142
Gurgaon *(Opened in August, 2017)*	Management Contract	90
Lucknow	Roots Corporation	72
Aurangabad	Roots Corporation	64
Surat	Management Contract	94
	11 Hotels	**916**

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Market Trends / Sales & Marketing Initiatives

All India Hospitality Overview: H1 2017-18 v/s 2016-17

Market Dynamics

- Supply Growth +3.0%
- Demand Growth +5.7%

All India Hotels' Performance

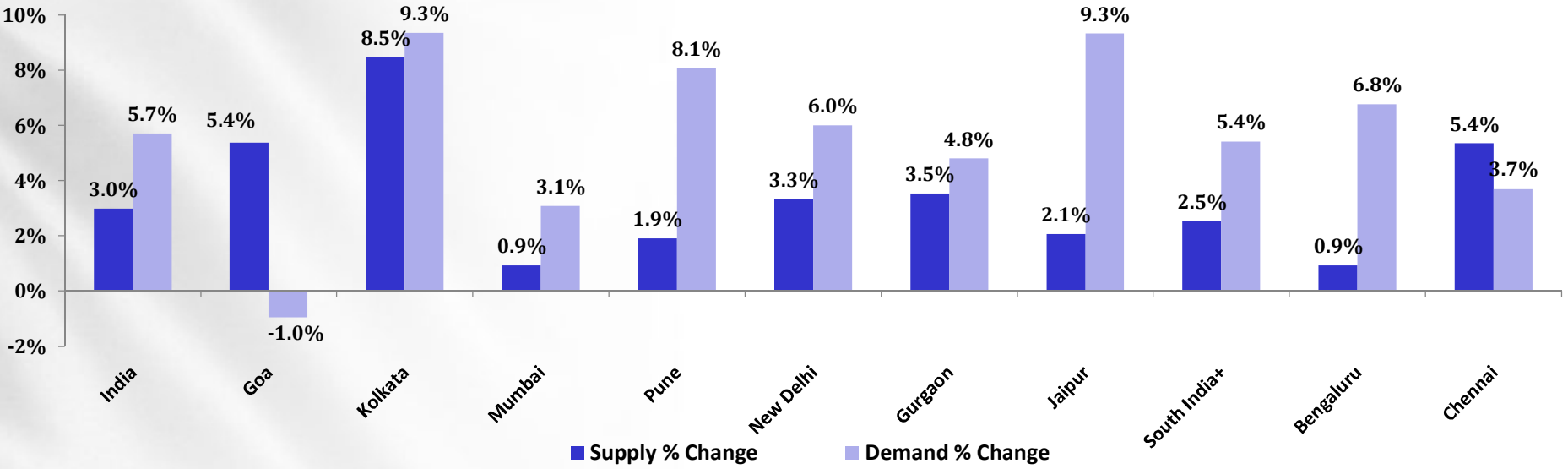
- Occupancy 62% (+2.6%)
- Avg. Room Rate ₹ 5,253 (+2.0%)
- RevPAR ₹ 3,268 (+4.7%)

Key Markets

- Growing Markets: Ahmedabad, Jaipur, Chandigarh, Pune, Hyderabad, Bengaluru, Mumbai, New Delhi, Chennai, Kochi, Goa, Kolkata, Gurgaon
- Lagging Markets: NIL

Source : STR Global

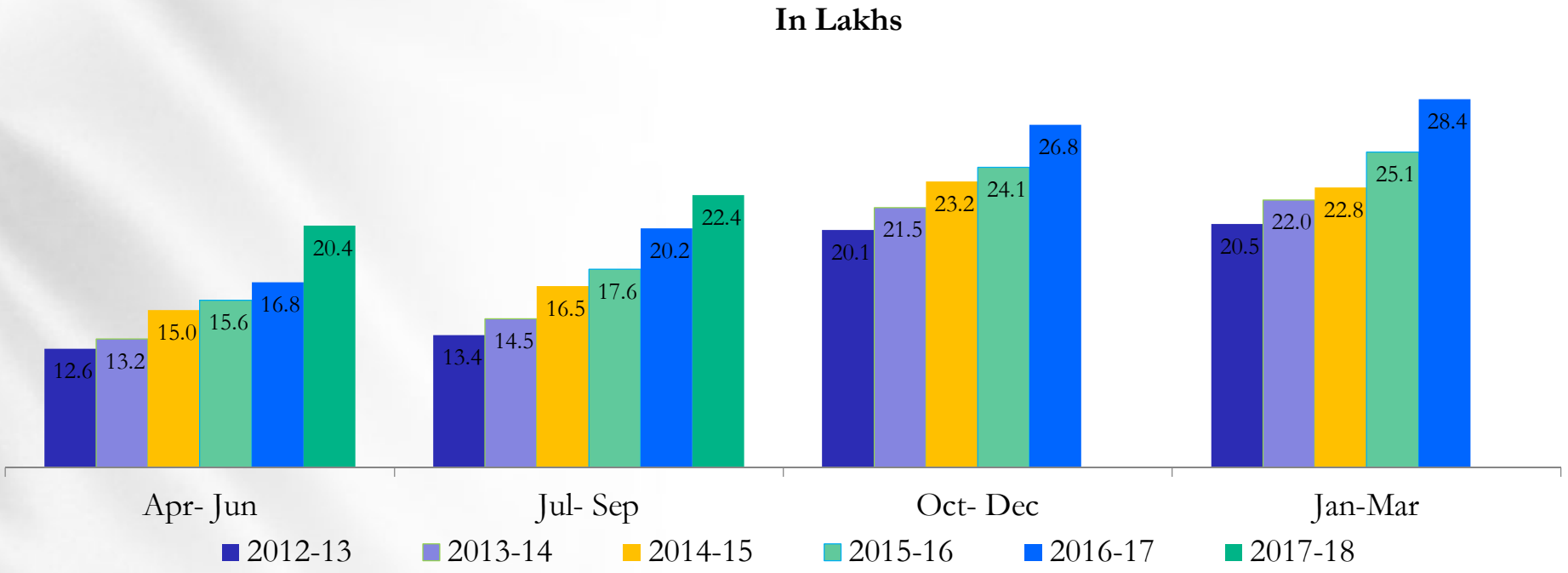
All India Hotel Performance – Key cities
H1 (2017-18) v/s H1 (2016-17)



- There has been overall a **3 % increase in Supply** in H1 (2017-18) as compared to the same period last year.
- **Demand growth has been 5.7 %** for this period however the **supply – demand gap is still significant** in most cities which impacts hotel industry Occupancy and ARRs.

Source : STR Global

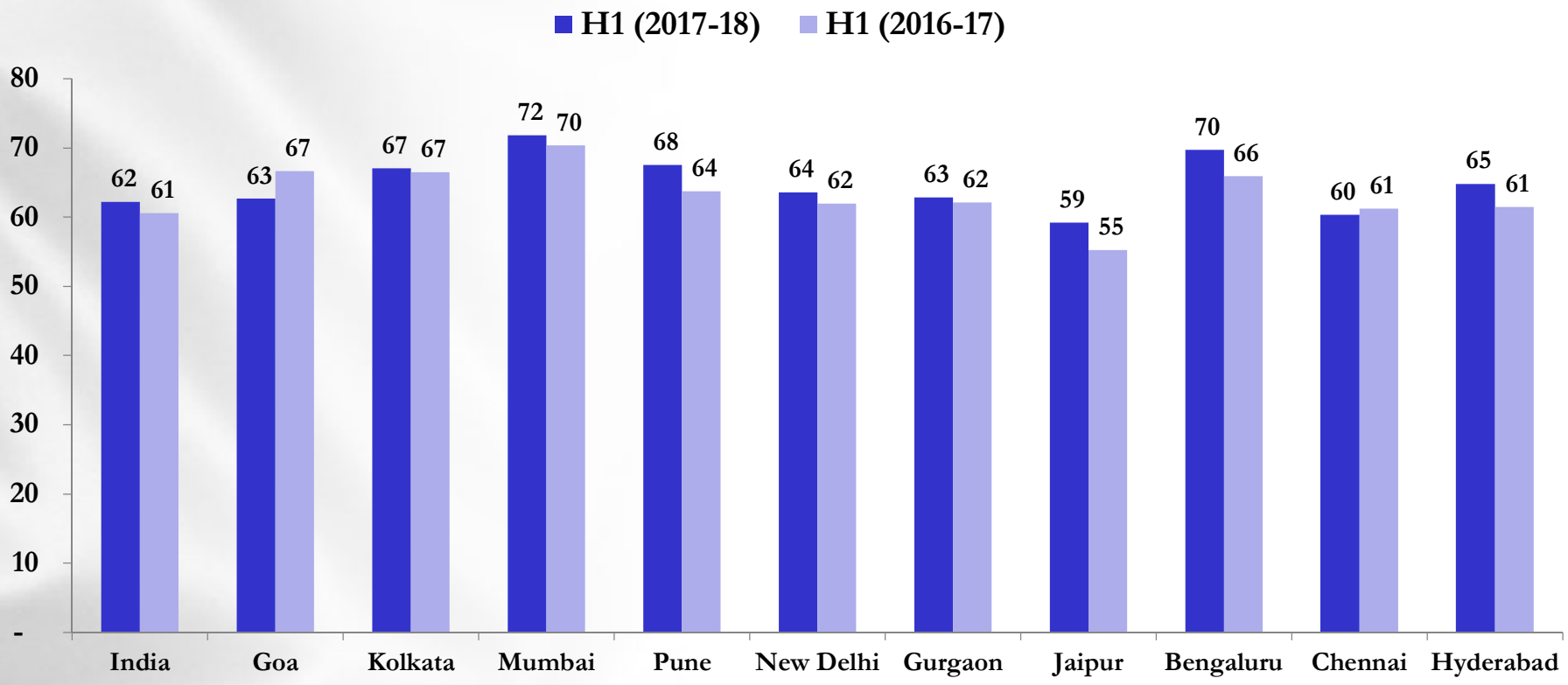
Foreign Tourist Arrivals in India



- Foreign tourist arrivals in India have shown growth in each quarter for past 6 years .
- Foreign tourist arrivals during the period H1 (2017-18) were 42.75 lakh with a growth of 16%, as compared to the FTAs of H1 (2016-17) 36.99 lakh which had a growth of 11% compared to H1 (2015-16).

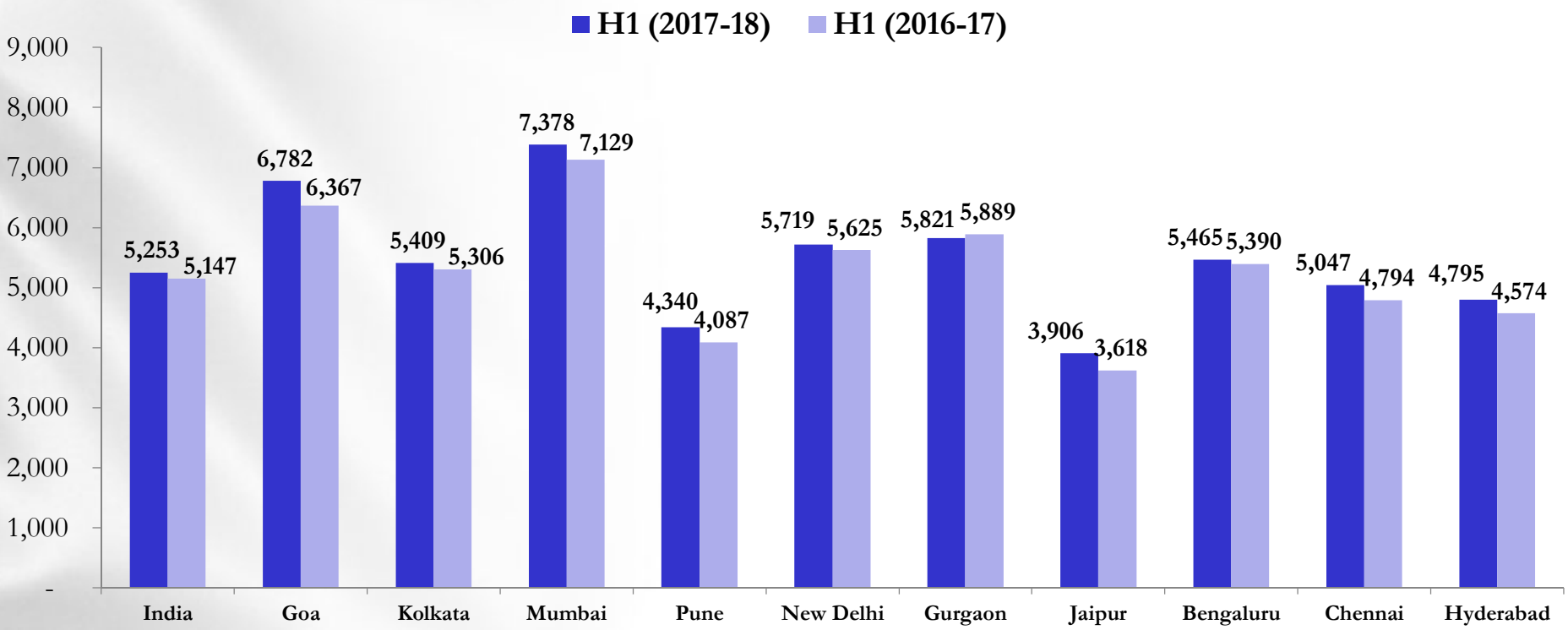
Source : Ministry of tourism India

Industry Occupancies % – Year on Year Trend
H1 (2017-18) v/s H1 (2016-17)



Source : STR Global

Industry ARR– Year on Year Trend
H1 (2017-18) v/s H1 (2016-17)



Source : STR Global

Sales & Marketing Initiatives

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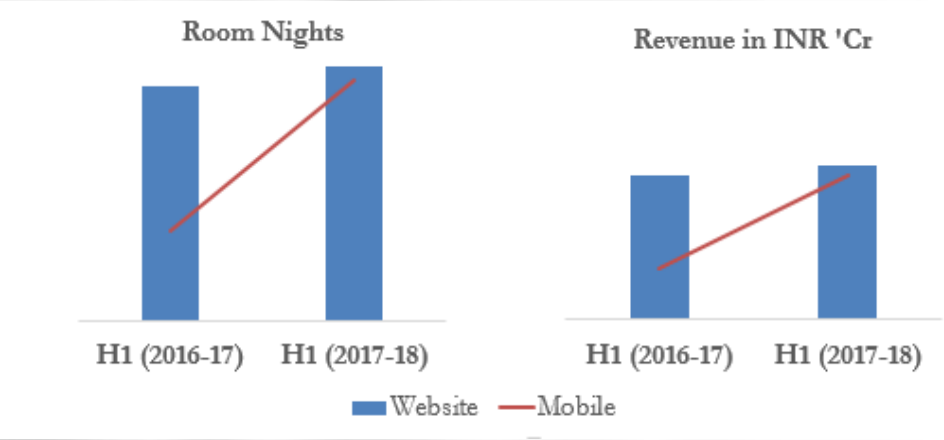
Sales & Marketing Initiatives

- Digital-Performance
- Loyalty Update
- Tajness Roll Out
- PR Campaigns
- Awards & Accolades

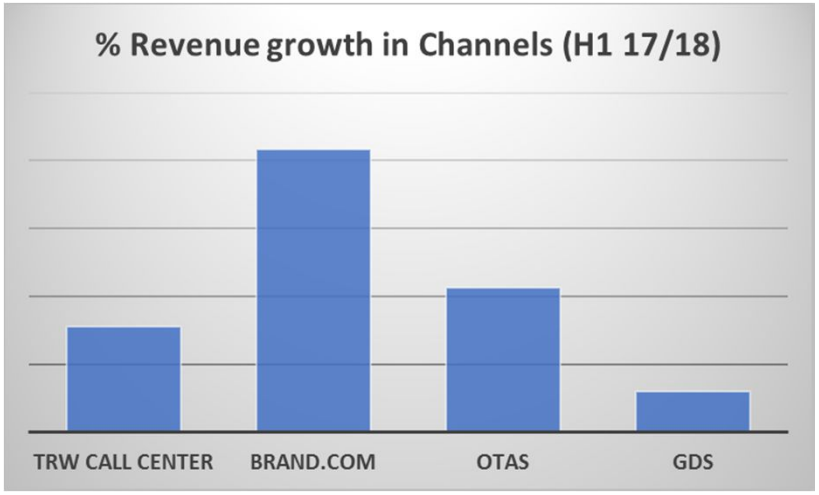
Digital-Performance



Increase H1 (2017-18) vs H1 (2016-17)		
	Room Nights	Revenue
Website Performance	26%	22%

Website/Mobile Booking Details

- Overall gross website Booking Revenue has increased by 22% for H1(2017-18) when compared H1(2016-17)
- Mobile Revenue alone up by over 184%
- Recently launched multi lingual websites in German, French, Spanish, Simplified Chinese



Social Media Update

Taj Hotels – Community Size

1,074,572 134,132 243,888

= 1.45 Million

79 Klout Score

Awards Won by Taj.Live (Social Media Command Center)

- National Award for Marketing Excellence by CMO Asia
- Tata Brand Excellence Award for Communication
- Tata Innovista 2017 Finalist

Loyalty Update

Member base has increased 39% as on Sep'17 v/s Sep'16

Consumer loyalty revenue has grown by 18% H1 FY 17-18 v/s H1 FY 16-17

Active member % has increased by 10% H1FY17-18 v/s H1FY16-17 through various lifecycle campaigns

Loyalty contribution as % of revenue has increased to healthy double digit contribution

Shangri La-Warmer Welcomes enrollments have increased 4.3X since start in March'17

Tajness Roll Out – Bekal & Coorg

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Tajness Roll Out – Taj City Centre Gurugram & Taj Holiday Village Resort & Spa, Goa

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PR - Brand Highlights

Forbes India

Mumbai's Taj Mahal hotel joins global league, acquires image trademark

WHAT'S IN IT? A trademark identifies the brand owner of a particular product or service and serves as badge of origin

Manwata Kohli
manwata.k@htcm.com

NEW DELHI: Hotel Taj Mahal may be set to join the big league of buildings that have an image trademark, the likes of Empire State Building in New York, Burj Khalifa Dubai, Eiffel Tower in Paris and Sydney Opera House etc. But first what exactly is an image trademark and what is the benefit of acquiring it?

A trademark is a recognisable sign, design, expression which identifies products or services of a particular source from those of others.

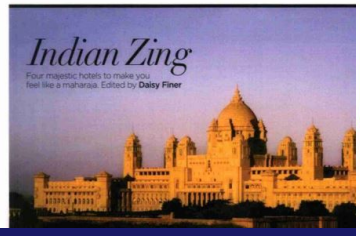
In layperson terms, a trademark identifies the brand owner of a particular product or service and serves as a badge of origin. The trademark owner can be an individual, business organisation or any legal entity. According to a law firm, lawyer Sudip Mullick, partner, Khaitan & Co., "The owner of a trademark upon registration thereof, is entitled to the exclusive use of the mark and prohibit the use of the mark by others upon or in relation their goods or services. The exclusivity is with a view to protect the misappropriation of the goodwill and reputation associated with the to register the building as a trademark if the structure of the building is distinctive, associated with the owner in such a manner so as to be capable of distinguishing any product or services upon or in relation to which it is used as those originating from the owner of such building."

Has Taj Mahal hotel got its image trademark? According to legal luminaries, there appear to be at least three applications for images of various aspects of the hotel building, one of which is pending and two of which have proceeded to registration. While no objections were raised by the Trade Marks Registry office (TMR) with respect to the two registered marks during the examination stage, an objection as to non-distinctiveness has been raised in the third application. The trademark registration application is still pending, confirms Mullick.

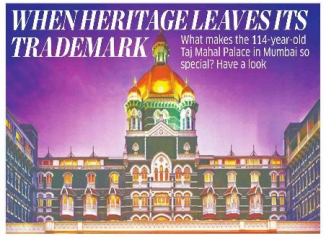
But how much time does it typically take from the time one applies to the time one acquires it. According to Nishant Vedkarni – Associate Partner, Khaitan & Co, "In the event that there are no objections raised by the TMR in the course of the examination process the registration process

The Taj Mahal hotel in Mumbai

Hindustan Times



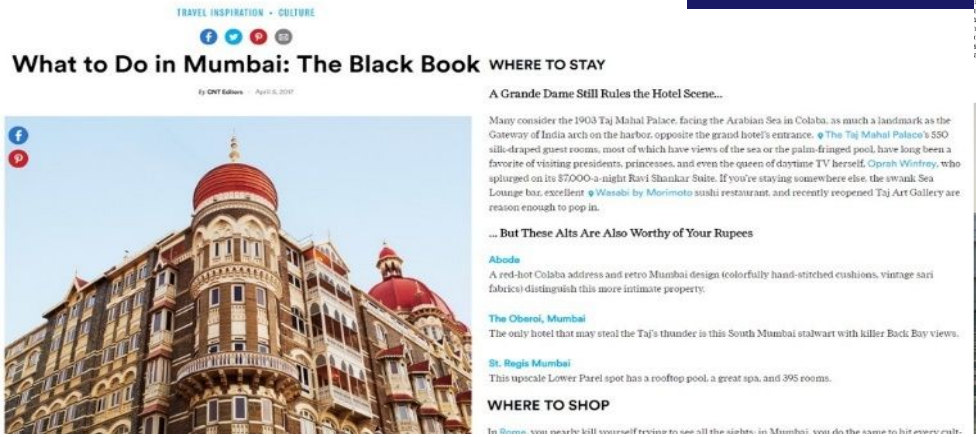
Country & Town House UK



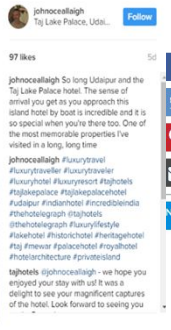
ET Panache

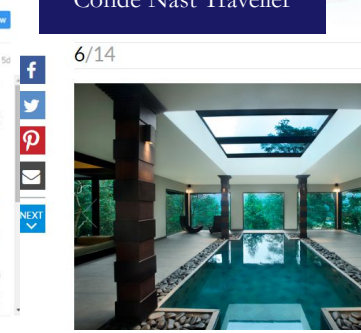
CONDÉ NAST
Traveler

Conde Nast Traveler US



The Telegraph UK





Conde Nast Traveller

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PR - Cover Stories

Awards & Accolades

BUSINESS TRAVELLER UK AWARDS

Best Business Hotel Chain in India: Taj Hotels Palaces Resorts Safaris

GALLUP GREAT WORKPLACE AWARD

Taj Hotels Palaces Resorts Safaris received the prestigious GALLUP Great Workplace Award 2017. A six-time winner of the award – Taj is the only Indian Hospitality Company in the list - Taj has claimed a position at the top amongst some of the best organizations across industries. These organizations have set the global standard for what it means to be a great workplace.

DUN & BRADSTREET CORPORATE AWARDS

IHCL awarded 'Best Hotel Company' at the Dun and Bradstreet Corporate awards

ALL INDIA INVESTOR RELATIONS AWARD

IHCL received the Best All India Investor Relations Award in the category of large-cap companies

BUSINESS TODAY BEST COMPANIES TO WORK FOR SURVEY

Taj Hotels Palaces Resorts Safaris awarded Best Company to Work for in Hospitality

TRIPADVISOR CERTIFICATES OF EXCELLENCE

93 hotels of Taj Hotels Palaces Resorts Safaris have been awarded TripAdvisor® Certificates of Excellence over a period of seven years for excellence in hospitality and its commitment towards delivering unmatched, signature experiences.

CONDÉ NAST TRAVELER US READERS' CHOICE AWARDS

50 Best Hotels in the World include:

Rambagh Palace, Jaipur **I** Umaid Bhawan Palace, Jodhpur **I** Taj Diplomatic Enclave, New Delhi

Awards & Accolades

Top 20 Hotels in India include:

Rambagh Palace, Jaipur **I** Umaid Bhawan Palace, Jodhpur **I** Taj Diplomatic Enclave, New Delhi **I** Taj Falaknuma Palace, Hyderabad **I** Taj Jai Mahal Palace, Jaipur **I** Taj Lake Palace, Udaipur **I** The Taj Mahal Palace, Mumbai

Top hotels across the UK, Africa, Asia, USA and the **Middle East** include:

Taj 51 Buckingham Gate Suites & Residences, London **I** Taj Cape Town, South Africa **I** Taj Dubai **I** Taj Tashi, Thimphu, Bhutan **I** The Pierre, A Taj Hotel, New York

CONDE NAST TRAVELLER UK – READERS' TRAVEL AWARDS

The World's Top 100 Hotels include:

Taj Lake Palace, Udaipur, **I** Rambagh Palace, Jaipur **I** The Taj Mahal Palace, Mumbai **I** Taj Falaknuma Palace, Hyderabad

Best Overseas Business Hotels include: The Taj Mahal Palace, Mumbai

Best Hotels in Asia and the Indian Subcontinent include:

Taj Lake Palace, Udaipur **I** Rambagh Palace, Jaipur **I** Taj Falaknuma Palace, Hyderabad

TRAVEL+LEISURE WORLD'S BEST AWARDS

The Top 100 Hotels in the World include: Rambagh Palace, Jaipur

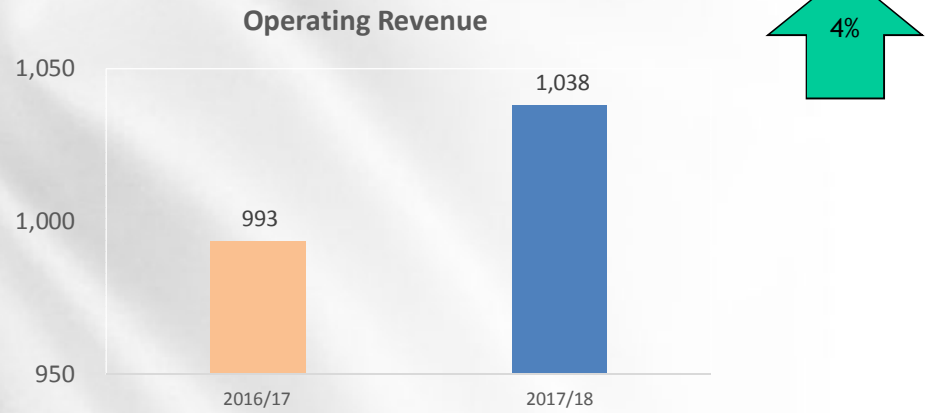
ROBB REPORT 'BEST OF THE BEST' AWARDS

Meghauli Serai, A Taj Safari Lodge, Chitwan National Park, Nepal recognized as the 'Best of the Best' in the category for Luxury Lodges

Standalone Financial Performance for the Half Year ended September 30, 2017

IHCL Standalone Key Indicators for Half Year ended September 30, 2017

₹/crores



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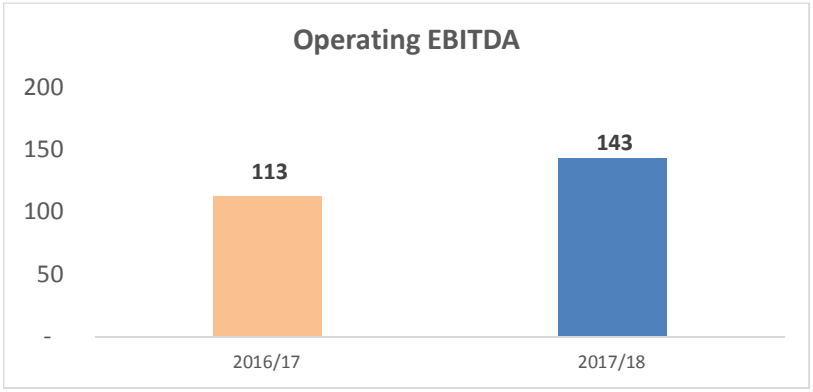

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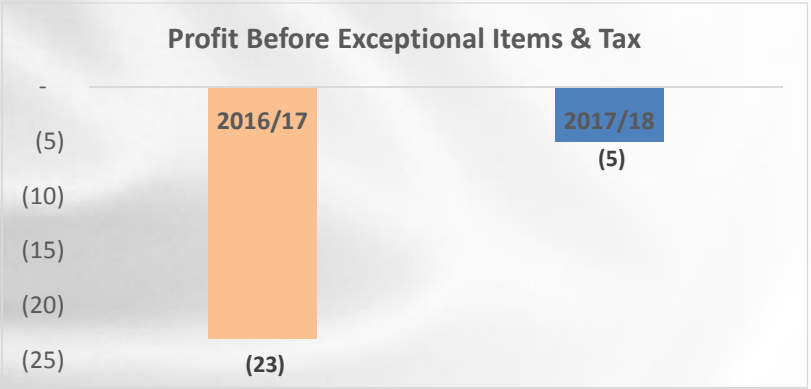
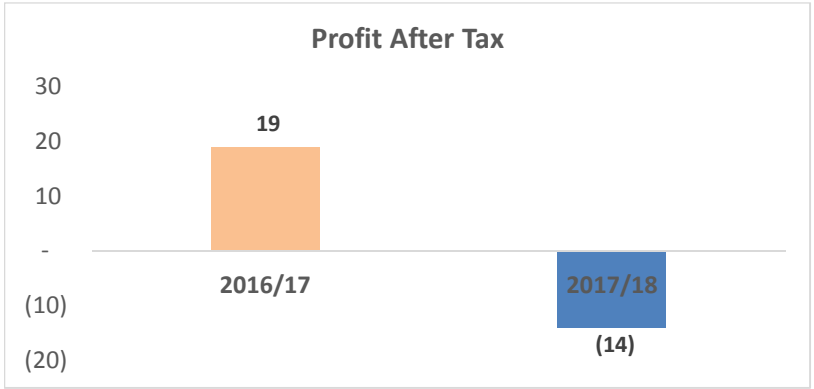


₹/crores



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Profit and Loss Account for the Period ended September 30, 2017

₹/ crores	Quarter II			H1		
	2017/18	2016/17	% Change	2017/18	2016/17	% Change
Revenue from Operations	510	516	(1)%	1,038	993	4%
Other Income	11	11	-	18	27	
Total Income	**521**	**527**	**(1)%**	**1,056**	**1,021**	3%
Food and Beverages consumed	51	49		101	95	
Employee Benefits Expense & Payment to Contractors	157	164		319	313	
Other Operating & General Expenses	235	243		475	472	
Total Expenditure	**443**	**456**	**3%**	**895**	**880**	(2)%
EBITDA	**78**	**71**	**11%**	**161**	**140**	14%
Operating EBITDA	**67**	**60**	**12%**	**143**	**113**	27%
Depreciation and Amortisation Expense	36	34	(6)%	72	68	(6)%
Finance Costs	51	48	(6)%	94	95	2%
Profit Before exceptional Items & Tax	**(8)**	**(11)**		**(5)**	**(23)**	
Exceptional items	(31)	54		(20)	52	
Profit/ (Loss) before tax	**(40)**	**43**		**(26)**	**29**	
Provision for Taxes	19	(15)		12	(10)	
Profit/ (Loss) After Tax	**(20)**	**28**		**(14)**	**19**	
EBITDA %	**15%**	**13%**	**2% points**	**15%**	**14%**	**1 % points**

- EBITDA Margin improved in Q2 & H1 vs previous period.

Income Details
For period ended September 30, 2017

₹ / Crores	2017/18	2016/17	% Change
Room Income	428	409	5
Food , Restaurants & Banquet Income	420	404	4
Management & Operating fees	78	66	19
Other Operating Income	111	115	(3)
Income from Operations	**1,038**	**993**	**4**
Non Operating Income	18	28	(36)
Total Income	**1,056**	**1,021**	**3**

- Room Income driven primarily by ARR Growth.
- F&B income showed sustained improvement after demonetization impact.

Exceptional Items
For period ending September 30, 2017

Particulars	Q2		H1	
	2017/18	2016/17	2017/18	2016/17
Exchange Gain/ (Loss) on Borrowings/Assets (Net)	(2)	(8)	(1)	4
Change in fair value of derivative contracts	4	32	20	18
Provision for impairment of investment in a subsidiary	(33)	-	(39)	-
Recovery of costs along with interest on a surrendered project	-	24	-	24
Refund of municipal tax	-	6	-	6
Total	**(31)**	**54**	**(20)**	**52**

- Provision for impairment relate to cash losses of The Pierre, which has been provided in line with the accounting policy.

IHCL Standalone Financials
Statement of Assets & Liabilities

₹ / Crores	September 30, 2017	March 31, 2017
Non Current Assets		
Fixed Assets	2,392	2,295
Other Non Current Assets	3,809	3,293
Current Assets	522	506
Total Assets	**6,723**	**6,094**
Equity		
Equity Share Capital	99	99
Other Equity	2,530	2,517
Non Current Liabilities		
Borrowings	1,813	1,495
Other Non Current Liabilities	585	591
Current Liabilities		
Borrowings	835	554
Other Current Liabilities	861	838
Total Equity & Liabilities	**6,723**	**6,094**

- Increase in Non - Current Assets primarily on account of investment in Skydeck properties private limited, a wholly owned subsidiary.
- Corresponding increase in Borrowings.

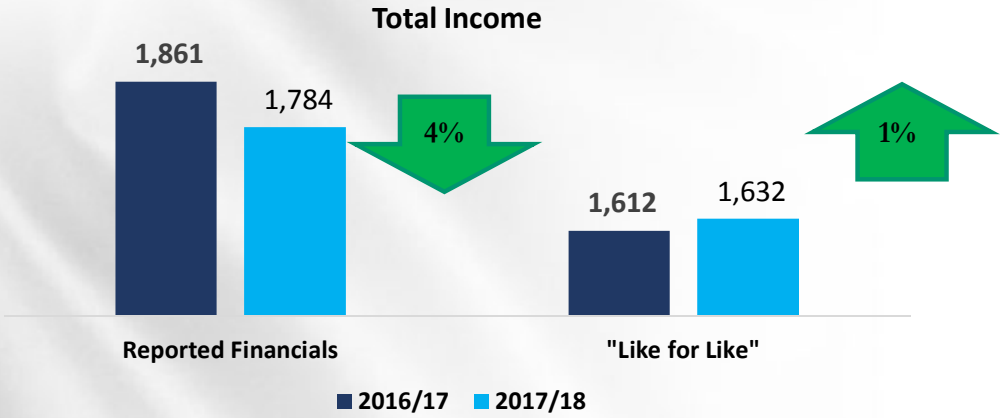
Consolidated Financial Performance for the Period ended September 30, 2017

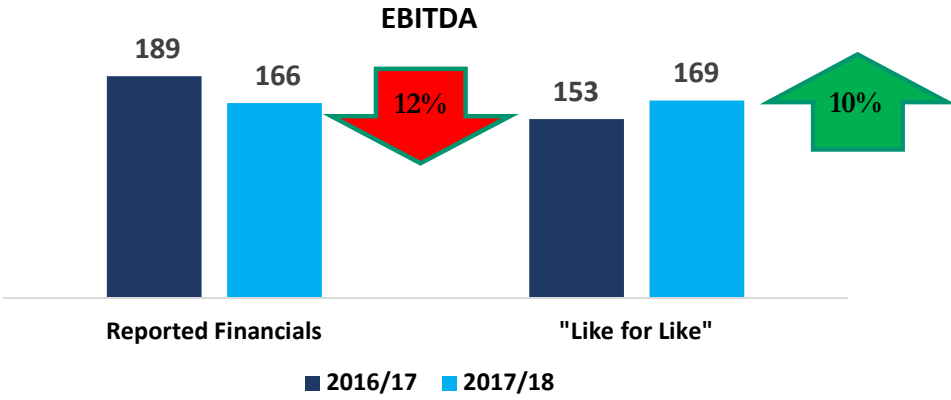
Taj Group
Major Companies

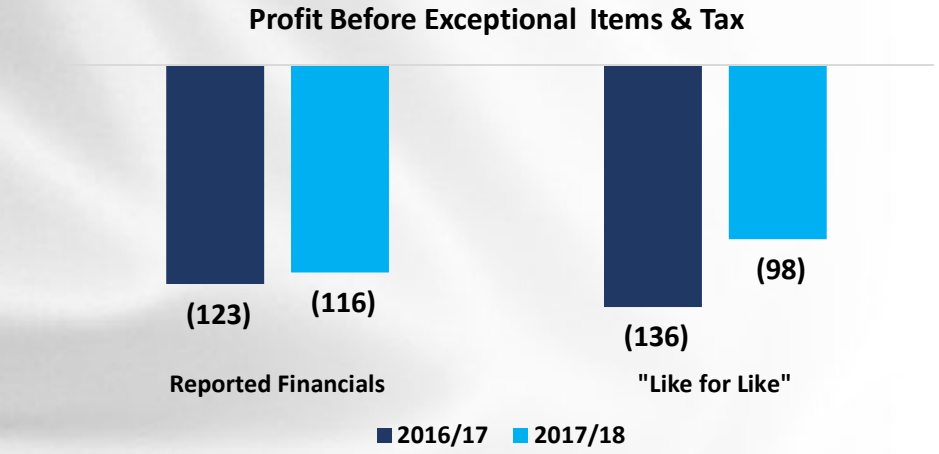
Company Name	Effective Holding %	Company Name	Effective Holding %
Subsidiaries		**Joint Ventures**	
Piem Hotels Ltd	51.57	Taj SATS Air Catering Ltd	51.00
TIFCO Holdings Ltd [*Investment Company*]	100.00	Taj GVK Hotels & Resorts Ltd	25.52
Benares Hotels Ltd	51.68	Taj Madras Flight Kitchen Pvt Ltd	50.00
United Hotels Ltd	55.00	Taj Kerala Hotels & Resorts Ltd	28.30
Roots Corporation Ltd	63.25	Taj Karnataka Hotels & Resorts Ltd	44.27
Skydeck Properties Pvt Ltd	100.00	Taj Safaris Ltd	28.96
IHOCO BV [*Investment Company*]	100.00	Kaveri Retreat & Resorts Ltd	50.00
United Overseas Holdings, Inc.	100.00	IHMS (SA) Pty Ltd	50.00
St James Court Hotel Ltd	72.25	TAL Hotels & Resorts Ltd	27.49
		Associates	
		Oriental Hotels Ltd	35.67
		Lanka Island Resorts Ltd	24.66
		TAL Lanka Hotel PLC	24.62

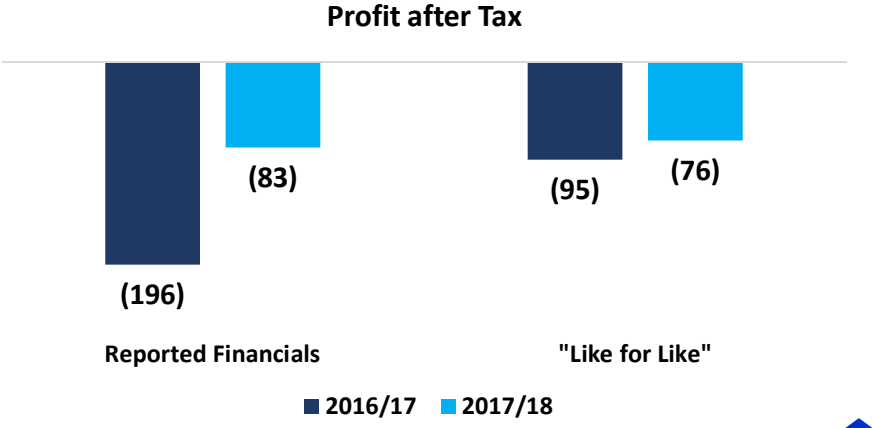
IHCL Consolidated Key Indicators for Period ended September 30, 2017 - "Like for Like"

₹/crores









- "Like for Like" - excludes Taj Boston (sold during the previous period) & Piem Hotels (Renovations in select hotels during current year).

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IHCL Consolidated - Profit and Loss Account for period ended September 30, 2017

₹/ crores	Quarter II			H1			
	2017/18	2016/17	% Change	2017/18	2016/17	% Change	Like for Like % Changes
Revenue from Operations	852	887		1763	1836		1%
Other Income	13	11		21	24		
Total Income	**864**	**898**	**(4%)**	**1784**	**1861**	**(4%)**	1%
Food and Beverages Consumed	83	82		167	168		
Employee Benefits Expense & Payment to Contractors	326	334		666	697		
Other Operating & General Expenses	388	400		785	806		
Total Expenditure	**797**	**816**	**2%**	**1618**	**1671**	**3%**	-
EBITDA	**67**	**82**	**(18%)**	**166**	**189**	**(12%)**	10%
Depreciation and Amortisation Expense	70	67	(4)%	142	141	(1)%	(3)%
Finance Costs	72	82	12%	141	172	18%	15%
Profit Before exceptional Items & Tax	**(75)**	**(67)**		**(116)**	**(123)**		
Exceptional items	2	54		18	(58)		
Profit/ (Loss) before tax	**(73)**	**(13)**		**(98)**	**(182)**		
Tax Expense	21	(25)		18	(23)		
Profit/ (Loss) after tax before share of associates/ JVs	(51)	(38)		(81)	(205)		
Add: Share of Profit/(Loss) in Associates & JV	(9)	14		(8)	12		
Less : Non-controlling interest	2	(2)		6	(4)		
Profit/ (Loss) After Tax	**(58)**	**(27)**		**(83)**	**(196)**		
EBITDA%	**8%**	**9%**		**9%**	**10%**		

- Reduced losses for the current period vis-à-vis previous period. Previous period included loss on sale of Taj Boston.
- Lower finance cost in the current period, primarily on account of refinancing at lower rate.

Exceptional Items
For period ending September 30, 2017

Particulars	Q2		H1	
	2017/18	2016/17	2017/18	2016/17
Exchange Gain/ (Loss) on Borrowings/Assets (Net)	(2)	(7)	(1)	1
Change in fair value of derivative contracts	4	32	20	18
Provision of financial exposure in an associate	-	-	(1)	(5)
Recovery of costs along with interest on a surrendered project	-	24	-	24
Refund of municipal tax	-	6	-	6
Loss on disposal of IHMS (Boston) LLC	-	(1)	-	(103)
Total	**2**	**54**	**18**	**(58)**

IHCL Consolidated Financials
Statement of Assets & Liabilities

₹ / Crores	September 30, 2017	March 31, 2017
Non Current Assets		
Fixed Assets	6,202	6,038
Other Non Current Assets	1,763	1,670
Current Assets	974	926
Total Assets	**8,939**	**8,634**
Equity		
Equity Share Capital	99	99
Other Equity	2,417	2,419
Non-controlling interests	755	738
Non Current Liabilities		
Borrowings	2,766	2,790
Other Non Current Liabilities	714	750
Current Liabilities		
Borrowings	892	593
Other Current Liabilities	1,296	1,245
Total Equity & Liabilities	**8,939**	**8,634**

Debt Position

₹/crores

Particulars	Standalone		Consolidated	
	September 30, 2017	March 31, 2017	September 30, 2017	March 31, 2017
Gross Debt	2,649	2,049	3,658	3,383
Liquidity	(15)	(67)	(224)	(232)
Net Debt	**2,634**	**1,982**	**3,434**	**3,151**
Finance Cost	**94**	**198**	**141**	**324**
Net Debt/ Equity #	1.00	0.76	1.36	1.25
Weighted cost of Debt	8.3%	8.8%	7.8%	8.4%

 # Equity for consolidated ratios considers Net worth attributable to the owner

- During the period, IHCL has invested in Skydeck Properties Private Limited, its WOS, for part repayment of its debt.
- The Cost of debt has reduced as certain loans have been refinanced by raising debt at lower cost.
- Credit rating on the borrowings - AA+ by CARE and AA by ICRA.

Rights Issue Update

Issue Opened	October 13, 2017
Issue Closed	October 27, 2017
Allotment of Shares	November 7, 2017
Receipt of Funds by the Company	November 7 & 8, 2017

- The Issue was oversubscribed by 1.23 times.
- Post approval of Basis of Allotment, IHCL has allotted 20 crore shares (1999.84 Lakh Shares).
- Aggregate Rights Issue Proceeds of ₹ 1,499.88 crores.
- Promoters Shareholding has increased from 38.65% to 39.09%, post conclusion of the Rights Issue.

Rights Issue Funds - Proposed Utilisation

Particulars	Proposed Timeline	₹/Crores
Repayment of Debt in IHCL		
HDFC Bank Term Loan	Immediate	145
Kotak Mahindra Bank Loan	Immediate	50
External Commercial Borrowings	November, 2017	194
Commercial Paper	December, 2017	400
		789
Investment in Sky Deck for Repayment of Loan	January, 2018	484
General Corporate Purpose & Issue Expenses	Flexible	227
Total		**1,500**

- Of the Total Proceeds, ₹ 1,273 crores proposed to be used for Repayment of current Consolidated Debt.

Key Focus Areas

- Optimise H2
- Continue to drive development focus, primarily through managed properties
- Commissioning of Taj Exotica Resorts & Spa, Andaman
- Brand Architecture transition
- Taj Mansingh Bid

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Q & A

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Thank You