

The Indian Hotels Company Limited

Analyst Meet

Results for the Year ended March 31, 2016



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, cyclicity 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

Rakesh Sarna - Managing Director & CEO

Anil P. Goel - Executive Director & CFO

Chinmai Sharma – Chief Revenue Officer

Outline of Presentation

- Industry Trends
- New Inventory – Taj Group
- Sales & Marketing Initiatives
- Financial Results - Standalone & Consolidated
- Treasury
- Other Update

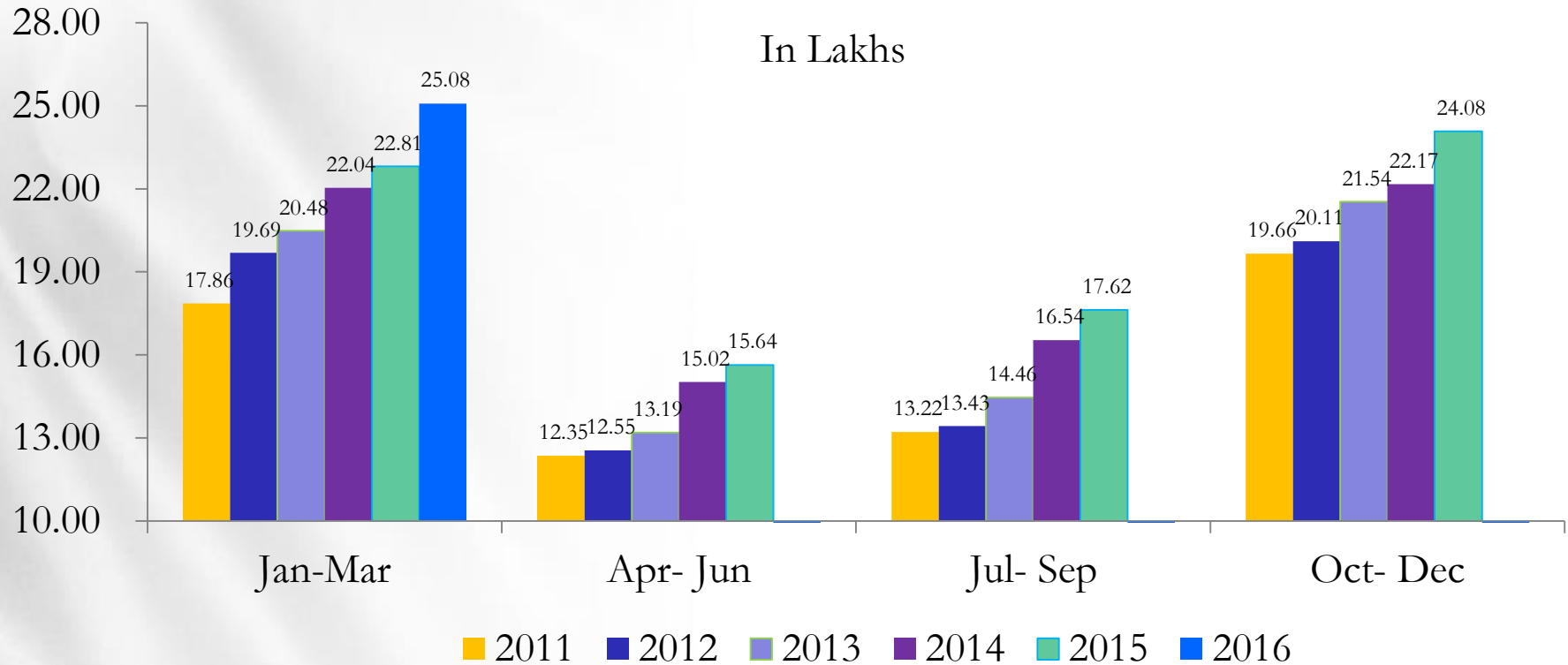
Global outlook

- International travel and tourism arrivals grew by 4.4% to reach a total of 1,184 million in 2015, 50 million more than in 2014.
- Strong growth in Americas (+5%), Asia Pacific (+5%), Europe (+5%), the Middle East (+3%), whilst limited data available for Africa points to a (3%) decrease in that market
- The total contribution of Travel & Tourism to GDP was 9.8% of GDP in 2015, and is forecast to rise by 3.5% in 2016, according to WTTC's latest analysis
- As per WTTC Travel & Tourism sector generated US \$7.2 trillion (9.8% of global GDP) supported 284 million jobs.
- Over the next ten years, travel and tourism is anticipated to contribute US\$ 11.0 trillion in GDP to the world economy, and will support 370 million jobs worldwide.

India Market Overview

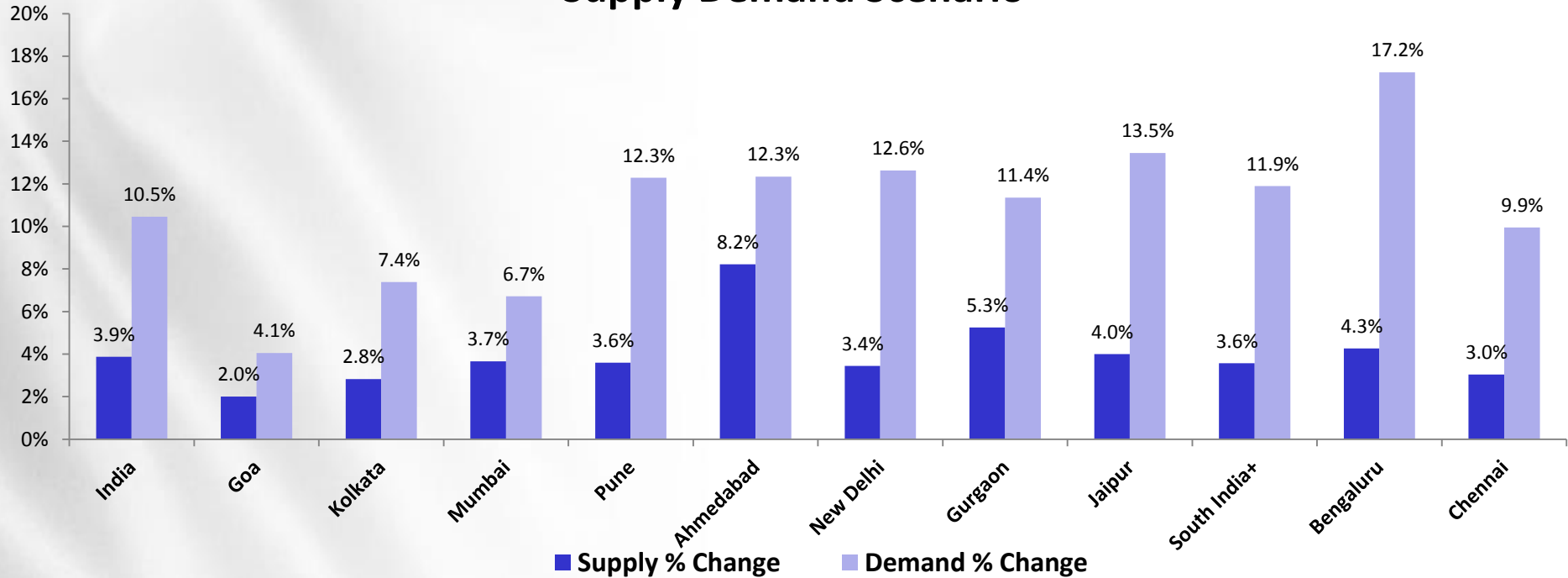
- 2015 /16 saw a supply growth of 3.9%, where demand increased by 10.5% over the previous year. (Source: STR Global)
- Most key cities witnessed an increase in supply in the range of 3% to 6%
- Healthy demand growth in Bengaluru, Jaipur, Kochi, Hyderabad, Chandigarh, New Delhi, Ahmedabad, Pune.
- However, In Ahmedabad, New Delhi, Chennai, Bengaluru, Kochi, Kolkata rates were under pressure
- E-Tourist Visa scheme for India is now available across 150 countries, at 16 Airports in India.

Foreign Tourist Arrivals in India



- Foreign tourist arrivals in India have shown growth in each quarter for past 5 years .
- Foreign tourist arrivals during 2015 / 16 were 82.42 lakh, a growth of 6.2%

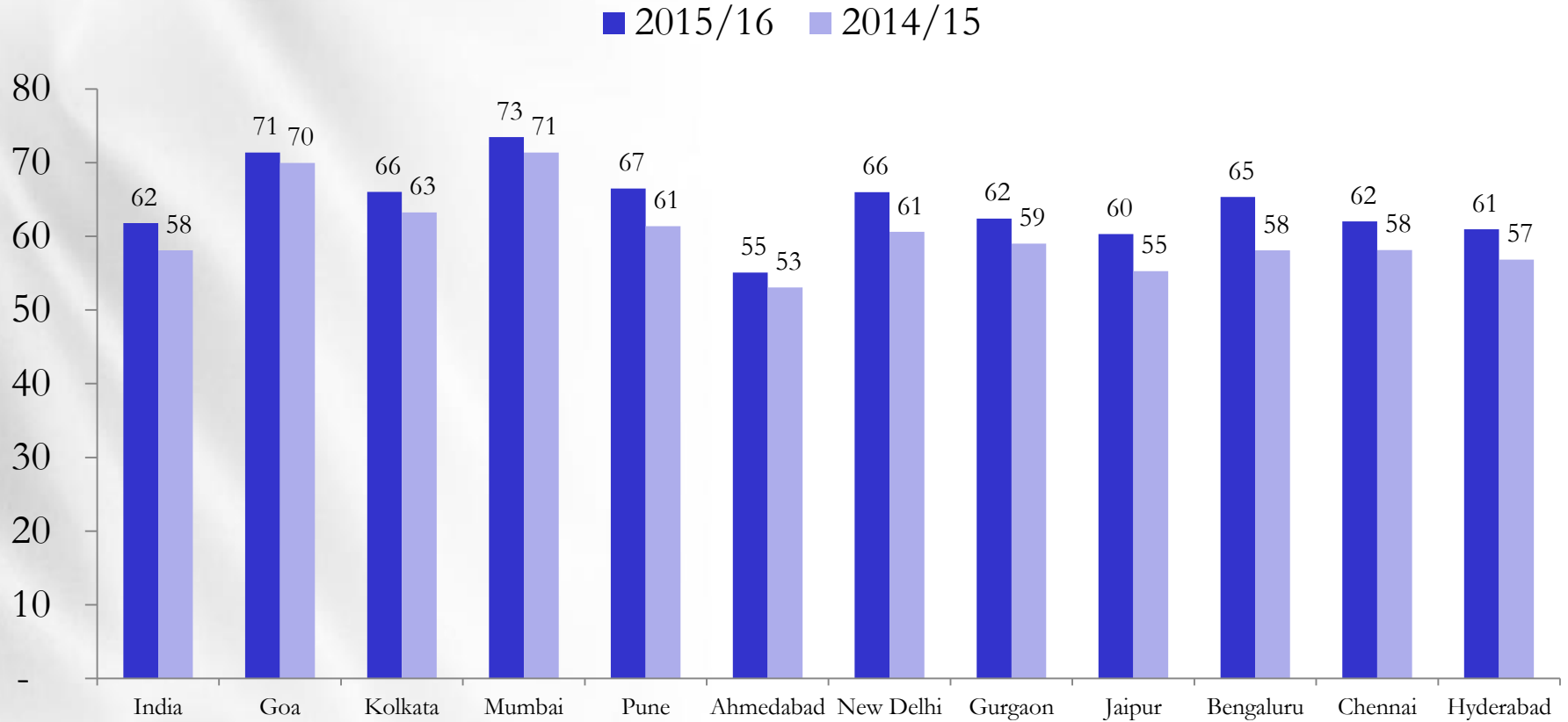
Supply Demand Scenario



- There has been an overall 3.9% increase in Supply in 2015 /16 as compared to the same period last year.

- Demand growth has been 10.5% for this period However, the supply / demand gap is still significant in most cities, impacting ARR

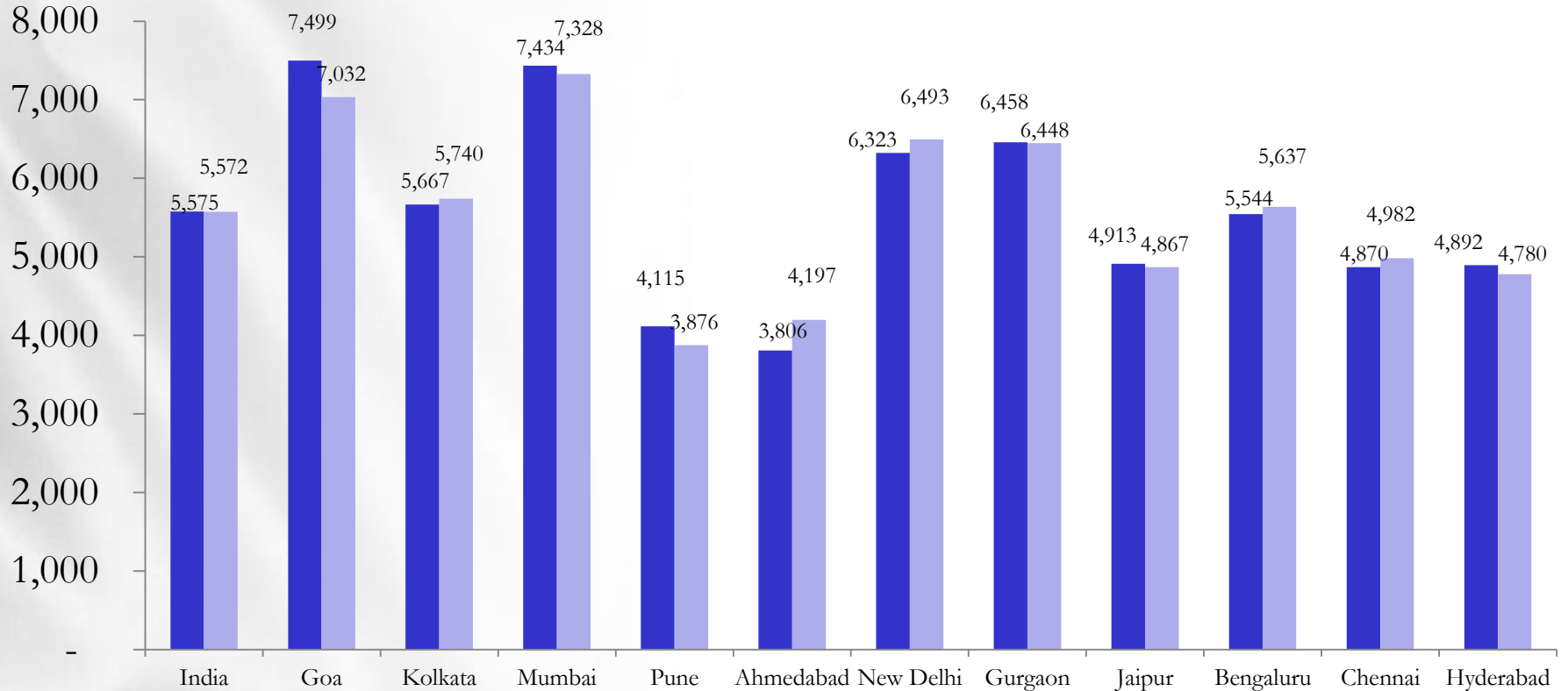
Occupancies % – Year on Year Trend



- All Cities have witnessed improved occupancy levels over the previous year

ARRs– Year on Year Trend

■ 2015/16 ■ 2014/15

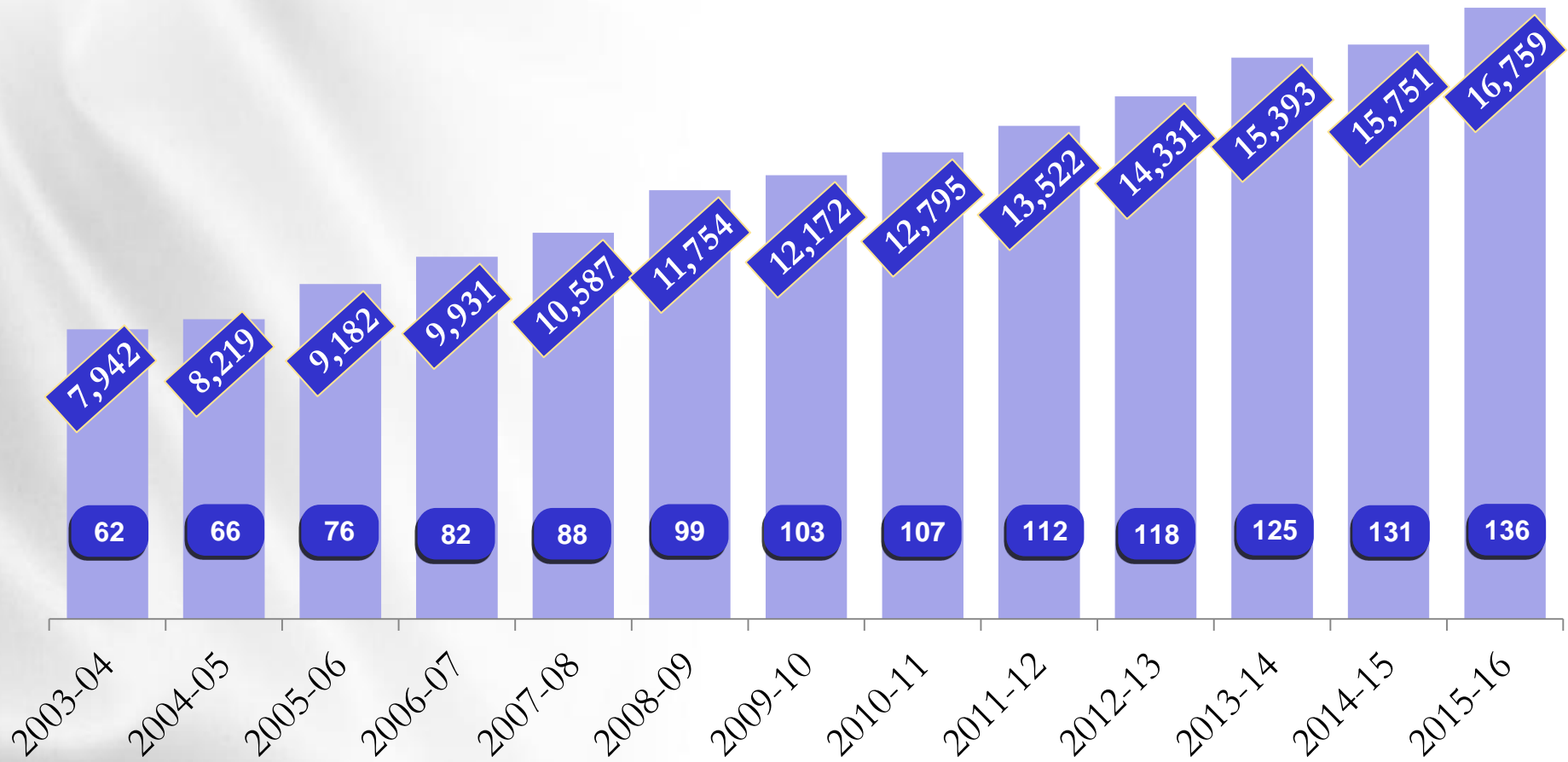


- Despite growth in domestic demand , ARR's have continued to be flat , across India





Taj Group

New Inventory in the pipeline

Taj Group Inventory



Taj Group Inventory Brand Distribution

Brands	Domestic		International		Total	
	No of Hotels	Inventory	No of Hotels	Inventory	No of Hotels	Inventory
 TAJ Hotels Resorts and Palaces	20	3,415	10	1849	30	5,264
 VIVANTA HOTELS & RESORTS BY TAJ	35	4,946	5	575	40	5,521
 THE GATEWAY HOTELS & RESORTS	31	2,596	1	208	32	2,804
 GINGER HOTELS	34	3,170	-	-	34	3,170
Total	120	14,127	16	2,632	136	16,759

Hotels Opened In 2015/16

Hotel	Company	Rooms
<u>TAJ</u>		
Taj Downtown, Dubai	Management Contract	296
Taj Bangalore Hotel , Bangalore	Management Contract	154
Taj Santacruz Hotel, Mumbai	Taj GVK	283
<u>Vivanta</u>		
Vivanta by Taj, Guwahati	IHCL	150
<u>Gateway</u>		
Gateway Hotel, Nashik (Expansion)	Piem Hotels	78
Gateway Hotel, Hinjewadi, Pune	Management Contract	150
Gateway Hotel ,Ajmer	Management Contract	81
<u>Ginger</u>		
Ginger Udayee, Tirupati	Roots Corporation	119
Total	8 Hotels	1423

Taj Santacruz



Taj Bangalore





Taj Safaris-Megghauli Serai



Gateway Hotel, Hinjewadi



The Gateway Resort, Ajmer



Upcoming Development in 2016/17

Hotel	Company	Rooms
<u>Taj</u>		
Taj Exotica, Havelock, Andamans	Kaveri Hotels (JV)	75
<u>Safari</u>		
Meghauli Serai – Chitwan National Park, Nepal (<i>Soft Opened</i>)	Management Contract	26
<u>Vivanta by Taj</u>		
Vivanta by Taj, Amritsar	PIEM Hotels	157
Vivanta by Taj, Udaipur	Management Contract	112
<u>Gateway</u>		
Gateway Hotel, Corbett	Management Contract	52
Gateway Hotel , Tirupati	Management Contract	125
<u>Ginger</u>		
Vapi, Opp Empress Mall	Roots Corporation	87
Bhubaneshwar (Expansion)	Roots Corporation	60
Telly Gally , Mumbai	Roots Corporation	142
Noida 2, UP	Roots Corporation	90
10 Hotels		926

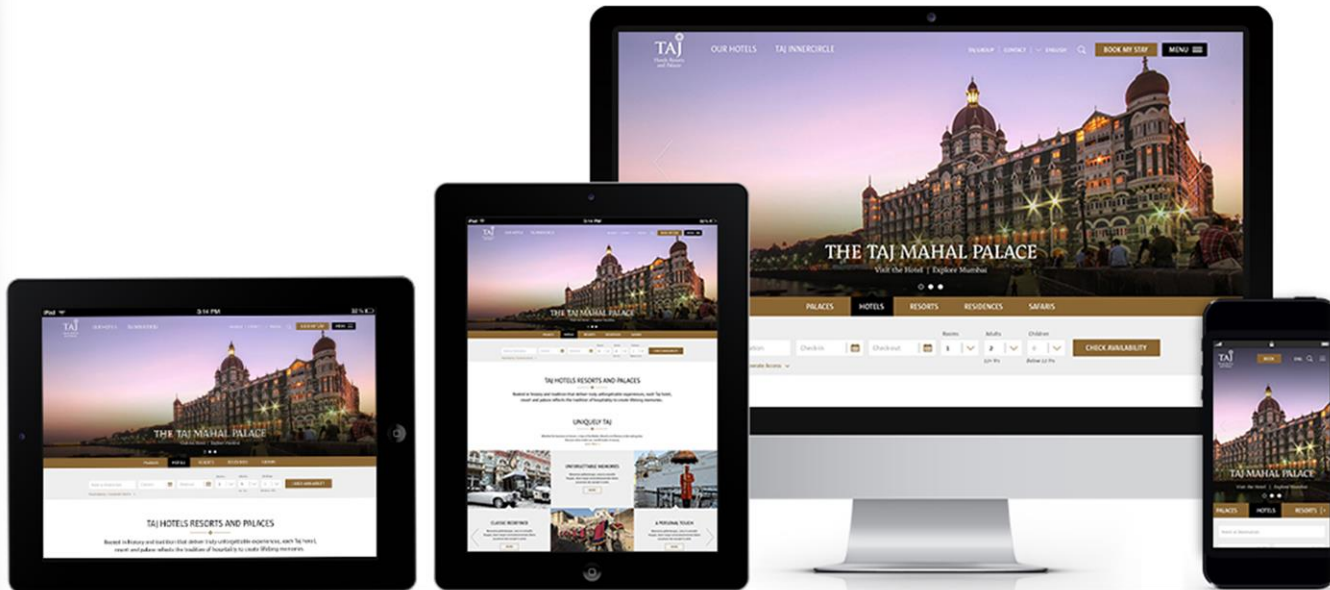
Sales & Marketing Initiatives

Update on Key Projects

- Standardized Opera PMS rollout
- IDEAS Revenue Management System installation at key hotels
- Moved to a single GDS code “TJ”
- Loyalty program revamped
- Focus on Analytics and Business Intelligence
- Digital Platforms

New website launched in March, 2016

Our goal is to close the gap between the wonderful hotel experiences and the online user experiences across all devices and platforms



HAPPENINGS AT TAJ



MEGHAULI SERAI, A TAJ SAFARI LODGE

Taj Safaris expands their footprint, from the tiger heartland in Central India to the "Heart of the Jungle" in Nepal. The legendary Taj Safaris continues the wildlife journey with its newest Jungle lodge in the iconic Chitwan National Park, Nepal.



INTRODUCING: VIVANTA BY TAJ GUWAHATI

Inspired by the north eastern region in architecture & spirit, Vivanta by Taj - Guwahati, presents you flavours of quintessential Assam.

Tajhotels.com

Authentic and unbiased Guest reviews

The screenshot displays the Taj Mahal Palace, Mumbai website with a TripAdvisor review widget embedded on the right side. The website header includes the TAJ logo, navigation links for 'OUR HOTELS' and 'TAJ INNERCIRCLE', and buttons for 'CONTACT US', 'BOOK MY STAY', and 'MENU'. The main heading is 'THE TAJ MAHAL PALACE, MUMBAI'. Below this is a navigation bar with categories like 'AT A GLANCE', 'ROOMS & SUITES', 'DINING', etc.

The TripAdvisor widget shows the following information for 'The Taj Mahal Palace':

- Address: 15/17 AF Road | Amrut Hestiv Naik Marg, Near Apollo Bunder, Mumbai 400001, India
- 4,847 Reviews
- Ranked #2 of 418 hotels in Mumbai
- Travelers' Choice 2016
- Certificate of Excellence 2015

TripAdvisor Traveller Rating:

Value	4.8/5	Excellent	3793
Rooms	4.8/5	Very Good	763
Cleanliness	4.8/5	Average	180
Service	4.8/5	Poor	52
		Terrible	59

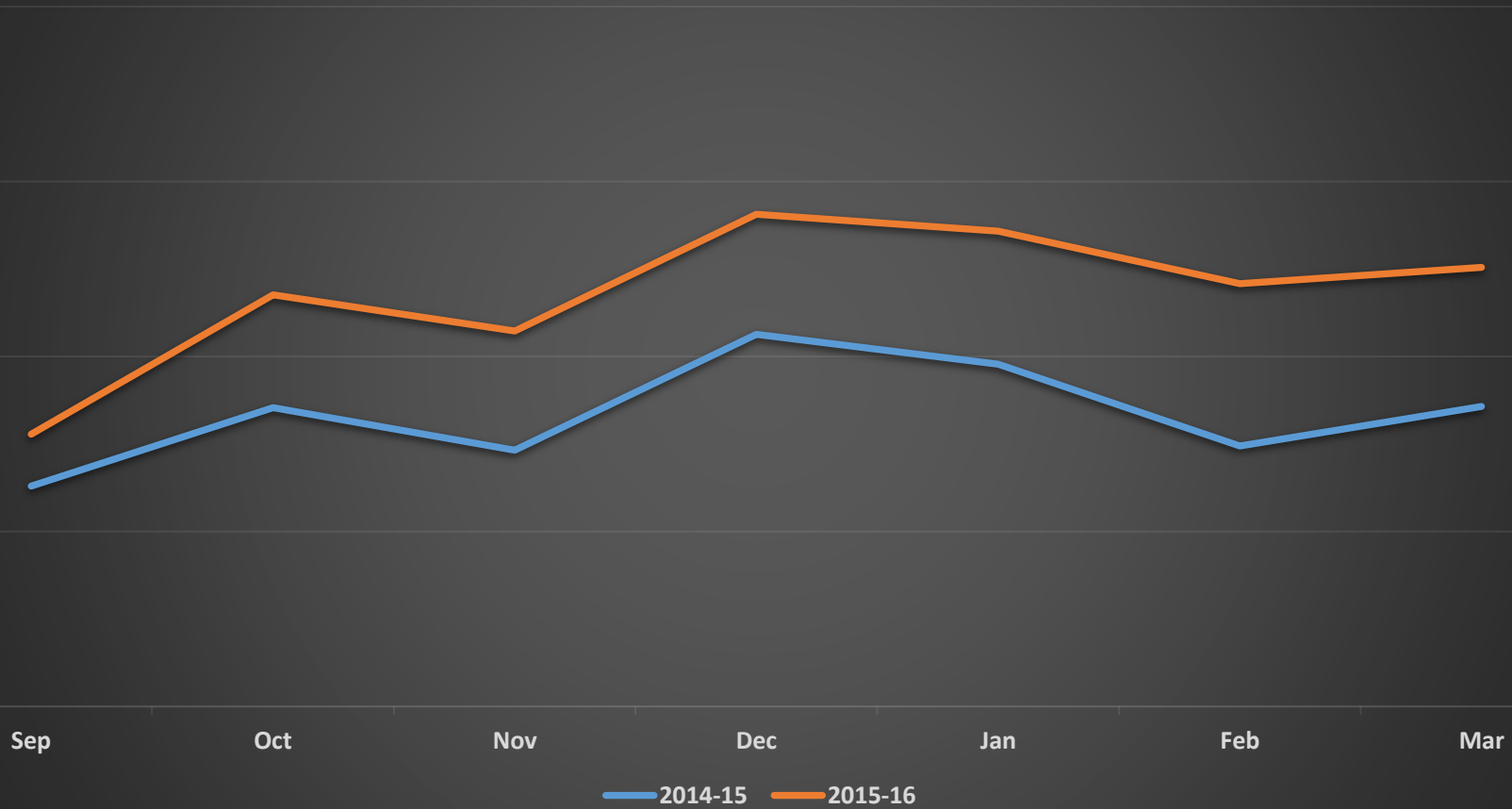
Recent Reviews:

- naemooza jhamesburg** (Couples): *Its the Taj Palace* (14 May 2016). Taj Hotel Its the Taj Palace, one of the most luxurious hotels in India so obviously expectations where high and boy did they live up to it. Luxurious and spacious... more »
- Ahmad A احمد** (Business): *Luxury title* (12 May 2016). Very old hotel but trendy and modern and developer inside is very suitable for business and leisure together and to spend beautiful moments and has sea views on the famous... more »
- MohitHanda10** (Friends getaway): *Amazing view n iconic hotel* (12 May 2016). Was affected in 2011 attacks, but the hotel has fought back well. Parking is an issue but otherwise luxury is real good. View from the rooms is of the gateway... more »

At the bottom of the screenshot, the text 'AT A GLANCE' is displayed above a TripAdvisor rating of 4.8/5 based on 4,847 reviews.

Digital Transformation

Desktop & Mobile Bookings



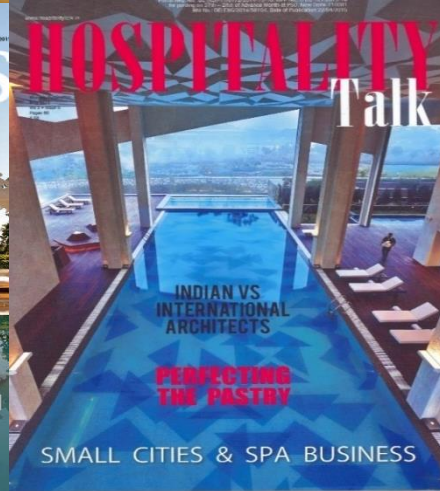
PR & Media Outreach

Global Communications

- Brand building efforts in UK, US, MENA and South East Asia
- CNN interview with Mr. Sarna – Quest Means Business segment – 3.45 minutes on prime time television aired worldwide in January, 2016
- CNN Business Traveller show – Interview with Chinmai / Tajness / Umaid Bhawan Palace – 7 minutes with repeats aired in March, 2016



COVER STORIES



Social Media Footprint- 2015 / 16 vs. 2014/15

Taj Hotels, Resorts and Palaces
Hotel

Timeline About Photos Reviews More

Search for posts on this Page

PEOPLE

★★★★★
124,706 likes
2,804 visits

ABOUT

Ninth Floor, Express Towers, Barrister Rajni Pat...
Mumbai,
022 6665 1000

Taj Hotels, Resorts and Palaces
14 hrs · 🌐

So open up to a world of opportunity - it's #TimeToTravel!

“TRAVEL IS THE BEST TEACHER. THE ONLY WAY TO AN OPEN MIND IS BY TAKING A PLANE OUT INTO THE OPEN WORLD.”
- C. J. ERBE, C.

Like Comment Share

Sauria Shivam, Milan Shah, Anurag Puri and 15 others like this.

Taj Hotels
Hotels Resorts
and Palaces

TWEETS 12.5K FOLLOWING 417 FOLLOWERS 18.9K LIKES 4,988

Tweets Tweets & replies Media

Taj Hotels
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Authentic palaces, landmark city hotels, pastoral safari lodges & breathtaking resorts. Discover the Taj difference world over.

Oxford House, Colaba, Mumbai
tajhotels.com/luxury

December 2011

Pinned Tweet

Taj Hotels @TajHotels · Jan 21

Umaid Bhawan Palace is named the best hotel in the world @TripAdvisor's Travellers' Choice Awards, 2016. Thank you!



28% ↑ in followers



42% ↑ in followers



267% ↑ in followers

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Taj Hotels Authentic palaces, landmark city hotels, pastoral safari lodges & breathtaking resorts. Discover the Taj difference world over. www.tajhotels.com

953 posts 18.1k followers 38 following

TRAVEL IS THE BEST TEACHER. THE ONLY WAY TO AN OPEN MIND IS BY TAKING A PLANE OUT INTO THE OPEN WORLD. - C. J. ERBE, C.

Umaid Bhawan Palace

Best Lobster

Few of Our Esteemed Guests



PM Shinzo Abe



President Francois Hollande



HH Al Nahyan



Sheikh Hamad



Morgan Freeman



Make in India Week - Mumbai



President Ameenah Gurib-Fakim



PM John Key



President Atambayev



Premier Kathleen Wayne



Duke & Duchess of Cambridge

Umaid Bhawan Palace, Jodhpur
Recognized as the Best Hotel in the World by TripAdvisor



Awards & Accolades

Taj Hotels Resorts and Palaces

- Featured on the list of 10 of the World's Best Luxury Hotel Brands by Forbes magazine
- Named the Best Hotel Group in India at the Travel + Leisure India & South Asia's Best Awards
- Rated Best Business Hotel Chain in India by Business Traveller UK

TripAdvisor Travellers' Choice Awards 2016

- Umaid Bhawan Palace, Jodhpur – Best Hotel in the World, Asia and India
- Taj Lake Palace, Udaipur
- Rambagh Palace, Jaipur
- The Taj Mahal Palace, Mumbai
- Taj Exotica, Goa
- Taj Exotica Resort and Spa, Maldives
- Taj 51 Buckingham Gate Suites and Residences, London
- Taj Cape Town
- Vivanta by Taj – Bentota, Sri Lanka

Condé Nast Traveler US Gold List 2016

- Taj Falaknuma Palace, Hyderabad
- Taj Lake Palace, Udaipur
- The Taj Mahal Palace, Mumbai
- Umaid Bhawan Palace, Jodhpur
- Taj Tashi, Bhutan

Conde Nast Traveller UK Readers' Travel Awards

- The Taj Mahal Palace, Mumbai was the only Indian hotel in the top three in the Best Overseas Business Hotel category
- Taj Lake Palace, Udaipur, Rambagh Palace, Jaipur and Taj Falaknuma Palace, Hyderabad ranked 6th, 9th and 15th respectively on the list of World's Best Hotels in Asia & the Indian Subcontinent

Town & Country Travel Best Hotels in the World list

- Mahua Kothi, Bandhavgarh
- Banjaar Tola, Kanha
- Umaid Bhawan Palace, Jodhpur

TripAdvisor

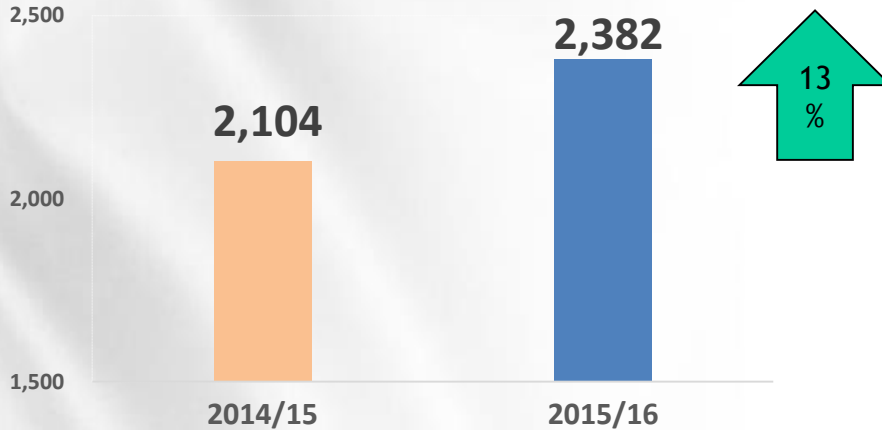
- Taj Falaknuma Palace recognized as number one in the Best Palace Hotels in the World 2015 category

Standalone Financial Performance for the Year ended March 31, 2016

IHCL Standalone Key Indicators

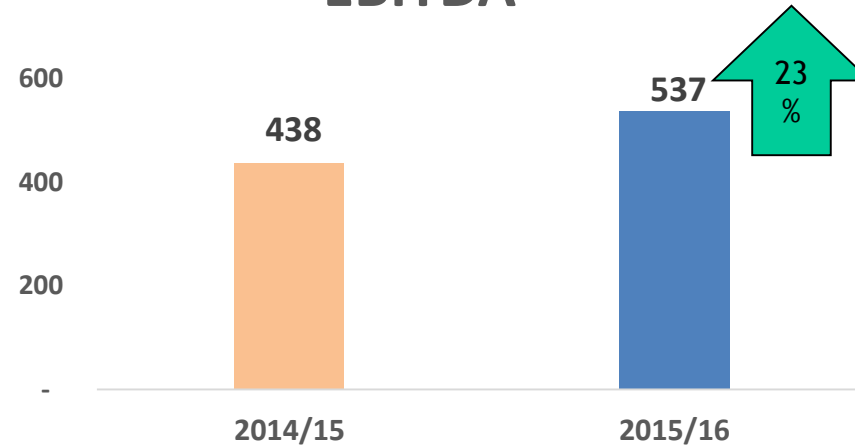
Turnover

₹/crores



EBITDA

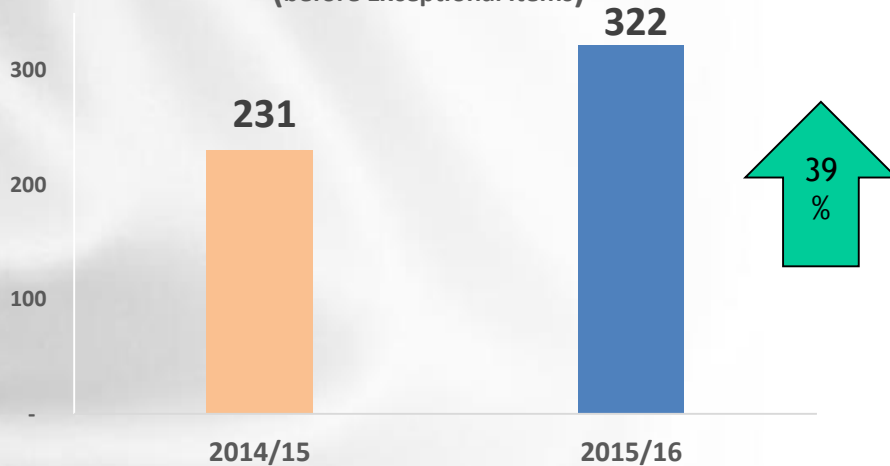
₹/crores



Profit Before Tax

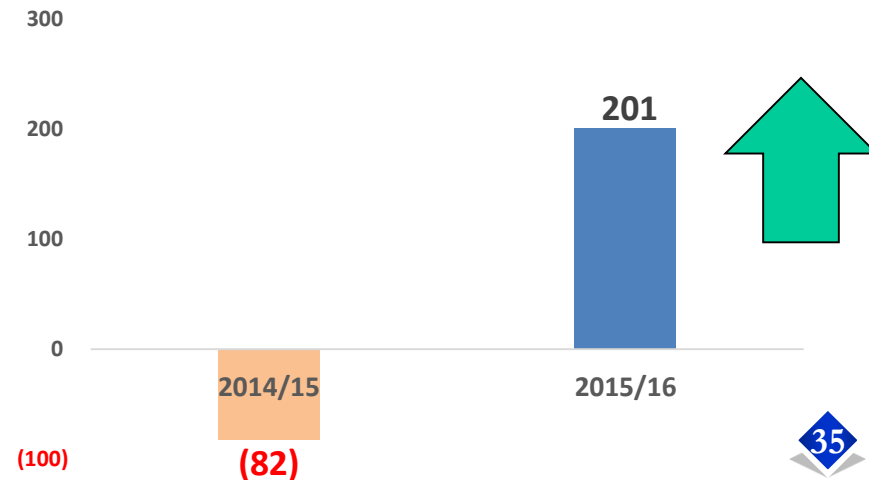
(before Exceptional Items)

₹/crores



Profit After Tax

₹/crores



Profit and Loss Account

Year ended March 31, 2016

₹/ crores	Quarter IV			Full Year		
	2015/16	2014/15	% Change	2015/16	2014/15	% Change
Net Sales/Income from Operations	686.82	610.77	12	2273.70	2024.38	12
Other Operating Income				-	-	
Total Income from Operations	686.82	610.77	12	2273.70	2024.38	12
Cost of Materials Consumed	57.60	49.63	16	209.82	181.88	15
Employee Benefits Expense	163.15	138.86	17	615.98	531.37	16
License Fees	43.97	39.04	13	146.87	128.39	14
Fuel, Power and Light	40.48	39.33	3	179.98	174.27	3
Depreciation and Amortisation Expense	36.29	29.19	24	127.08	117.85	8
Other Expenditure	199.09	190.07	5	692.50	649.80	7
Total Expenditure	540.58	486.12	11	1972.23	1783.56	11
Profit/ (Loss) from operations before Other Income, Finance Costs and Exceptional Items	146.24	124.65	17	301.47	240.82	25
Other Income	28.99	21.25	36	108.62	79.22	37
Profit/ (Loss) before Finance Costs and Exceptional Items	175.23	145.90	20	410.09	320.04	28
Finance Costs	22.21	19.77	12	88.20	89.46	(1)
Profit/ (Loss) after Finance Costs but before Exceptional Items	153.02	126.13	21	321.89	230.58	40
Exceptional items	(17.18)	(196.54)		(10.21)	(228.70)	
Profit/ (Loss) before tax	135.84	(70.41)		311.68	1.88	
Provision for Taxes	47.70	48.74		110.64	83.90	
Profit/ (Loss) After Tax	88.14	(119.15)		201.04	(82.02)	

Income Details

₹ / Crores	2015/16	2014/15	% Change
Room Income	1002.33	908.34	10
Food & Beverages and Banquet Income	918.20	813.42	13
Management & Operating fees	148.95	137.74	8
Other Operating Income	204.22	164.88	24
Income from Operations	2273.70	2024.38	12
Non Operating Income	108.62	79.22	37
Total Income	2382.32	2103.60	13

- Room Income grew by 10%, pushed by higher occupancies as also on account of new hotels at Dwarka - NCR (full year impact) and at Guwahati
- Healthy Increase in Restaurant sales and Banqueting business
- Non Operating Income of Rs 109 crores includes Treasury Income earned on surplus funds being carried by the company during the year as also Dividend Income.

Expenditure

- **Raw Materials Cost – ₹ 209.82 crores**

Increase in line with higher F&B revenue for the year. Some cost push due to commodity input cost increase.

- **Employee Benefit Expenses – ₹ 615.98 Crores**

Costs controlled on account of various interventions adopted by the Company. Payroll cost higher over PY due to a combination of Increments to employees, additional cost on account of new hotels at Dwarka & Guwahati as also due to actuary driven non cash charge taken for retirement benefits

- **License Fees – ₹ 146.87 crores**

Increase linked to higher Turnover

- **Fuel, Power & Light – ₹ 179.98 crores**

Same levels as PY notwithstanding increase in turnover of the company during the current year and addition of new inventory

Expenditure

- **Other Expenditure - ₹ 692.5 crores**

Increase during the year aligned with increase in turnover. Rent rates & Taxes, Repairs & Maintenance costs nominally increased during the year. Conversely, the advertising costs were lower when compared to PY.

- **Depreciation & Amortisation – ₹ 127.08 crores**

Higher due to opening of new hotel at Dwarka

- **Finance Costs – ₹ 88.20 crores**

Lower levels due to deleveraging measures of the Company resulting in reduced debt

Exceptional Items

₹ / Crores

Particulars	2015/16	2014/15
Profit on Sale of Investments	56.53	-
Exchange Gain/(Loss)	(56.66)	(24.75)
Diminution in value of long term investments	(0.35)	(213.49)
Others	(9.83)	9.54
Total	(10.21)	(228.70)

- The company divested its holding in Tata Projects Ltd during the year and earned a gain on sale of such investment of ₹ 56.53 crores
- Exchange Loss mainly comprise of notional restatement of company's USD long term loans on account of exchange rate movement

Financials Summary

Year ended March 31, 2016

₹/crores

Particulars	Quarter IV		Full Year	
	2015/16	2014/15	2015/16	2014/15
Total Income	715.81	632.02	2382.32	2103.60
EBITDA	211.52	175.09	537.17	437.89
EBITDA %	30%	28%	23%	21%
Profit/(Loss) before Finance Cost & Exceptional Item	175.23	145.90	410.09	320.04
Profit/(Loss) after Finance Costs but before Exceptional Item	153.02	126.13	321.89	230.58
Exceptional Item – Exchange Gain/(Loss)	(16.83)	7.41	(56.56)	(24.75)
Exceptional Item – Others	(0.35)	(203.95)	46.35	(203.95)
Profit / (Loss) before Tax	135.84	(70.41)	311.68	1.88
Tax Expense	(47.70)	(48.74)	(110.64)	(83.90)
Profit / (Loss) after Tax	88.14	(119.15)	201.04	(82.02)

IHCL Standalone Financials

Balance Sheet

₹ / Crores	March 31, 2016	March 31, 2015
Shareholders' Funds	3,921	2,615
Non- Current Liabilities		
Long-term borrowings	1,558	2,898
Other Long Term Liabilities	485	585
Long-term Provisions/ Deferred Tax Liabilities (net)	352	218
Current Liabilities		
Short Term borrowings	7	1
Other Current Liabilities	942	638
Trade Payables/Short-term provisions	297	242
Equity and Liabilities	7,562	7,198
Non-current Assets		
Fixed Assets(including CWIP)	2,212	2,154
Non-current investments	2,781	2,546
Long Term loans and advances /Other non-current assets	1,439	1,442
Current Assets		
Current Investments/ Cash and Cash Equivalents	158	788
Short term loans and advances /inventories/ trade receivables/Other currents assets	972	268
Assets	7,562	7,198

Dividend

The Board of Directors have recommended a final dividend of **30%** for 2015/16.

Consolidated Financial Performance for the Year Ended March 31, 2016

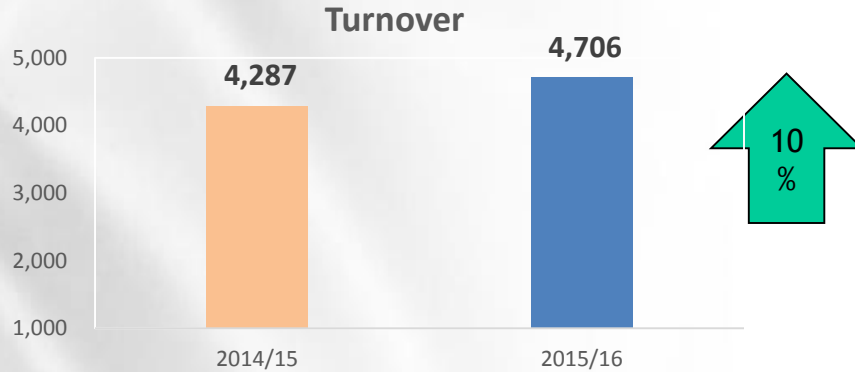
Taj Group

Major Companies

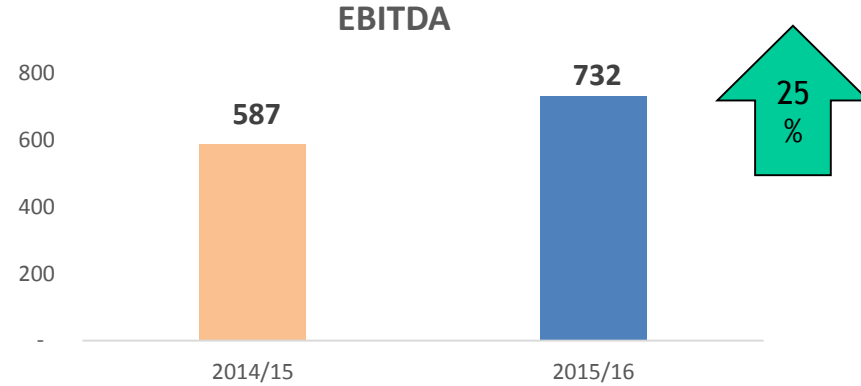
Company Name	Effective Holding %	Company Name	Effective Holding %
<u>Subsidiaries</u>		<u>Joint Ventures</u>	
Piem Hotels Ltd	51.57	Taj GVK Hotels & Resorts Ltd	25.52
Taj SATS Air Catering Ltd	51.00	Taj Madras Flight Kitchen Pvt Ltd	50.00
TIFCO Holdings Ltd [<i>Investment Company</i>]	100.00	Taj Kerala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

IHCL Consolidated Key Indicators

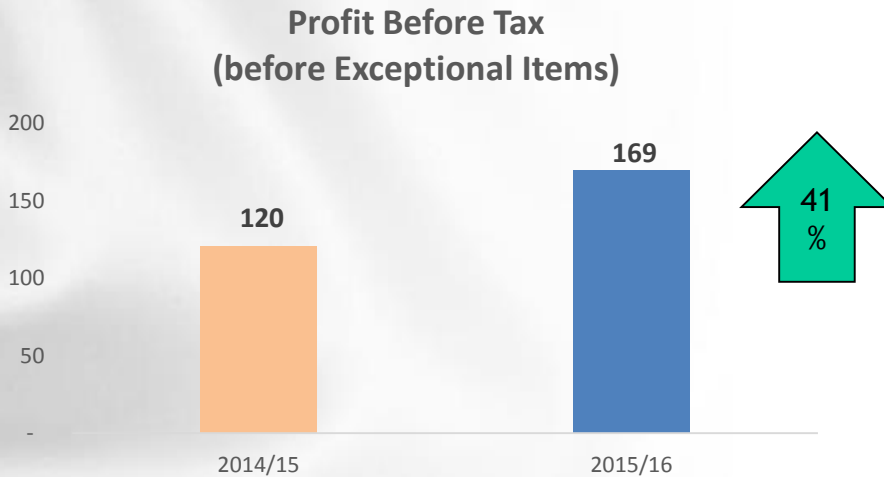
₹/crores



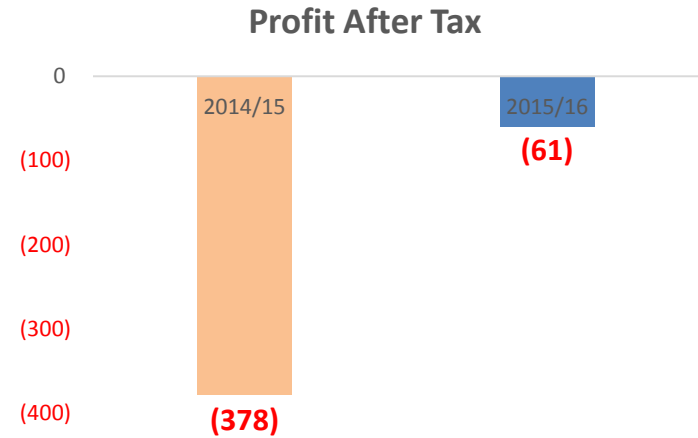
₹/crores



₹/crores



₹/crores



IHCL Consolidated - Profit and Loss Account

Year ended March 31, 2016

₹/ crores	Full Year		
	2015/16	2014/15	% Change
Net Sales/Income from Operations	4,590.92	4,188.64	10
Other Operating Income	-	-	-
Total Income from Operations	4,590.92	4,188.64	10
Cost of Materials Consumed	504.48	443.09	14
Employee Benefits Expense	1609.71	1462.46	10
License Fees	232.99	209.61	11
Fuel, Power and Light	322.90	320.43	1
Depreciation and Amortisation Expense	316.67	291.29	9
Other Expenditure	1304.26	1264.49	3
Total Expenditure	4291.01	3991.37	8
Profit/ (Loss) from operations before Other Income, Finance Costs and Exceptional Items	299.91	197.27	52
Other Income	115.35	98.71	17
Profit/(Loss) before Finance Costs and Exceptional Items	415.26	296.00	40
Finance Costs	245.96	175.57	40
Profit/ (Loss) after Finance Costs but before Exceptional Items	169.30	120.43	41
Exceptional item	(67.16)	(352.91)	
Profit/ (Loss) before tax	102.14	(232.49)	
Less: Provision for Taxes	(140.07)	(114.60)	
Add: Share of Profit/(Loss) in Associates	2.85	(0.04)	
Less: Minority Interest in Subsidiaries	(25.45)	(30.97)	
Profit/(Loss) after Tax	(60.53)	(378.10)	

IHCL Consolidated - Financials Summary

Year ended March 31, 2016

₹/crores

Particulars	Full Year	
	2015/16	2014/15
Total Income	4,706.27	4,287.36
EBITDA	731.93	587.28
EBITDA %	15.6%	13.7%
Profit/(Loss) before Finance Cost & Exceptional Item	415.26	296.00
Profit/ (Loss) after Finance Costs but before Exceptional Item	169.30	120.43
Exceptional Item – Exchange Gain/(Loss)	(63.21)	(51.07)
Exceptional Item – Others	(3.95)	(301.84)
Profit/(Loss) before Tax	102.14	(232.48)
Profit/(Loss) after Tax, Minority Interest & share of profit/(loss) in associates	(60.53)	(378.10)

IHCL Consolidated Financials

Balance Sheet

₹/crores

Particulars	March 31, 2016	March 31, 2015
Shareholders' Funds	3,218	2,227
Minority Interest	835	738
Non- Current Liabilities		
Long-term borrowings	3,685	4,598
Other Long Term Liabilities	489	586
Long-term Provisions/ Deferred Tax Liabilities (net)	450	306
Current Liabilities	2,267	1,432
Equity and Liabilities	10,945	9,887
Non-current Assets		
Fixed Assets (including CWIP)	6,997	6,126
Goodwill on Consolidation (net)	1,346	478
Non-current investments	914	1,041
Long Term Loans and Advances/ Other Non Current Assets	566	518
Current Assets		
Cash and Cash Equivalents /Current Investments	395	1,050
Inventories/Trade Receivables/Other Current Assets	727	673
Assets	10,945	9,887

Overview of Taj Group

For the Year ended March 31, 2016

Particulars	2015/16	2014/15	2013/14	2012/13
Number of Hotels	136	130	125	118
Rooms Inventory	16,459	15,658	15,391	14,331
Total Revenue (₹/crores)	6,717	6,015	5,677	5,102

Total Revenue denotes the arithmetical aggregate of the turnover of all hotels/units irrespective of ownership, including Management Contracts

Debt Position

₹/crores

Particulars	Standalone	Consolidated
Gross Debt	2,108	4,781
Debenture Redemption Premium (Accrued)	318	331
Less : Liquidity	(158)	(395)
Net Debt	2,268	4,717
Net Debt/ Equity	0.58	1.47
Weighted cost of Debt	8.8%	7.3%

- Of the aggregate Sea Rock debt of ₹ 1,400 crores, an amount of ₹ 650 crores has been repaid
- Balance debt of ₹ 750 crores has been refinanced at a lower cost

IND-AS – Effective April 1, 2016

- Effective April 1, 2016, IHCL will migrate to the new Accounting Standards – IND-AS.
- Transition to IND-AS will result in change in presentation of accounts, inter alia, in the following areas
 - Revenue recognition
 - Fair Value concept
 - Time Value of Money (economic interest concept for Borrowings)
 - Equity accounting for JVs
 - Substance Over form (for determining component entities for consolidation)
- The company's financial results for Q1 - 2016/17 will be published under IND-AS along with a comparatives of the previous quarter

Restructuring of Overseas Investments

Restructuring of Overseas Investments

- IHOCO BV , the 100 % offshore subsidiary company has since become IHCL's apex offshore Investment holding company.
- Holdings in the, USA, UK , Sri Lanka, Maldives hotels and the two London restaurants have since been shifted to IHOCO BV
- Thus, 8 owned hotels (1584 rooms) & 2 UK restaurants are now being held through IHOCO BV
- This restructuring allows the company :
 - (i) Efficiency in up streaming of funds
 - (ii) Visibility of International holdings to stakeholders
 - (iii) Fund raising options (if required in future)

Scheme(s) of Arrangement - Update

Amalgamation – Update

- The Board of Directors at its meeting held on October 19, 2015 have approved the amalgamation of **International Hotel Management Services LLC** (formerly known as IHMS Inc.) and **Lands End Properties Private Limited**, two wholly owned subsidiaries (“transferor companies”) into the Company, by way of two separate Schemes of Arrangements between the Company
- The Amalgamation process will be completed after receipt of the requisite orders of the Bombay High Court sanctioning the Schemes and filing of the orders with the Registrar of Companies, Mumbai.

Amalgamation – Impact

- The Impact on IHCL’s reserves on account of the two proposed amalgamation is summarised below

₹/crores

Particulars	Standalone Books	Consolidated Books
Reserve & Surplus as on March 31, 2016	3,822	3,119
LEEPL- Scheme of Arrangement	(307)	(293)
IHMS- Scheme of Arrangement	(1,338)	-
Reserve & Surplus as on March 31, 2016 post Impact of Scheme of Arrangement	2,177	2,826

- There will be also an additional impact of inter change in Reserve & Surplus .
- Debit Balance of ₹ 359 crores Profit & Loss Account will be adjusted with the Securities Premium account .

Amalgamation - Timelines

Particulars	Dates
<u>Milestones achieved</u>	
Filing of IHMS LLC & LEPPL Scheme with SEBI	October 21, 2015
Receipt of SEBI Approval	December 19, 2015
High Court order for Shareholders / Creditors Meeting	February 26, 2016
Shareholders approval vide Postal Ballot (for LEPPL scheme)	April 28, 2016
Court Convened Meeting/ EGM – Shareholders approval	May 4, 2016
<u>Way Forward</u>	
High Court final order for the schemes to be effective	July, 2016 (Indicative)

- Shareholders approval have been secured for the two schemes.
- Post amalgamation, impact on Balance Sheet will be reported for status as on March 31 , 2016 or alternatively as on April 1 , 2016

Divestment

Divestments during the year

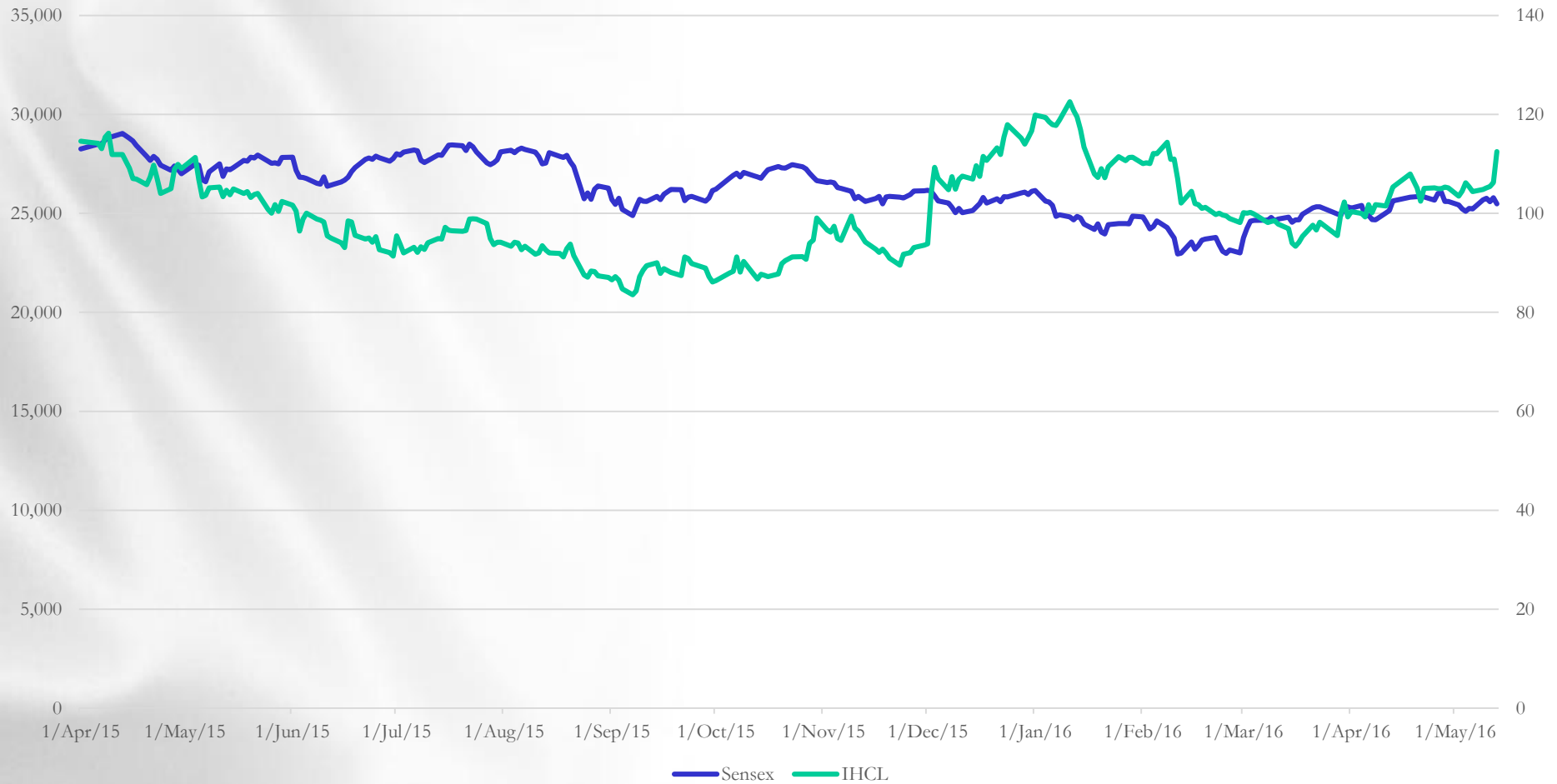
- Divestments during the year :-
 - Tata Projects Ltd - ₹ 56 crores
 - Belmond shares – Of our holding of 7.13 million shares, 2 million shares were sold during previous year - \$ 12 million (₹ 80 crores)
- The Sale Proceeds from above have been utilised to reduce the Debt.

Divestments – New Proposal

- The Board of Directors has accorded its approval to allow United Overseas Holding Inc (UOH)., a wholly owned subsidiary of the Company, to pursue the option of **divestment of Taj Boston** by way of sale/ disposal of the LLC interests in IHMS (Boston) LLC (a direct subsidiary of UOH), at a **consideration not lower than US\$ 125 million**, whilst retaining brand presence on the property through Management Services Agreement .
- This will be **subject to Shareholders and other approvals**, as would be necessary

Stock Price Movement April 2015 – March 2016

IHCL v/s BSE Sensex



Thank you