FH&RA INDIA

INDIAN HOTEL INDUSTRY SURVEY

2016-2017

HOTELIVATE

ELEVATION THROUGH INNOVATION

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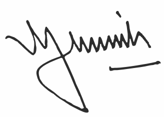
Foreword

The Federation of Hotel & Restaurant Associations of India is pleased to present the twentieth annual edition of the Indian Hotel Industry Survey, in cooperation with Hotelivate. This Survey includes in-depth information about the performance of hotels across various cities and positioning and provides several benchmarks for comparing hotel performance in India. We would like to thank the participating hotels for all the detailed information they have provided, thereby helping to improve the quality of this research.

The Indian Hotel Industry Survey analyses the performance of the Indian hospitality industry across parameters such as facilities, manpower, operational performance, and marketing trends. The information is based on data received from FHRAI hotel members and the authenticity of this data helps us in providing a clear picture of the operating statistics of India's hospitality sector. Data collected from our member hotels, our extensive historic database and the credibility of our research have helped make this report a preferred tool for hotel professionals, consultants, investors, bankers, researchers, government officials in the tourism department, media persons, and all those interested in studying the Indian hotel industry.

The current edition includes an analysis of seven major cities for which we have received detailed information, though not in sufficient numbers for all the star categories. We earnestly request all our members to be more forthcoming with sharing the required information as this helps to take up various issues confronting the industry, both at the centre and state level. It is only when armed with accurate data that we can convince the policy makers to give us the importance and priority that our industry deserves to fulfil its potential in India's economic growth. In the current survey, while we have basic data for 966 members the financial data is not available for all of them. Though the major apprehension of each one of those members for not sharing the required information for this report might be the confidentiality of their data, members should rest assured that there is complete security of data by Hotelivate.

We encourage feedback on the presentation and content of this report to enable us to improve it each year. We are thankful to Hotelivate for their continued support for this project.



Mr. Garish Oberoi
President, FHRAI
www.fhrai.com

About FHRAI

The Federation of Hotel & Restaurant Associations of India, known by the acronym FHRAI, is the Apex Body of the four Regional Associations representing the Hospitality Industry. FHRAI provides an interface between the Hospitality Industry, Political Leadership, Academics, International Associations and all other stakeholders. FHRAI is committed to promoting and protecting the interests of the Hospitality Industry.

With 3,982 members comprising approximately 2,662 hotels, 1,225 restaurants, 95 associate members and the 4 regional associations, FHRAI is truly the voice of the Hospitality Industry that brings several million rupees to the nation's exchequer and employs more than 17 million direct workers.

FHRAI, the 3rd largest Hotel & Restaurant Association in the world, is managed by an Executive Committee comprising members from the four regional associations and headed by an elected President having a one-year tenure. The day-to-day operations of FHRAI are under the supervision of the Secretary General.

About Membership Benefits

Website: The FHRAI website www.fhrai.com is a comprehensive portal which gives our members access to latest industry news, event updates, electronic copies of the current and back issues of the *FHRAI Magazine* and other indispensable resources.

Discount Cards: Our hotel and restaurant members receive two membership discount cards entitling them to 30% discount on rooms and F&B in all member establishments.

Magazine: Our monthly *FHRAI Magazine* is a highly acclaimed premium publication for the hospitality industry. It provides vital updates on legal matters and government policies, besides featuring insightful articles on contemporary trends in the Indian and global hospitality sector.

Representation and Lobbying: As the authentic voice of the hospitality industry in India, FHRAI actively engages with the Central and State governments on a multitude of issues and robustly represents the views and collective concerns of our members. We continuously monitor various legal and regulatory developments and obtain timely and effective redressal for our members.

Research and Publications: Apart from the *FHRAI Magazine,* we have a rapidly expanding portfolio of thought-leadership publications including industry surveys, research reports, monographs and compendiums.

Seminars: In partnership with other eminent organisations and agencies, FHRAI regularly conducts seminars, conferences and workshops across the country, on a wide range of technical and topical issues of interest to our members.

Annual Convention: The annual convention of FHRAI is among the most eagerly anticipated and widely attended events on the Indian hospitality industry's calendar. Our convention serves as a unique platform for our delegates to interact and deliberate with key stakeholders, including dignitaries from the highest echelons of the government, eminent global experts, business icons and media.

About Hotelivate

Hotelivate is a new-age hospitality consulting firm offering specialized services to clients across the Asia Pacific region. Founded by the erstwhile team of HVS India, Hotelivate offers a comprehensive consulting environment through a diverse team of consultants that have a combined professional experience of 250 years across varied hospitality verticals. The firm presently has offices in Delhi and Mumbai, with Singapore and Bangkok opening shortly.

The founding partners of Hotelivate are reputed hospitality business consultants, who have advised, assisted and nurtured thousands of clients for more than two decades in South Asia.

Through its focused, empathetic and innovative approach, Hotelivate serves a wide range of industry stakeholders across all phases of hospitality lifecycle consulting, thereby eliminating the need for several different advisors. Core services of the firm include Asset Management, Executive Search, Investment Advisory, Professional Skills Development, Project Execution Planning and Advisory, Revenue Management and Strategic Advisory (Feasibility Studies, Valuations, Management Contract Negotiation).

Our Advisory Services

Asset Management
Unlocking the true potential of a hotel asset

Executive Search
A holistic approach to talent acquisition

Investment Advisory
Innovative solutions for deal identification and structuring

Professional Skills Development
An end-to-end Learning & Development solution provider specializing in the service industry

Project Execution Planning and Advisory
Strategic guidance and leadership throughout the initial development stages of a hotel project

Strategic Advisory
Trusted hospitality advisors for achieving optimal economic returns for your hospitality ventures

Revenue Management
Strategic and operational Revenue Management support

Our Strategic Alliances

Ascentis

SOHO HOSPITALITY

Our Conferences

4-5 April, 2018 | Grand Hyatt Mumbai
www.HICSAconference.com

Hotel Investment Conference-South Asia (HICSA) is widely viewed by global industry leaders as the premier hospitality event for the South Asian region. A 13-year-old conference, HICSA has been extremely successful in attracting global attention to South Asia and India in particular, providing a unique platform to deliberate on the development and direction of the industry at large. Each year, the conference brings together more than 500 delegates from more than 20 countries, with overwhelming participation from hotel owners, investors, operators, bankers and industry specialists.

23-24 May, 2018 | Anantara Siam Bangkok Hotel
www.THINCINNOVATE.com

Having successfully established a reputation for itself in several global locations, THINC Conferences is set to host its flagship event in Bangkok. Named the Tourism, Hotel Investment and Networking Conference (THINC) INNOVATE, this first-of-its-kind hotel investment conference aims to create a vibrant and robust knowledge-sharing platform. THINC INNOVATE will bring together prominent leaders from the hospitality industry to share their experiences and leadership lessons, as well as innovators and changemakers from across different industries to talk about best practices and their most innovative concepts.

9 July, 2018 | Taj Diplomatic Enclave, New Delhi
www.HOSIconference.com

Hotel Operations Summit India (HOSI), the only dedicated forum for hotel professionals in the region, aims to empower today's hospitality leaders through enabling discussions on management and operations-related issues, the rapidly evolving marketplace, latest industry trends, benchmarking, and best practices. With the spotlight on General Managers, this annual event successfully brings together 300-350 leading hospitality professionals, comprising industry specialists, senior leadership, management teams and operations heads.

5-6 September, 2018 | Jakarta, Indonesia
www.THINCIndonesia.com

Tourism, Hotel Investment and Networking Conference (THINC) Indonesia is a one-of-a-kind hospitality event in Indonesia. Since its inception, and over the past five years, THINC Indonesia has consistently delivered unparalleled value to all industry stakeholders, bringing to fore the most relevant subject matter, key issues and latest industry trends that shape and transform the future of hospitality businesses in Indonesia as well as the larger Southeast Asian region.

February, 2019 | Colombo, Sri Lanka
www.THINCSriLanka.com

In a unique country with a fast-evolving tourism and hospitality sector, Tourism, Hotel Investment and Networking Conference (THINC) Sri Lanka convenes an exclusive forum for all industry partners, business leaders and key decision-makers. The event emphasizes Sri Lanka's strong tourism potential by showcasing its growth and investment opportunities, while also addressing some of the critical challenges in the region. The event aims at attracting global attention to Sri Lanka and creating significant value for all industry stakeholders with business interests in the country.

The Indian Hotel Industry Survey 2016-2017 brings together the industry's key statistics and serves as an easy reference volume. We are grateful to all those who have contributed towards the same and look forward to increased participation in the years to come.

Manav Thadani Chairman & Founder	Shreya Sen Analyst	Tulika Das Assistant Manager

Synopsis and Key Highlights

Introduction

The Indian hospitality industry has emerged as one of the key industries driving the growth of the services sector and, thereby, the Indian economy. The FHRAI Indian Hotel Survey 2016-2017 aims to provide the most comprehensive guide to All-India performance trends for this industry. Results of the Survey will empower industry stakeholders such as owners, investors, operators, business analysts and researchers with information on the operational aspects of the industry. It will also help owners benchmark the performance of their operations against industry standards and seek professional help if corrective measures are required.

Data Collection

The data for the FHRAI Indian Hotel Survey 2016-2017 has been contributed by the member hotels of FHRAI. The FHRAI sends out a questionnaire to each of its members (numbering approximately 2,662), the responses to which are then analysed and presented in this Survey. The data presented in the current edition is extracted from 966 responses of which 292 participants have provided the financial data for the respective operating assets.

Methodology

The data received from hotels participating in the Survey is sorted and filtered according to the objectives of the Survey. The data is then processed and analysed to extract important information pertaining to the performance of the Indian hospitality sector across crucial parameters. These parameters, such as guest segmentation, hotel finances, marketing, sources of reservations, and seasonality, among others, are then presented under the following categories:

- **Star:** Five-Star Deluxe, Five, Four, Three, Two, One-Star and Heritage hotels along with Other hotels (which are not classified under any star rating).
- **Inventory:** Number of rooms in hotels are categorised as Less than 50 Rooms, 50-150 Rooms, and More than 150 Rooms.
- **Affiliation:** Hotels are categorised into Affiliated to Chain and Independent hotels.
- **Primary Markets:** The seven major cities covered in this report are Bengaluru, Chennai, Delhi, Goa, Kolkata, Mumbai and Pune.

Qualifying Conditions

- While it is our endeavour to represent all the cities in India, we are limited by the data received from the participating hotels. In order to make the study relevant, we present data for only those categories for which we have a minimum of four participating hotels.
- Hotels across different categories showing similar characteristics have been combined under the same category when sufficient responses are not available for each category.

- To facilitate better evaluation of data across comparable groups, the financial statements are presented through Net Income, before any deduction of depreciation and interest.

Presentation of Financial Data

- **Percentage of Revenue** is an assessment of costs as a percentage of revenue. Departmental expenses are portions of individual revenue heads while Operating and Fixed Expenses are deducted from Gross Hotel Revenue following the international accounting guidelines.

- **Amount per Available Room (PAR)** is the financial performance of a single room and is based on the total inventory.

- **Amount per Occupied Room (POR)** is the performance of a single occupied room.

Limiting Condition

In this year's survey, we employed a new method in collection of data. For the first time, participating hotels were sent the questionnaire electronically, and not in print format. Resultantly, there has been a notable variance in the quantity and quality of data received. Our analysis reveals some challenges in the nature of data, which are as follows:

- The total number of responses recorded is drastically lower than any preceding year;

- The quality of data received is poor;

- Limited data received, especially from major cities in India, has limited our ability to analyse data of specific or clubbed star categories from major cities. Maintaining the need to analyse a minimum of four responses for financial analysis, we have presented data on a citywide basis for all major cities highlighted in the report.

It is our endeavour to work closely with FHRAI in improving the quantity and quality of data, going forward, in order to better serve various stakeholders of the hospitality industry.

All amounts presented in this report have been rounded to the nearest whole number and are in Indian rupees (₹) for the fiscal year 2016-17 (April-March). In the financial statements, rupee amounts are provided as amounts per available room (PAR) and per occupied room (POR) in order to eliminate differences in the size of hotels surveyed.

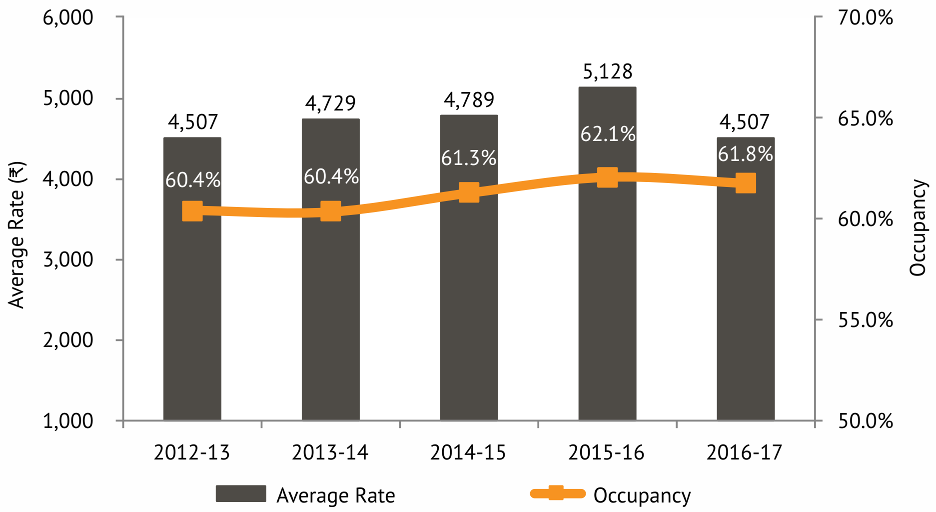
Key Trends

This Section highlights countrywide trends and city-wise scenarios using data from the past five years' surveys.

Indian Hotel Industry Performance – Country Trends

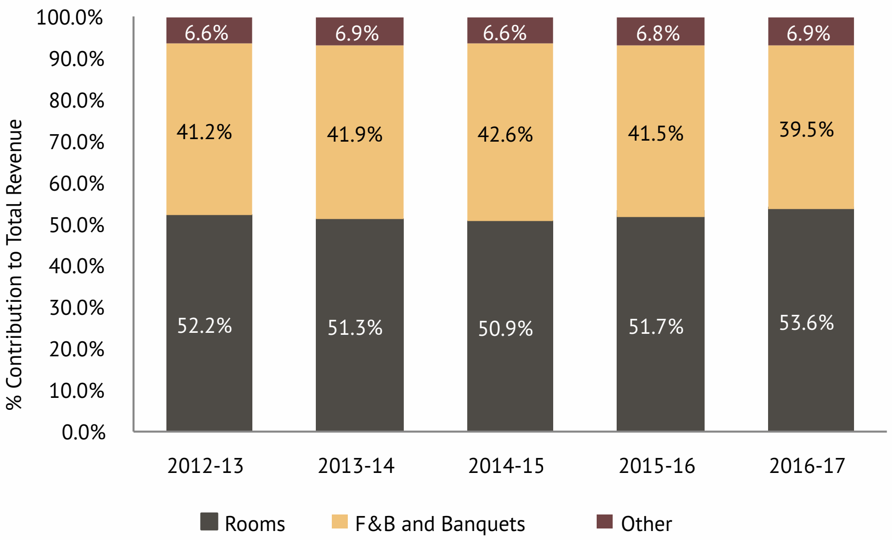
- **Occupancy and Average Rate:** The average rate registered in 2016-17 was ₹4,507, which witnessed a 12.1% drop over the previous year (₹5,128). Hotel occupancy, too, showed a modest decline of 0.5% over the previous fiscal (Exhibit 1). Hotelivate believes that the drop in the country's average rate and occupancy is a result of the lower participation of hotels in the Five-Star Deluxe and Five-Star categories.

Exhibit 1: Occupancy and Average Rate (2012-13 to 2016-17)



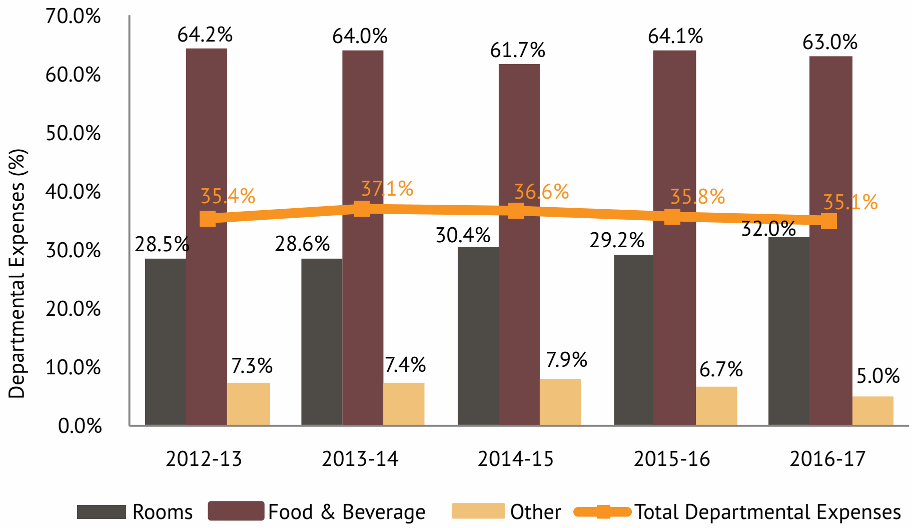
- **Contribution to Total Revenue:** In 2016-17, Rooms Revenue contributed a notable 53.6% to the Total Revenue, an increase over its percentage share in 2015-16, and an improvement from the declining trend exhibited in the years 2012-13 to 2014-15. On the other hand, contribution from Food & Beverage and Banquets declined to 39.5% from 41.5% recorded in 2015-16. The contribution of the Other operating departments has remained range-bound, with a marginal increase recorded in 2016-17 over the previous fiscal.

Exhibit 2: Sources of Revenue (2012-13 to 2016-17)



- **Decrease in Departmental Expenses:** Since 2013-14, a decreasing trend of Departmental Expenses as a percentage of Total Revenue at an All-India level has been observed. This continued for 2016-17 as well, with the departmental expenses being recorded at 35.1%. This was mainly driven by the percentage decrease in Food & Beverage and Other Expenses. However, Rooms Expenses increased to an All-India average of 32.0%, a sharp increase from the previous year.

Exhibit 3: Departmental Expenses (2012-13 to 2016-17)



- **Cost Analysis:** While Food and Beverage and Other Expenses, as a percentage of Total Revenue, remained relatively stable in 2016-17, the survey results depict a significant increase in the Rooms Expenses. On a per available room (PAR) basis, Administrative & General, Marketing Costs, Management Fees, Minor Operating Departments and Rental & Other Income decreased by 6%, 20%, 24%, 35% and 27%, respectively, over those recorded in 2015-16.

- **Guest Analysis:** Domestic travellers continue to be the majority generators of room night demand in India. As per this year's survey, the Domestic Business Traveller segment has displayed a year-on-year growth contributing 33.4% towards the total demand accommodated by the Indian hotel industry. Percentage of Domestic Tourists or Leisure Travellers has also witnessed a significant increase from 19.8% in 2015-16 to 22.2% in 2016-17. Foreign Demand, however, has seen a very marginal decline this fiscal contributing 19.4% between Business, Leisure and Tour Groups segments (Table 1-8).

- **Cash Sales:** Cash Sales have shown a strong diminishing trend since 2009-10, continuing in 2016-17 with the Prime Minister announcing the demonetisation of 500 and 1,000 rupee notes to curb black money and corruption, resulting in a short-term cash crunch across the nation. While Cash Sales were 33.6% of total sales in 2015-16, their share dropped to 27.9% in 2016-17. Subsequently, incremental increases have been observed in Credit Card Sales, Credit Sales and Electronic Fund Transfers.

- **Net Income:** As depicted in Exhibit 4, All India average Net Income as a percentage of Total Revenue remained stable at the 30.2% mark in 2016-17, primarily driven by the increase in rooms revenue for hotels across all star categories (barring one).

Exhibit 4: Revenue and Net Income (2012-13 to 2016-17)

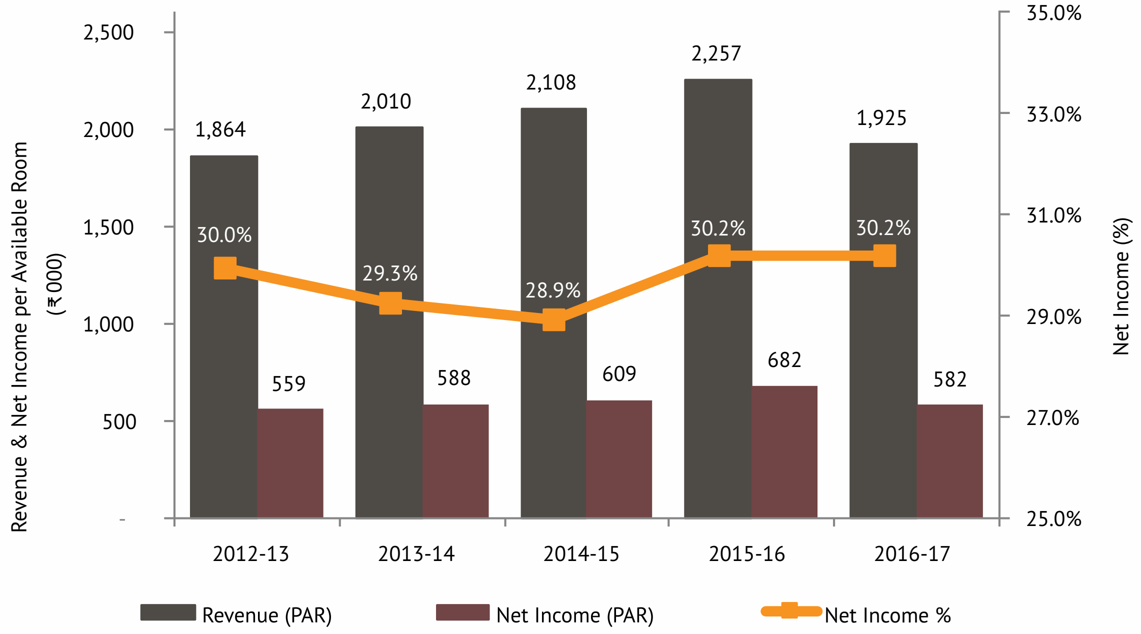


Table 1 illustrates the nationwide key operating statistics of the respondents of the Survey.

Table 1: Trends in Key Operating Statistics

COMPOSITION	2012-13 All India Average	2013-14 All India Average	2014-15 All India Average	2015-16 All India Average	2016-17 All India Average	2012-13 All India Average	2013-14 All India Average	2014-15 All India Average	2015-16 All India Average	2016-17 All India Average	2012-13 All India Average	2013-14 All India Average	2014-15 All India Average	2015-16 All India Average	2016-17 All India Average
Average Total Rooms Per Hotel:	**74**	**74**	**66**	**81**	**76**	**74**	**74**	**66**	**81**	**76**	**74**	**74**	**66**	**81**	**76**
Average Occupied Rooms Per Hotel:	**15,990**	**16,126**	**17,424**	**18,543**	**17,396**	**15,990**	**16,126**	**17,424**	**18,543**	**17,396**	**15,990**	**16,126**	**17,424**	**18,543**	**17,396**
Average Occupancy Per Hotel:	**60.4%**	**60.4%**	**61.3%**	**62.1%**	**61.8%**	**60.4%**	**60.4%**	**61.3%**	**62.1%**	**61.8%**	**60.4%**	**60.4%**	**61.3%**	**62.1%**	**61.8%**
Average Rate Per Hotel (₹):	**4,507**	**4,729**	**4,789**	**5,128**	**4,507**	**4,507**	**4,729**	**4,789**	**5,128**	**4,507**	**4,507**	**4,729**	**4,789**	**5,128**	**4,507**
	Percentage of Revenue (%)					Amount Per Available Room (₹)					Amount Per Occupied Room (₹)				
REVENUE (₹)															
Rooms	52.2%	51.3%	50.9%	51.7%	53.6%	9,73,670	10,30,606	10,72,198	11,67,572	10,31,006	4,507	4,729	4,789	5,128	4,507
Food & Beverages	29.0	29.2	31.0	28.6	28.0	5,41,494	5,86,539	6,54,374	6,45,041	5,39,690	2,506	2,691	2,923	2,833	2,359
Banquets & Conferences	12.2	12.7	11.5	12.9	11.5	2,26,793	2,55,429	2,42,917	2,90,862	2,20,912	1,050	1,172	1,085	1,278	966
Telephone & Others	0.4	0.4	0.3	0.3	0.1	6,693	7,434	7,016	5,630	2,077	31	34	31	25	9
Minor Operated*	2.9	3.3	3.3	3.3	2.5	54,881	67,232	69,140	74,825	47,727	254	308	309	329	209
Rental & Other Income	3.3	3.1	3.0	3.3	4.4	60,800	63,069	62,279	73,408	83,669	281	289	278	322	366
Total	100.0	100.0	100.0	100.0	100.0	18,64,330	20,10,310	21,07,924	22,57,338	19,25,079	8,629	9,224	9,414	9,915	8,416
DEPARTMENTAL EXPENSES (₹)															
Rooms	19.3	20.7	21.9	20.2	21.0	1,88,227	2,13,085	2,34,921	2,35,546	2,16,146	871	978	1,049	1,035	945
Food & Beverage	55.2	56.6	53.0	55.3	55.9	4,24,357	4,76,771	4,75,762	5,17,806	4,25,074	1,964	2,188	2,125	2,274	1,858
Telephone	91.7	104.7	88.1	97.1	98.3	6,140	7,783	6,179	5,469	2,041	28	36	28	24	9
Minor Operated*	66.0	61.6	71.2	56.1	56.8	36,208	41,431	49,234	41,987	27,083	168	190	220	184	118
Rental & Other Income	9.4	9.8	8.7	8.7	5.6	5,735	6,163	5,402	6,373	4,645	27	28	24	28	20
Total	35.4	37.1	36.6	35.8	35.1	6,60,667	7,45,233	7,71,499	8,07,181	6,74,988	3,058	3,419	3,446	3,545	2,951
DEPARTMENTAL INCOME (₹)	64.6	62.9	63.4	64.2	64.9	12,03,660	12,65,077	13,36,425	14,50,158	12,50,092	5,571	5,804	5,969	6,369	5,465
OPERATING EXPENSES (₹)															
Administrative & General	9.5	9.0	9.6	9.7	10.7	1,77,611	1,81,078	2,02,024	2,18,870	2,06,299	822	831	902	961	902
Management Fee	2.0	2.0	2.1	2.3	2.0	37,389	39,962	44,760	51,065	38,970	173	183	200	224	170
Marketing	3.0	3.1	3.3	3.8	3.5	56,470	62,150	69,613	85,472	68,230	261	285	311	375	298
Franchise Fees	0.5	0.3	0.2	0.2	0.1	8,920	6,905	4,160	4,690	1,601	41	32	19	21	7
Property Operations & Maintenance	5.9	5.4	5.2	5.1	6.6	1,09,845	1,08,573	1,09,692	1,15,382	1,26,173	508	498	490	507	552
Energy	9.8	10.3	10.1	10.0	9.4	1,82,067	2,06,132	2,13,600	2,25,343	1,81,607	843	946	954	990	794
Total	30.7	30.1	30.5	31.1	32.3	5,72,302	6,04,799	6,43,850	7,00,821	6,21,280	2,649	2,775	2,876	3,078	2,716
HOUSE PROFIT (₹)	33.8	32.9	32.9	33.2	32.7	6,31,362	6,60,277	6,92,575	7,49,336	6,28,812	2,922	3,029	3,093	3,291	2,749
FIXED EXPENSES (₹)															
Property Taxes	0.8	1.3	1.0	0.9	0.8	15,571	26,145	21,638	20,100	15,017	72	120	97	88	66
Insurance	0.3	0.3	0.3	0.2	0.3	6,231	5,818	5,890	5,489	5,924	29	27	26	24	26
Other Fixed Charges	1.4	1.1	1.7	1.0	0.8	26,773	21,103	35,490	23,458	14,928	124	97	159	103	65
Rent	1.3	1.0	1.0	0.8	0.6	23,777	19,352	20,061	18,754	11, 167	110	89	90	82	49
Total	3.9	3.6	3.9	3.0	2.4	72,353	72,417	83,078	67,801	47,037	335	332	371	298	206
NET INCOME(₹)**	30.0%	29.3%	28.9%	30.2%	30.2%	559,009	587,860	609,497	681,535	581,775	2,587	2,697	2,722	2,993	2,543

* Minor Operated departments include laundry, gift shop, business, news stand, sports, health club, garage. parking and so forth.
** Net Income is before depreciation, interest payments and taxes.

City Trends

Table 2 illustrates average occupancy and rate for 30 cities/regions across the country over the last five years as assimilated from FHRAI Survey results. It should be noted that since the respondent sets are not the same every year, comparison of performance between years across hotel markets is not entirely accurate.

Table 2: Average Occupancy and Average Room Rate: 30 Cities/Regions in India

	Occupancy					Average Room Rate (₹)				
City	2012-13	2013-14	2014-15	2015-16	2016-17	2012-13	2013-14	2014-15	2015-16	2016-17
All India	**60.4%**	**60.4%**	**61.3%**	**62.1%**	**61.8%**	**4,507**	**4,729**	**4,788**	**5,128**	**4,507**
Agra	60.3%	57.7%	61.9%	60.8%	60.3%	4,381	3,988	4,632	4,201	4,406
Ahmedabad	63.0%	60.4%	63.1%	54.4%	51.8%	3,902	3,106	4,018	4,076	4,658
Aurangabad	49.0%	ID	56.7%	49.1%	51.8%	3,203	ID	3,451	4,076	4,150
Bengaluru	56.6%	59.7%	61.2%	69.1%	58.0%	5,533	6,300	5,712	5,707	5,917
Bhopal	72.4%	67.7%	77.4%	77.6%	66.8%	4,300	3,366	2,940	3,051	2,714
Chandigarh	65.4%	54.9%	ID	ID	70.0%	3,639	4,396	ID	ID	2,859
Chennai	69.8%	68.2%	62.0%	61.8%	67.9%	4,345	4,043	4,096	4,852	3,908
Coimbatore	61.3%	59.3%	ID	57.9%	44.7%	3,655	2,987	ID	3,921	3,213
Delhi - NCR*	57.1%	57.7%	64.3%	64.5%	67.7%	7,455	8,282	7,558	7,804	6,099
Goa	67.7%	69.9%	67.6%	69.3%	66.7%	5,749	5,643	6,737	7,701	7,388
Gurugram	61.0%	58.2%	64.8%	66.7%	69.7%	7,776	7,691	8,258	7,010	5,134
Hyderabad	55.7%	56.9%	61.5%	59.7%	63.4%	3,856	3,367	2,924	4,392	3,469
Indore	61.4%	55.8%	54.8%	60.3%	63.8%	2,631	2,032	2,191	2,582	2,480
Jaipur	58.6%	57.3%	55.5%	62.3%	67.9%	3,490	3,878	4,068	4,920	3,471
Jodhpur	46.3%	45.0%	45.5%	54.3%	50.0%	8,431	11,350	11,300	9,562	7,329
Kochi	71.5%	68.4%	68.6%	71.8%	77.6%	2,882	2,186	2,498	3,302	1,573
Kolkata	67.1%	70.1%	67.7%	68.9%	62.5%	5,461	5,230	4,867	5,151	4,050
Lucknow	65.0%	68.8%	64.7%	66.5%	67.8%	3,047	3,426	5,401	4,847	4,442
Mount Abu	ID	ID	ID	65.5%	59.5%	ID	ID	ID	3,919	4,592
Mumbai	71.5%	72.9%	74.5%	71.2%	73.4%	5,971	5,397	5,954	6,385	5,669
Mussoorie	ID	ID	ID	46.6%	50.1%	ID	ID	ID	5,670	5,467
Mysore	65.7%	ID	65.6%	63.1%	30.7%	3,738	ID	4,230	4,354	1,149
Nagpur	54.1%	60.9%	ID	ID	77.6%	3,018	1,654	ID	ID	4,530
Pune	57.8%	58.3%	60.4%	65.7%	74.9%	2,724	2,963	3,018	3,664	3,372
Raipur	ID	ID	ID	58.3%	ID	ID	ID	ID	1,828	ID
Shimla	56.5%	53.1%	57.0%	58.6%	69.5%	2,636	2,139	3,909	2,893	6,170
Thiruvananthapuram	57.1%	53.6%	59.3%	61.7%	61.9%	1,474	2,590	2,691	3,371	2,773
Udaipur	59.5%	50.9%	46.9%	51.9%	38.9%	4,449	9,698	10,470	11,762	8,005
Vadodara	68.0%	60.6%	60.2%	65.6%	63.2%	3,698	3,454	2,537	3,964	4,087
Visakhapatnam	63.3%	59.0%	ID	70.0%	65.6%	3,367	4,371	ID	4,208	3,341

ID: Insufficient Data
*Delhi - NCR data including Faridabad, Ghaziabad, and NOIDA.

1. Indian Hotel Industry – Overview

Introduction

This section illustrates Survey results for the performance of the hotels analysed as per their star classification. The hotels have been classified into the eight star categories applicable in India. To provide further comparisons, we have included a column for All India averages across all star categories. Additionally, in this section, we also present the key operating statistics and other data for the Survey participants according to the number of rooms. The participating hotels have been classified into three categories: 'Less than 50 rooms', '50 to 150 rooms', and 'More than 150 rooms'. We have also drawn a comparison between Chain Affiliated and Independent hotels.

An overall total of 966 hotels participated in the Survey for 2016-17. All data pertains to 2016-17 (April-March), and monetary figures are in Indian rupees (₹).

Trends

Rooms Profile and Facilities

- The results of this year's survey reveal that Three-Star, Two-Star, and One-Star hotels, along with the Heritage and Others categories make up nearly 77% of the respondents, contributing to an All India average of 70.1 rooms per hotel. The average inventory continues to decline from the higher to the lower star categories, in line with the often smaller scale of operations in hotels that belong to the lower star categories.

- The All India average for the total rooms per hotel has increased year-on-year. This growth can be attributed to i) the increase in demand for hotel rooms across India ii) the opening of several hotels with active development of supply taking place in the Budget and the Mid-Market segments.

- Additionally, a difference in the facilities of Chain Affiliated and Independent hotels is observed - Chain Affiliated hotels, as seen through the survey, offer more expansive facilities in terms of guest rooms (124 rooms) as compared to independently managed hotels (56 rooms). However, it is interesting to note that despite the variance in the inventory, both Chain Affiliated and Independent hotels offer a more or less similar number of Food & Beverage outlets on an average (3.6 and 3.4 respectively).

Employees Per Hotel

- The All India average for the total number of supervisors and staff has decreased by 0.2% and 1.0% respectively, over that reported in the previous year. Survey respondents across all the star categories have reported a decline in the total number of employees per hotel. As for the employee-to-room ratio, this ratio has remained nearly constant with marginal differences from one year to the other. The survey also suggested that Heritage hotels have the same employee-to-room ratio as Five-Star Deluxe hotels, despite the former having far lower inventories.

- Furthermore, the survey also reveals marginal difference between Chain Affiliated and Independent hotels when it comes to employee-to-room ratio. This can be ascribed to the fact that independently managed hotels are usually full-service hotels and unlike their brand counterparts, do not benefit from the use of well-trained and multi-skilled individuals.

- Analysis of hotels on the basis of inventory reveal a similar trend inefficiency, especially in the smaller-sized hotels.

Income Expense

- Survey respondents have reported a 15% decrease in Net Income on a per available room basis in 2016-17 over that of the previous year. While the Departmental Expenses and Fixed Expenses have declined on an All India basis in comparison to the previous year, the fall in Net Income is the result of the corresponding drop in departmental revenue by 15%.

- The decline in the All India average Departmental Revenues is primarily a result of the dip in Rooms revenue for the Three-Star and Other Hotels. As smaller inventories of the lower category of hotels do not allow for economies of scale, the departmental expenses steadily increase as a percentage of departmental revenues as we go from Five-Star Deluxe to Other hotels, Heritage hotels being an exception. Furthermore, Telephone and Minor Operating departments are becoming loss generating in the lower categories of hotels. There is also an increase in Administrative and General Expenses (as a percentage of revenue) this year across all categories except for Four-Star and Two-Star hotels. The expenses for Property Operations and Maintenance (as a percentage of revenue) have also witnessed a growth in all the star categories barring Two-Star, Heritage and Other hotels.

- Chain Affiliated hotels, as per the survey, recorded a higher Net Income percentage of 32.2% in comparison to the Independent hotels which have logged a Net Income percentage of 27.4%. This is a result of the fact that chain hotels are better at managing departmental costs through strong standard operating procedures, control measures and trained staff which in turn yield better bottom lines.

- A positive correlation between the Net Income percentage and the room inventory of the hotels was also observed. Hotels with higher inventory can achieve better operating efficacies as hotels typically have high fixed costs that get rationalised as the inventory increases.

Payment Methods

- Survey respondents for 2016-17 have reported a considerable increase payments received through credit sales and electronic fund transfers across all the star categories, across differently sized hotels as well as in Chain Affiliated hotels and independently managed hotels. This increase is partly caused by a drop in cash sales resulting from the demonetisation of 500 and 1,000 rupee notes announced by the Prime Minister on 8 November 2016. This year's survey also depicts an overall increase in the credit card commission.

Table 1-1: Indian Hotel Industry – Facilities Analysis

Typical Room Profile of an Average Hotel

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
Air-Conditioned														
Rooms	219.5	135.6	99.0	52.9	34.0	21.0	21.5	30.6	62.4	25.5	74.9	221.2	114.0	48.1
Suites	11.4	9.1	8.9	4.4	2.9	1.3	9.2	2.2	5.0	2.2	6.6	15.0	9.7	4.6
Non-Air-Conditioned														
Rooms	0.5	1.4	0.0	2.1	3.5	6.7	2.7	3.4	2.4	2.9	2.2	0.2	0.4	3.2
Suites	0.0	0.1	0.0	0.2	0.2	0.6	1.1	0.6	0.3	0.3	0.2	0.0	0.0	0.4
Total Average Rooms	**231.4**	**146.2**	**107.8**	**59.5**	**40.7**	**29.5**	**34.5**	**36.9**	**70.1**	**31.0**	**84.0**	**236.4**	**124.1**	**56.2**

* The number of non-air-conditioned rooms in lower star category hotels appears to be higher, partly because many are located in hill stations where air-conditioning is not provided in hotels.

Average Number of Food & Beverage Outlets Per Hotel

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
Restaurants	3.4	2.5	2.0	1.6	1.3	1.3	1.4	1.4	1.7	2.4	1.8	2.9	2.1	2.4
Bars	1.5	1.1	1.0	0.7	0.5	0.4	0.7	0.5	0.7	0.6	0.8	1.3	1.0	0.7
Others	0.6	0.7	0.5	0.3	0.2	0.2	0.4	0.1	0.3	0.2	0.4	0.6	0.5	0.3
Total	**5.4**	**4.3**	**3.5**	**2.6**	**2.0**	**1.8**	**2.4**	**2.0**	**2.8**	**3.1**	**3.0**	**4.8**	**3.6**	**3.4**

Table 1-2: Indian Hotel Industry – Staffing

Average Number of Employees Per Hotel (Permanent/ Contract/ Full Time/ Part Time)

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
Managers														
Male	41.6	26.2	15.1	7.5	3.5	2.3	5.0	3.6	9.1	3.4	11.3	37.8	20.5	6.6
Female	9.7	4.3	2.2	1.0	0.5	0.3	0.6	0.4	1.4	0.6	1.5	7.5	3.5	1.0
Supervisors														
Male	57.8	39.1	21.9	10.1	4.9	2.9	9.5	9.9	13.4	6.0	15.9	52.3	26.3	10.0
Female	11.8	4.7	3.4	1.5	0.9	0.4	0.7	0.4	1.9	0.7	2.3	8.6	4.0	1.5
Staff														
Male	208.6	138.7	92.1	56.5	33.0	25.9	52.6	23.0	60.9	30.3	77.7	184.0	106.6	52.1
Female	37.6	19.4	11.8	7.2	3.9	4.5	3.6	3.3	8.2	3.9	10.2	27.7	15.0	7.0
Total	**367.1**	**232.2**	**146.5**	**83.8**	**46.7**	**36.4**	**71.9**	**40.6**	**95.0**	**44.8**	**118.8**	**317.9**	**175.9**	**78.2**
Avg. Employee/ Room	2.0	1.8	1.6	1.5	1.1	1.4	2.0	1.2	1.5	1.5	1.4	1.5	1.5	1.4

Average Percentage of Trained Employees Per Hotel

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
Managers	97.9	97.3	83.7	79.0	76.7	88.9	99.1	84.8	88.4	229.0	210.0	40.0	85.7	87.9
Supervisors	86.8	95.3	85.8	79.2	65.8	85.1	90.0	79.0	83.4	79.2	85.2	86.0	88.8	81.2
Staff	75.5	84.6	70.7	59.0	53.9	69.3	74.9	67.3	69.4	63.2	66.9	72.6	73.9	63.6
Total Avg. Trained Employees*	**86.8**	**92.4**	**80.1**	**72.4**	**65.5**	**81.1**	**88.0**	**77.1**	**80.4**	**76.2**	**79.6**	**82.4**	**82.8**	**77.6**
Total Avg. Un-Trained	**13.3**	**7.6**	**19.9**	**27.6**	**34.6**	**18.9**	**12.0**	**23.0**	**19.6**	**23.8**	**20.4**	**17.6**	**17.2**	**22.4**

* Trained Employees includes those with a minimum one-year certificate course from a hotel management or equivalent institution; however, some hotels may have included those with short term (in-house) training.

Table 1-3: Indian Hotel Industry – Financial Report: Percentage of Revenue (2016-17)

	STAR CATEGORIES								
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average
Average Total Rooms Per Hotel:	**225**	**148**	**114**	**57**	**43**	**29**	**42**	**30**	76
Average Occupied Rooms Per Hotel:	**58,094**	**35,397**	**28,351**	**12,091**	**9,423**	**5,605**	**5,944**	**5,355**	17,397
Average Occupancy Per Hotel:	**71.2 %**	**67.3 %**	**68.4 %**	**60.2 %**	**61.7 %**	**61.7 %**	**38.3 %**	**57.8 %**	61.8 %
Average Rate Per Hotel (₹):	8,638	5,799	4,186	3,049	2,356	1,512	6,109	1,740	4,507
REVENUE									
Rooms	55.8 %	52.0 %	60.0 %	49.6 %	46.8 %	45.7 %	46.6 %	56.8 %	53.6 %
Food & Beverages	23.1	27.1	26.3	35.4	24.6	33.3	37.1	38.4	28.0
Banquets & Conferences	14.3	13.4	8.6	8.7	12.7	17.3	11.4	2.2	11.5
Telephone & Others	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.3	0.1
Minor Operated*	3.8	3.2	2.2	1.3	0.6	0.2	0.7	0.1	2.5
Rental & Other Income	2.9	4.2	2.8	4.8	15.2	3.5	4.0	2.3	4.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES									
Rooms	20.0	18.2	18.7	22.9	39.6	24.3	27.7	33.3	21.0
Food & Beverage	48.3	49.7	62.2	60.8	75.9	61.1	50.9	59.0	55.9
Telephone	82.0	79.1	111.9	121.8	151.0	137.0	107.0	99.3	98.3
Minor Operated*	52.4	52.1	54.5	74.3	164.7	196.4	42.6	207.6	56.8
Rental & Other Income	8.7	3.4	4.5	8.6	4.0	7.4	0.4	0.0	5.6
Total	31.6	31.5	34.4	39.7	48.6	42.7	38.0	43.4	35.1
DEPARTMENTAL INCOME	68.4	68.5	65.6	60.3	51.4	57.3	62.0	56.6	64.9
OPERATING EXPENSES									
Administrative & General	11.8	12.4	9.3	10.0	6.9	7.3	12.1	7.9	10.7
Management Fee	2.0	2.9	1.8	1.5	1.2	0.8	1.7	0.1	2.0
Marketing	5.5	2.7	4.4	2.7	1.7	1.1	1.5	0.3	3.5
Franchise Fees	0.1	0.0	0.2	0.1	0.0	0.0	0.1	0.0	0.1
Property Operations & Maintenance	6.9	7.2	7.0	5.7	4.5	5.2	6.2	3.9	6.6
Energy	6.7	9.5	9.7	11.5	10.5	8.4	9.6	11.0	9.4
Total	32.8	34.6	32.1	31.3	24.7	22.7	31.0	23.3	32.3
HOUSE PROFIT	35.6	33.9	33.5	29.0	26.7	34.6	31.0	33.4	32.7
FIXED EXPENSES									
Property Taxes	1.0	0.7	0.8	0.7	0.6	1.1	0.4	0.4	0.8
Insurance	0.3	0.2	0.4	0.2	0.5	0.4	1.3	0.4	0.3
Other Fixed Charges	0.6	1.2	0.6	0.5	0.6	0.4	2.1	0.2	0.8
Rent	0.2	0.1	0.6	1.3	0.7	1.7	2.4	1.2	0.6
Total	2.1	2.2	2.4	2.8	2.3	3.6	6.2	2.1	2.4
NET INCOME**	**33.5 %**	**31.7 %**	**31.1 %**	**26.2 %**	**24.3 %**	**31.0 %**	**24.8 %**	**31.3 %**	30.2 %

* Minor Operated departments include laundry, gift shop, business, news stand, sports, health club, garage, parking and so forth.
** Net Income is before depreciation, interest payments and taxes.

Table 1-4: Indian Hotel Industry – Financial Report: Amount Per Available Room (2016-17)

	STAR CATEGORIES								
COMPOSITION	**Five-Star Deluxe**	**Five-Star**	**Four-Star**	**Three-Star**	**Two-Star**	**One-Star**	**Heritage**	**Others**	**2016-17 All India Average**
Average Total Rooms Per Hotel:	**225**	**148**	**114**	**57**	**43**	**29**	**42**	**30**	**76**
Average Occupied Rooms Per Hotel:	**58,094**	**35,397**	**28,351**	**12,091**	**9,423**	**5,605**	**5,944**	**5,355**	**17,397**
Average Occupancy Per Hotel:	**71.2 %**	**67.3 %**	**68.4 %**	**60.2 %**	**61.7 %**	**61.7 %**	**38.3 %**	**57.8 %**	**61.8 %**
Average Rate Per Hotel (₹):	**8,638**	**5,799**	**4,186**	**3,049**	**2,356**	**1,512**	**6,109**	**1,740**	**4,507**
REVENUE (₹)									
Rooms	2,234,138	1,389,171	1,040,137	644,981	511,679	295,291	868,968	310,554	1,031,006
Food & Beverages	927,114	724,065	455,692	460,294	269,243	215,457	691,920	209,815	539,690
Banquets & Conferences	571,779	359,030	148,277	113,025	139,034	112,039	212,884	11,792	220,912
Telephone & Others	5,927	2,656	2,032	1,028	1,038	496	819	1,450	2,077
Minor Operated*	151,679	84,253	38,447	17,447	6,784	1,072	13,864	625	47,727
Rental & Other Income	116,032	112,258	47,896	62,536	166,372	22,397	75,149	12,386	83,669
Total	4,006,669	2,671,433	1,732,480	1,299,312	1,094,149	646,754	1,863,602	546,622	1,925,079
DEPARTMENTAL EXPENSES (₹)									
Rooms	447,660	252,852	194,567	147,616	202,779	71,659	240,667	103,532	216,146
Food & Beverage	723,523	538,289	375,364	348,828	309,802	200,160	460,070	130,750	425,074
Telephone	4,857	2,100	2,274	1,252	1,567	679	876	1,440	2,041
Minor Operated*	79,518	43,868	20,964	12,959	11,171	2,107	5,902	1,298	27,083
Rental & Other Income	10,078	3,865	2,132	5,353	6,629	1,648	313	-	4,645
Total	1,265,636	840,974	595,302	516,009	531,949	276,254	707,828	237,020	674,988
DEPARTMENTAL INCOME (₹)	2,741,033	1,830,459	1,137,179	783,304	562,200	370,500	1,155,774	309,602	1,250,092
OPERATING EXPENSES									
Administrative & General	470,938	330,221	160,289	129,546	75,492	47,068	224,677	43,162	206,299
Management Fee	78,020	78,362	30,773	19,256	12,878	5,140	31,191	550	38,970
Marketing	220,739	71,298	75,958	35,590	18,221	7,016	27,648	1,823	68,230
Franchise Fees	2,705	1,011	3,261	1,000	58	-	1,427	-	1,601
Property Operations & Maintenance	274,307	191,614	121,490	73,361	49,163	33,464	115,438	21,432	126,173
Energy	270,039	253,928	167,667	149,310	114,889	53,981	179,395	60,281	181,607
Total	1,314,042	925,423	556,176	407,063	270,643	146,670	578,349	127,248	621,280
HOUSE PROFIT (₹)	1,426,990	905,036	581,003	376,241	291,557	223,830	577,426	182,354	628,812
FIXED EXPENSES (₹)									
Property Taxes	41,366	17,871	14,475	9,201	6,575	6,960	7,586	2,112	15,017
Insurance	10,194	5,451	7,097	2,983	5,146	2,484	24,029	2,066	5,924
Other Fixed Charges	24,691	32,245	10,170	6,080	6,322	2,681	38,983	874	14,928
Rent	7,059	2,665	9,899	17,472	7,250	11,126	44,757	6,313	11,167
Total	83,311	58,232	41,642	35,736	25,293	23,252	115,356	11,365	47,037
NET INCOME (₹)**	1,343,680	846,804	539,361	340,504	266,265	200,578	462,070	170,989	581,775

* Minor Operated departments include laundry, gift shop, business, news stand, sports, health club, garage, parking and so forth.
** Net Income is before depreciation, interest payments and taxes.

Table 1-5: Indian Hotel Industry – Financial Report: Amount Per Occupied Room (2016-17)

	STAR CATEGORIES								
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average
Average Total Rooms Per Hotel:	**225**	**148**	**114**	**57**	**43**	**29**	**42**	**30**	**76**
Average Occupied Rooms Per Hotel:	**58,094**	**35,397**	**28,351**	**12,091**	**9,423**	**5,605**	**5,944**	**5,355**	**17,397**
Average Occupancy Per Hotel:	**71.2 %**	**67.3 %**	**68.4 %**	**60.2 %**	**61.7 %**	**61.7 %**	**38.3 %**	**57.8 %**	**61.8 %**
Average Rate Per Hotel (₹):	**8,638**	**5,799**	**4,186**	**3,049**	**2,356**	**1,512**	**6,109**	**1,740**	**4,507**
REVENUE (₹)									
Rooms	8,638	5,799	4,186	3,049	2,356	1,512	6,109	1,740	4,507
Food & Beverages	3,584	3,023	1,834	2,176	1,239	1,103	4,864	1,176	2,359
Banquets & Conferences	2,211	1,499	597	534	640	574	1,497	66	966
Telephone & Others	23	11	8	5	5	3	6	8	9
Minor Operated*	586	352	155	82	31	5	97	4	209
Rental & Other Income	449	469	193	296	766	115	528	69	366
Total	15,490	11,152	6,972	6,141	5,037	3,311	13,102	3,063	8,416
DEPARTMENTAL EXPENSES (₹)									
Rooms	1,731	1,056	783	698	934	367	1,692	580	945
Food & Beverage	2,797	2,247	1,510	1,649	1,426	1,025	3,234	733	1,858
Telephone	19	9	9	6	7	3	6	8	9
Minor Operated*	307	183	84	61	51	11	41	7	118
Rental & Other Income	39	16	9	25	31	8	2	-	20
Total	4,893	3,511	2,396	2,439	2,449	1,414	4,976	1,328	2,951
DEPARTMENTAL INCOME (₹)	10,597	7,641	4,576	3,702	2,588	1,897	8,125	1,735	5,465
OPERATING EXPENSES (₹)									
Administrative & General	1,821	1,379	645	612	348	241	1,580	242	902
Management Fee	302	327	124	91	59	26	219	3	170
Marketing	853	298	306	168	84	36	194	10	298
Franchise Fees	10	4	13	5	-	-	10	-	7
Property Operations & Maintenance	1,061	800	489	347	226	171	812	120	552
Energy	1,044	1,060	675	706	529	276	1,261	338	794
Total	5,080	3,863	2,238	1,924	1,246	751	4,066	713	2,716
HOUSE PROFIT (₹)	5,517	3,778	2,338	1,778	1,342	1,146	4,059	1,022	2,749
FIXED EXPENSES (₹)									
Property Taxes	160	75	58	43	30	36	53	12	66
Insurance	39	23	29	14	24	13	169	12	26
Other Fixed Charges	95	135	41	29	29	14	274	5	65
Rent	27	11	40	83	33	57	315	35	49
Total	322	243	168	169	116	119	811	64	206
NET INCOME (₹)**	5,195	3,535	2,170	1,609	1,226	1,027	3,248	958	2,543

* Minor Operated departments include laundry, gift shop, business, news stand, sports, health club, garage, parking and so forth.
** Net Income is before depreciation, interest payments and taxes.

Table 1-6: Indian Hotel Industry – Chain Affiliated vs. Independent: Financial Report (2016-17)

	STAR CATEGORIES								
	Chain Affiliated			Independent			2016-17 All India Average		
Average Total Rooms Per Hotel:	**125**			**60**			**74**		
Average Occupied Rooms Per Hotel:	**31,107**			**13,032**			**16,970**		
Average Occupancy Per Hotel:	**67.8%**			**60.2%**			**61.9%**		
Average Rate Per Hotel (₹):	**5,543**			**3,672**			**4,419**		
COMPOSITION	**Percentage of Revenue (%)**	**Amount per Available Room (₹)**	**Amount per Occupied Room (₹)**	**Percentage of Revenue (%)**	**Amount per Available Room (₹)**	**Amount per Occupied Room (₹)**	**Percentage of Revenue (%)**	**Amount per Available Room (₹)**	**Amount per Occupied Room (₹)**
REVENUE (₹)									
Rooms	53.8	1,377,070	5,543	53.7	796,637	3,672	53.7	1,009,882	4,419
Food & Beverages	26.1	668,150	2,690	31.1	462,078	2,130	28.6	537,786	2,353
Banquets & Conferences	13.9	355,198	1,430	8.7	129,136	595	11.3	212,189	929
Telephone & Others	0.1	3,249	13	0.1	1,622	7	0.1	2,220	10
Minor Operated*	3.2	80,867	326	1.9	28,622	132	2.5	47,816	209
Rental & Other Income	2.9	74,847	301	4.5	66,436	306	3.7	69,526	304
Total	100.0	2,559,380	10,302	100.0	1,484,530	6,843	100.0	1,879,419	8,225
DEPARTMENTAL EXPENSES (₹)									
Rooms	19.3	265,589	1,069	21.9	174,198	803	20.6	207,774	909
Food & Beverage	50.8	520,006	2,093	61.5	363,819	1,677	56.2	421,200	1,843
Telephone	66.9	2,172	9	112.6	1,826	8	88.0	1,953	9
Minor Operated*	42.8	34,624	139	74.0	21,165	98	54.6	26,110	114
Rental & Other Income	6.8	5,114	21	7.3	4,836	22	7.1	4,938	22
Total	32.3	827,506	3,331	38.1	565,844	2,608	35.2	661,976	2,897
DEPARTMENTAL INCOME (₹)	67.7	1,731,875	6,971	61.9	918,686	4,235	64.8	1,217,443	5,328
OPERATING EXPENSES (₹)									
Administrative & General	10.0	256,052	1,031	10.9	162,269	748	10.5	196,724	861
Management Fee	2.7	68,001	274	1.2	17,338	80	1.9	35,951	157
Marketing	5.0	118,907	479	2.7	40,229	185	3.7	69,135	303
Franchise Fees	0.2	3,432	14	0.1	717	3	0.1	1,715	8
Property Operations & Maintenance	7.1	181,053	729	6.6	98,598	454	6.9	128,891	564
Energy	8.2	209,977	845	10.4	153,901	709	9.3	174,503	764
Total	33.2	833,989	3,371	31.9	472,335	2,181	32.3	605,203	2,656
HOUSE PROFIT (₹)	34.5	897,886	3,600	30.0	446,350	2,054	32.5	612,240	2,672
FIXED EXPENSES (₹)									
Property Taxes	0.8	19,493	78	0.9	13,489	62	0.8	15,695	69
Insurance	0.3	6,771	27	0.3	4,850	22	0.3	5,555	24
Other Fixed Charges	1.0	25,254	102	0.8	11,433	53	0.9	16,510	72
Rent	0.8	19,078	77	0.6	8,599	40	0.7	12,449	54
Total	2.8	70,595	284	2.6	38,370	177	2.7	50,209	220
NET INCOME (₹)**	32.2	827,291	3,316	27.4	407,980	1,877	29.8	562,031	2,452

* Minor Operated departments include laundry, gift shop, business, news stand, sports, health club, garage, parking and so forth.
** Net Income is before depreciation, interest payments and taxes.

Table 1-7: Indian Hotel Industry – Inventory: Financial Report (2016-17)

	Less than 50 Rooms	50 to 150 Rooms	More than 150 Rooms	2016-17 All India Average	Less than 50 Rooms	50 to 150 Rooms	More than 150 Rooms	2016-17 All India Average	Less than 50 Rooms	50 to 150 Rooms	More than 150 Rooms	2016-17 All India Average
Average Total Rooms Per Hotel:	**31**	**88**	**231**	**76**	**31**	**88**	**231**	**76**	**31**	**88**	**231**	**76**
Average Occupied Rooms Per Hotel:	**6,455**	**19,824**	**56,701**	**17,397**	**6,455**	**19,824**	**56,701**	**17,397**	**6,455**	**19,824**	**56,701**	**17,397**
Average Occupancy Per Hotel:	**59.5 %**	**63.0 %**	**67.3 %**	**61.8 %**	**59.5 %**	**63.0 %**	**67.3 %**	**61.8 %**	**59.5 %**	**63.0 %**	**67.3 %**	**61.8 %**
Average Rate Per Hotel (₹)	**2,713**	**4,102**	**6,080**	**4,507**	**2,713**	**4,102**	**6,080**	**4,507**	**2,713**	**4,102**	**6,080**	**4,507**
	Percentage of Revenue (%)				Amount per Available Room (₹)				Amount per Occupied Room (₹)			
REVENUE (₹)												
Rooms	45.5	56.1	53.3	53.6	565,344	927,653	1,491,120	1,029,882	2,713	4,083	6,080	4,495
Food & Beverages	37.0	27.6	25.9	28.0	460,337	457,244	725,362	538,232	2,209	2,013	2,958	2,349
Banquets & Conferences	8.6	10.2	13.6	11.5	107,312	168,972	381,428	221,331	515	744	1,555	966
Telephone & Others	0.1	0.1	0.2	0.1	1,110	1,198	4,136	2,063	5	5	17	9
Minor Operated*	1.0	2.0	3.3	2.5	12,648	33,679	92,458	47,433	61	148	377	207
Rental & Other Income	7.7	4.0	3.8	4.3	95,987	65,599	105,648	83,212	461	289	431	363
Total	100.0	100.0	100.0	100.0	1,242,738	1,654,344	2,800,151	1,922,151	5,964	7,282	11,418	8,389
DEPARTMENTAL EXPENSES (₹)												
Rooms	26.5	22.2	18.3	20.9	149,946	205,878	272,459	215,539	720	906	1,111	941
Food & Beverage	64.3	62.1	47.5	56.0	364,931	388,679	525,143	425,232	1,751	1,711	2,141	1,856
Telephone	165.1	119.2	81.9	101.3	1,833	1,428	3,387	2,090	9	6	14	9
Minor Operated*	85.3	77.3	41.8	56.9	10,787	26,025	38,624	26,995	52	115	158	118
Rental & Other Income	5.9	6.1	4.7	5.6	5,699	4,028	4,987	4,623	27	18	20	20
Total	42.9	37.8	30.2	35.1	533,195	626,036	844,599	674,480	2,559	2,756	3,444	2,944
DEPARTMENTAL INCOME (₹)	57.1	62.2	69.8	64.9	709,543	1,028,308	1,955,552	1,247,671	3,405	4,526	7,974	5,445
OPERATING EXPENSES (₹)												
Administrative & General	8.6	10.5	11.6	10.8	106,715	174,256	323,408	206,544	512	767	1,319	901
Management Fee	1.4	1.7	2.5	2.0	17,947	27,324	71,068	38,716	86	120	290	169
Marketing	2.5	3.9	5.9	4.6	30,469	64,661	164,658	88,352	146	285	671	386
Franchise Fees	0.0	0.3	0.2	0.2	-	4,561	4,340	3,686	-	20	18	16
Property Operations & Maintenance	5.9	5.8	7.5	6.6	73,455	96,528	209,990	126,306	352	425	856	551
Energy	10.7	10.5	8.1	9.5	132,821	173,720	226,055	181,879	637	765	922	794
Total	29.1	32.7	35.7	33.6	361,576	541,049	999,520	645,483	1,735	2,382	4,076	2,817
HOUSE PROFIT (₹)	28.0	29.5	34.1	31.3	347,967	487,259	956,032	602,188	1,670	2,145	3,898	2,628
FIXED EXPENSES (₹)												
Property Taxes	0.8	0.7	0.8	0.8	9,270	12,296	23,320	15,045	44	54	95	66
Insurance	0.4	0.4	0.3	0.3	4,600	5,833	6,975	5,948	22	26	28	26
Other Fixed Charges	0.6	0.8	0.9	0.8	7,983	12,487	24,412	15,233	38	55	100	66
Rent	1.4	0.7	0.2	0.6	16,955	11,844	6,263	11,112	81	52	26	49
Total	3.1	2.6	2.2	2.5	38,808	42,460	60,970	47,339	186	187	249	207
NET INCOME (₹)	24.9	26.9	32.0	28.9	309,159	444,799	895,063	554,850	1,484	1,958	3,650	2,421

* Minor Operated departments include laundry, gift shop, business, news stand, sports, health club, garage, parking and so forth.
** Net Income is before depreciation, interest payments and taxes.

Table 1-8: Indian Hotel Industry – Market Data

Market Segmentation

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
Airline Crew	5.5%	1.7 %	0.9 %	0.7 %	0.3 %	0.0%	0.1 %	0.5 %	0.8%	0.4 %	0.8 %	3.3 %	1.9 %	0.6 %
Business Traveller - Domestic	18.1	22.1	35.5	36.5	35.0	38.7	14.2	31.4	33.4	34.1	34.5	23.2	34.3	33.6
Business Traveller - Foreign	16.5	12.9	12.3	8.9	6.0	8.3	10.8	7.8	9.3	7.6	10.0	16.6	12.8	8.3
Complimentary Rooms	2.0	1.1	1.5	2.7	1.4	1.8	3.2	1.3	2.0	2.2	1.8	1.9	2.1	1.9
Domestic - Tourists/Leisure FIT	16.5	17.0	16.4	20.4	29.4	27.1	27.4	25.7	22.2	26.2	19.0	13.6	14.2	23.8
Foreign - Tourists/Leisure FIT	7.0	7.8	8.7	5.4	5.2	3.8	16.0	4.3	6.2	5.7	6.8	5.6	7.0	6.1
Meeting Participants (< 100 Attendees)	10.8	7.5	4.5	3.9	4.1	4.9	4.1	3.0	4.5	3.3	5.2	8.5	4.4	4.6
Meeting Participants (> 100 Attendees)	4.6	8.6	8.3	7.3	4.5	3.8	2.2	6.7	6.5	5.1	7.5	10.6	8.4	5.9
Tour Groups - Domestic	5.6	7.6	6.5	7.9	9.2	9.5	8.9	8.0	8.0	8.4	7.8	5.7	6.5	8.1
Tour Groups - Foreign	3.8	7.7	3.1	3.9	2.8	0.6	9.7	4.1	3.9	3.7	3.9	5.0	5.3	3.8
Others	9.6	6.1	2.2	2.5	2.2	1.5	3.5	7.2	3.3	3.4	2.7	6.1	3.1	3.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Guest Analysis

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
Domestic Guests	57.8 %	61.7 %	73.2 %	79.1 %	82.8 %	80.7 %	57.9 %	82.6 %	76.5 %	80.0 %	75.6 %	62.3 %	68.7 %	78.4 %
Foreign Guests	42.2	38.3	26.8	20.9	17.2	19.3	42.1	17.4	23.5	20.0	24.4	37.7	31.3	21.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Business Guests	63.2	61.8	64.1	62.7	53.0	59.5	26.9	56.4	59.4	55.3	61.6	68.6	71.4	56.7
Leisure Guests	36.8	38.2	35.9	37.3	47.0	40.5	73.1	43.7	40.7	44.8	38.5	31.4	28.6	43.3
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Avg. Stay of Foreign Guests (Days)	3.5	3.5	4.0	5.3	3.5	2.1	1.7	7.7	4.4	3.8	4.6	4.0	4.5	4.6
Avg. Stay of Domestic Guests (Days)	2.2	2.1	2.7	5.9	4.2	3.2	2.0	4.3	4.3	3.4	4.7	4.1	4.0	4.4
Avg. Stay of Business Guests (Days)	2.6	2.1	4.3	8.1	5.5	3.7	2.5	4.0	5.7	4.7	7.3	3.5	4.3	6.3
Avg. Stay of Leisure Guests (Days)	2.6	2.6	2.6	3.5	3.3	1.9	1.5	2.8	3.0	2.9	2.9	4.4	2.7	3.2
Percentage of Repeat Guests	13.3	25.2	46.9	17.8	54.2	43.5	17.9	50.0	44.2	44.8	44.9	31.0	36.6	45.0

Country of Origin of Guests

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
ASEAN*	2.0 %	7.6 %	6.4 %	6.3 %	7.5 %	9.2 %	1.5 %	11.9 %	6.6 %	6.7 %	6.1 %	8.2 %	4.9 %	6.7 %
Australia	1.9	3.6	4.2	3.4	3.4	3.7	9.0	5.9	3.9	4.6	3.5	3.4	3.7	4.0
Canada	1.4	2.4	3.8	3.1	4.4	1.2	3.5	4.4	3.3	3.6	3.0	3.3	3.1	3.6
Caribbean	6.6	0.7	0.6	1.3	0.4	0.0	1.6	1.2	1.2	0.7	1.3	3.1	0.5	1.5
China	1.2	3.5	5.7	5.6	6.5	1.5	2.3	3.4	5.0	4.7	5.9	2.8	4.0	4.6
France	2.2	2.3	4.2	5.2	3.8	7.4	18.3	5.7	5.3	6.2	4.8	2.7	5.4	5.4
Germany	3.2	4.1	5.1	5.1	5.4	9.7	9.5	7.8	5.5	6.1	4.9	5.1	3.7	6.0
Japan	2.9	4.5	6.2	3.4	2.7	1.2	2.9	3.4	3.7	2.5	4.7	5.5	5.7	3.2
Middle East	4.8	4.4	4.4	5.8	7.7	5.2	2.7	4.3	5.5	6.9	4.5	2.7	4.3	5.4
Other European	10.7	6.6	8.1	7.5	6.1	7.0	10.0	12.9	7.8	7.5	8.4	7.0	7.8	8.1
Russia	3.5	5.7	5.6	3.2	2.1	1.9	2.0	2.4	3.4	2.3	4.7	3.1	4.2	3.4
SAARC**	0.7	7.9	4.0	5.2	12.5	24.1	0.1	8.1	6.8	7.4	5.5	9.1	6.0	6.9
South Africa	1.6	2.4	2.3	3.5	2.5	2.8	0.7	2.3	2.7	2.2	3.6	1.1	3.3	2.7
UK	6.5	7.7	12.7	11.0	14.7	12.6	13.2	6.9	11.4	13.3	10.2	7.5	10.2	12.2
USA	8.7	9.0	12.3	12.8	9.2	3.8	10.8	7.9	11.0	10.3	11.7	10.9	12.4	10.8
Other	42.1	27.6	14.4	17.8	11.2	8.9	12.1	11.3	17.0	15.0	17.2	24.5	20.9	15.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* ASEAN: Associaton of South East Asia Nations - Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam
** SAARC: South Asia Association for Regional Co-operation - Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka

Table 1-9: Indian Hotel Industry – Daily and Monthly Occupancy

Average Daily Occupancy

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
Monday	63.7 %	57.4 %	60.1 %	55.9 %	53.3 %	49.2 %	27.4 %	52.8 %	54.7 %	51.6 %	57.2 %	59.9 %	61.3 %	53.2 %
Tuesday	63.6	59.1	66.0	59.0	55.2	45.1	24.9	50.8	56.8	52.8	60.2	63.2	64.2	54.7
Wednesday	65.9	59.8	68.0	60.8	55.4	50.3	27.1	51.5	58.4	53.8	62.5	64.3	66.2	56.6
Thursday	65.7	62.4	66.5	60.8	56.7	46.1	29.9	54.6	58.7	54.7	62.5	63.2	65.8	56.8
Friday	65.5	60.3	63.7	60.8	62.4	47.6	43.2	57.2	60.0	58.1	61.7	62.7	61.0	60.1
Saturday	62.7	61.0	60.3	56.1	64.2	47.1	49.8	52.6	57.8	56.7	58.5	60.7	56.3	58.8
Sunday	56.8	54.4	53.6	49.1	51.4	43.8	41.3	44.6	49.9	47.8	51.2	55.0	52.8	49.3

Average Monthly Occupancy

	STAR CATEGORIES								2016-17 All India Average	ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others		< 50	50-150	> 150	Chain Affiliated	Independent
January	72.4%	62.6%	67.9 %	60.7%	63.7%	59.6%	39.0%	58.6%	61.6%	59.3%	63.4%	66.6%	67.9 %	60.6%
February	69.5	60.5	65.6	62.6	65.8	62.4	36.5	60.4	62.4	61.1	63.1	66.2	68.1	61.5
March	64.1	56.7	60.9	57.3	60.8	57.6	29.1	59.3	57.6	56.5	58.8	58.6	61.7	56.9
April	69.0	60.2	60.9	55.7	59.3	55.8	32.6	56.0	56.8	55.2	58.1	61.2	61.1	56.1
May	70.1	59.7	62.7	57.1	59.7	56.0	27.6	56.8	57.6	55.1	60.1	61.0	63.1	56.6
June	69.4	59.4	63.6	57.7	57.2	53.1	28.0	55.8	57.3	54.5	60.0	60.7	62.7	56.0
July	65.2	62.1	64.1	59.2	61.2	58.5	41.1	60.4	59.9	58.9	61.1	59.9	63.9	59.3
August	75.9	70.1	72.2	64.8	66.5	59.6	47.6	62.9	65.7	64.0	67.4	67.8	69.1	64.9
September	74.6	68.1	74.1	67.4	69.9	62.8	43.7	65.5	67.7	66.1	69.6	68.0	70.3	67.2
October	73.4	69.8	71.5	65.9	66.2	58.8	41.9	63.0	65.6	63.8	67.8	66.3	69.4	65.0
November	80.4	75.6	75.7	66.8	64.2	54.6	51.0	61.4	67.0	63.5	69.5	74.2	75.3	65.2
December	72.1	67.8	70.1	62.2	62.4	50.6	44.5	62.8	62.7	59.2	65.0	71.6	69.1	61.5

Table 1-10: Indian Hotel Industry – Technology Management Practices

Technology in Hotels – Percentage of Hotels Using Each Technology

	STAR CATEGORIES								2016-17 All India Average	ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others		< 50	50-150	> 150	Chain Affiliated	Independent
Accounting Sytsem	50.0 %	60.0 %	82.2 %	57.4 %	54.6 %	42.9 %	72.2 %	76.5 %	62.7 %	61.0 %	65.5 %	57.7 %	66.0 %	58.9 %
Call Accounting System	50.0	46.7	55.6	42.6	25.0	28.6	61.1	35.3	42.3	37.4	46.0	46.2	66.0	32.6
Central Reservation System (CRS)	16.7	53.3	55.6	41.6	20.5	14.3	66.7	23.5	39.6	30.9	46.0	53.9	64.2	29.1
Electronic Key Card	50.0	33.3	62.2	42.6	22.7	7.1	55.6	23.5	40.0	23.6	55.8	53.9	69.8	27.4
Energy Management System	33.3	46.7	44.4	29.7	18.2	7.1	27.8	35.3	30.4	23.6	34.5	46.2	45.3	24.6
Internet / Email	100.0	100.0	93.3	94.1	86.4	78.6	88.9	88.2	91.5	87.8	94.7	96.2	96.2	88.6
Intranet / Website	100.0	93.3	82.2	95.1	77.3	71.4	94.4	82.4	87.7	82.9	92.0	92.3	92.5	85.7
Intranet System	66.7	60.0	55.6	68.3	54.6	50.0	83.3	47.1	61.9	61.0	61.1	69.2	66.0	61.7
Local Area Network (LAN)	66.7	40.0	62.2	70.3	50.0	50.0	66.7	70.6	62.3	61.0	64.6	61.5	73.6	57.1
Management Information Sytsem	66.7	60.0	80.0	61.4	59.1	42.9	61.1	47.1	62.3	56.9	66.4	69.2	79.3	54.3
Point of Sale System for Food & Beverage	50.0	40.0	60.0	54.5	40.9	21.4	55.6	47.1	50.0	44.7	56.6	50.0	66.0	40.6
Property Management System	50.0	26.7	64.4	43.6	20.5	14.3	38.9	41.2	40.4	29.3	50.4	53.9	58.5	30.9
Yield Management System	33.3	20.0	33.3	22.8	13.6	7.1	16.7	23.5	21.9	16.3	25.7	34.6	37.7	14.9
Other	0.0	13.3	17.8	5.9	13.6	14.3	22.2	5.9	11.2	8.9	14.2	11.5	17.0	10.3

Table 1-11: Indian Hotel Industry – Source of Reservations

Source of Advance Reservations

COMPOSITION	STAR CATEGORIES: Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	ROOM COUNT: < 50	50-150	> 150	MANAGEMENT: Chain Affiliated	Independent
Chain CRS (Central Reservation System)	7.1 %	4.8%	6.1%	4.3%	2.5%	1.3%	3.4 %	1.1 %	3.9 %	3.1%	4.4 %	6.5 %	6.5 %	3.6%
Direct Enquiry/Hotel Representative	40.7	27.1	33.3	35.0	35.2	44.5	32.2	50.4	36.1	37.5	35.3	33.4	33.7	37.2
Global Distribution System (GDS)	6.9	7.3	4.0	1.2	0.2	0.0	1.0	1.5	1.9	0.6	2.3	7.4	4.9	1.1
Hotel/Chain Website	8.9	5.8	7.7	8.4	8.2	8.7	9.3	5.9	8.0	8.7	7.1	8.0	6.8	8.3
Travel Agent & Tour Operator	10.3	16.3	15.5	16.3	21.9	20.5	29.5	17.9	17.9	20.0	17.0	10.2	11.7	20.1
Online Reservation Systems	10.8	12.2	15.5	17.6	15.1	17.4	9.2	8.5	15.1	16.6	14.3	12.5	11.9	15.4
Regional Sales Office	9.8	21.9	13.6	9.3	6.4	0.5	11.2	4.4	9.4	4.7	13.1	17.1	20.6	5.8
Others	5.6	4.6	4.3	7.9	10.5	7.1	4.2	10.5	7.6	8.9	6.7	4.9	3.9	8.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 1-12: Indian Hotel Industry – Marketing Media

Marketing Media - Percentage of Hotels Using Each Media

COMPOSITION	STAR CATEGORIES: Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	ROOM COUNT: < 50	50-150	> 150	MANAGEMENT: Chain Affiliated	Independent
Consumer Central Media (CGM)	50.0 %	31.8 %	38.8 %	36.3 %	32.8 %	23%	55.6 %	15.8 %	35.2 %	33.8 %	33.6 %	46.9 %	39.7 %	35.7 %
Direct Mail	75.0	81.8	93.9	85.5	81.0	76.5	77.8	79.0	84.1	80.4	87.6	87.5	81.0	85.7
Hotel Website	62.5	31.8	63.3	54.0	51.7	23.5	66.7	47.4	52.4	48.0	55.5	59.4	70.7	44.4
Loyalty Card Program	25.0	22.7	44.9	32.3	12.1	0.0	55.6	15.8	28.3	16.9	36.5	46.9	56.9	16.2
Merchandising	25.0	50.0	55.1	50.8	50.0	52.9	44.4	31.6	49.2	46.0	52.6	50.0	51.7	47.7
Other Internet Sites	37.5	36.4	55.1	45.2	36.2	17.7	38.9	31.6	41.6	33.1	49.6	46.9	62.1	31.9
Outdoor Advertising	75.0	63.6	63.3	51.6	58.6	47.1	55.6	63.2	56.8	54.7	56.9	65.6	63.8	52.3
Pay Per Click	62.5	22.7	36.7	28.2	20.7	17.7	11.1	26.3	27.0	21.0	29.2	43.8	37.9	25.5
Print Advertising	75.0	90.9	71.4	52.4	51.7	47.1	66.7	47.4	58.7	52.7	62.8	71.9	70.7	54.2
Promotions	100.0	86.4	87.8	73.4	65.5	47.1	83.3	73.7	74.9	68.9	78.8	87.5	84.5	69.4
Radio Advertising	50.0	45.5	40.8	26.6	20.7	11.8	33.3	15.8	28.6	20.3	32.9	50.0	34.5	25.5
Telemarketing	12.5	18.2	34.7	29.8	29.3	17.7	55.6	26.3	29.8	30.4	31.4	18.8	32.8	28.2
TV Advertising	37.5	45.5	40.8	23.4	25.9	11.8	38.9	15.8	28.3	22.3	30.7	46.9	41.4	25.0
Viral Marketing	12.5	13.6	14.3	18.6	13.8	5.9	16.7	15.8	15.6	15.5	14.6	18.8	15.5	15.7

Table 1-13: Indian Hotel Industry – Payment Methods

Payment Methods Used

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
Cash Sales	11.6%	16.4 %	19.4 %	25.1 %	39.2 %	37.8 %	19.9 %	42.9 %	27.9 %	33.0 %	23.3 %	15.2 %	16.2 %	30.7 %
Credit Card Sales	52.1	34.0	35.6	35.9	31.4	31.5	31.4	29.6	34.4	33.2	35.1	39.8	38.7	33.5
Credit Sales (Other than Cards)	20.4	34.7	29.4	21.5	13.4	15.1	28.5	11.5	21.0	17.0	25.7	25.1	32.7	18.4
Electronic Fund Transfer	16.0	14.9	15.6	17.6	16.1	15.6	20.3	16.0	16.7	16.8	15.9	20.0	12.5	17.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Credit Cards Used

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
American Express	22.3 %	15.0 %	11.4 %	6.5 %	3.2 %	5.9 %	5.5 %	2.7 %	7.3 %	4.4 %	9.4 %	15.8%	15.3 %	5.5 %
Diners Club	1.3	0.8	2.6	1.4	1.0	2.2	3.0	1.3	1.6	1.5	1.4	2.3	1.4	1.6
Mastercard	38.5	33.0	34.2	39.6	40.8	38.4	39.3	41.1	38.6	40.5	37.0	35.2	35.9	39.6
Visa	35.9	37.7	45.5	46.4	50.7	44.4	46.3	48.9	46.2	47.9	45.5	39.7	40.5	47.5
Other	2.0	13.5	6.3	6.2	4.4	9.1	6.0	6.0	6.4	5.8	6.7	7.0	6.9	5.7
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Average Credit Card Commission

	STAR CATEGORIES									ROOM COUNT			MANAGEMENT	
COMPOSITION	Five-Star Deluxe	Five-Star	Four-Star	Three-Star	Two-Star	One-Star	Heritage	Others	2016-17 All India Average	< 50	50-150	> 150	Chain Affiliated	Independent
American Express	3.2 %	6.2%	3.2 %	2.5%	1.0%	1.0%	2.6%	3.3%	2.7 %	2.0%	2.9 %	5.1%	4.4 %	2.2 %
Diners Club	1.3	0.6	0.7	0.5	0.2	0.4	3.4	0.3	0.7	0.7	0.6	0.9	0.6	0.7
Mastercard	1.0	1.3	1.5	1.8	2.6	1.5	4.0	5.2	2.1	2.6	1.8	1.1	1.4	2.3
Visa	1.0	2.1	1.3	1.7	3.0	1.5	4.2	6.3	2.3	3.0	1.7	1.8	1.7	2.4
Other	0.8	0.3	0.4	0.2	0.4	0.3	0.1	0.9	0.4	0.3	0.4	0.3	0	0

2. Indian Hotel Industry – Seven Major Cities

Bengaluru is the fourth-largest technology cluster in the world after Silicon Valley, Boston and London, with 80% of global IT companies having based their India operations in the city. Bengaluru's current office stock spans approximately 118.3 million ft^2, with a further 24.4 million ft^2 currently under development and expected to be operational by 2020. Most of these developments are taking place along the IT Corridor formed at the Outer Ring Road and in the upcoming micro-markets, with the CBD's office inventory going up only by 1.4%.

Bengaluru ended the year 2016-17 with a marketwide occupancy of 58.03% at an ADR of ₹5,916. Despite a 9.2% CAGR in supply over the last five years, occupancy has steadily increased during this period, pointing to the growing demand for room nights in the city. Over the last five years, approximately 4,400 rooms are proposed to open in the city, with 72% of this total inventory under active development. As per our research, 55% of the upcoming hotel inventory will augment room night supply in the peripheral micro-markets like Whitefield, North ORR, Hebbal and Electronic City, whilst the remaining is expected to be introduced in the CBD area.

Chennai, a major commercial hub in South India, is an important centre for automobile manufacturing and its ancillary industries, for other manufacturing activities, and for the Services sector including IT/ITeS and financial institutions.

The year 2016-17 saw the city witness an increase in both occupancy and average rate for the first time in over a decade. All major micro markets saw a surge in overall hotel performance, with the exception of OMR, which saw a healthy growth in occupancy with a marginal correction in average rates. Despite the decline in rate, OMR's performance is encouraging, given that all new hotels that opened in the fiscal were confined to the OMR stretch (Formule 1, Holiday Inn OMR, and the Days Hotel). However, the micro market is likely to experience supply pressure in the short-to-medium term with over 800 of the proposed 1,000 rooms commencing operations in 2017-18, with the remaining inventory likely to start operations by 2022.

Hotels in other micro markets such as CBD and Guindy witnessed a healthy average rate growth, enabled by the fact hotels across these micro markets are finally choosing to opt out of the occupancy route, despite the low-paying nature of demand in Chennai. Going forward, as supply slows down and demand continues to grow at a steady pace, aided by the addition or expansion of several IT Parks across the city, our outlook for the Chennai hotel market remains positive.

Leading leisure destinations in the country, **Goa** maintains its position as one of the top-performing destinations in the country and the best-performing leisure destination in India. Despite a decline in demand from the international market (in both the FIT and Group segments, including charters), and additional supply entering the market, Goa's performance in 2016-17 has been praiseworthy. Domestic FIT and Group demand has been the most prominent driving force behind the improved performances in Goa in the last few years. Average Room Rate's of hotels across segments in the state have recorded noteworthy progress, enabling the state to maintain its position as the top-performing leisure destination in the country.

Going forward, some of the factors likely to favour Goa's hospitality market are i) growing domestic demand ii) a slower pace of additional supply and iii) establishment of the Mopa Airport in the long term. However, as the market has witnessed a significant year-on-year growth in average rate, the impact of GST may pose a challenge for booming hotels in the short-to-medium term. While the practical pros and cons of such factors require time to be gauged, our outlook for the market remains positive.

Kolkata, India's gateway to the East, is a centre for commercial activity, events and tourism. The city's development and expansion has led to two micro markets: the CBD (Chowringhee, Park Street and Dalhousie) & E.M Bypass, and Salt Lake City & Rajarhat. The CBD houses the headquarters of notable PSUs, PSBs and corporate offices. Salt Lake City and Rajarhat are largely driven by IT/ITeS companies. The area surrounding Kolkata supports several manufacturing units connected to the steel, mining, chemical, jute and leather industries.

In 2016-17, the room night demand increased marginally due to the rise in demand from meetings and conferences and annual sports events. Commercial, Extended-Stay and Leisure demand also witnessed marginal improvements owing to commercial/industrial development and tourism initiatives taken by the government in Kolkata. However, the city witnessed a growth in RevPAR due to the increase in average room rate.

Hotelivate is tracking a supply of 3,000 rooms expected to enter the market over the next five years. The larger room supply is expected to absorb new demand emanating from the meetings and conferences segment due to developments such as the Biswa Bangla Convention Centre and the rise of sporting events in the city. Despite an anticipated increase in demand, growth in supply is expected to outpace demand, thus impacting existing market dynamics.

Mumbai's, hotel market continued to achieve the highest occupancy and average rates, resulting in the highest RevPAR amongst all major markets across the country. This sustained performance is testament to the intrinsic strength and healthy nature of the hotel market. Majority of the demand is driven by strong growth in corporate travel and the promising MICE and Extended-Stay segments.

Over the next few years, Hotelivate expects approximately 3,680 keys to enter the hotel market. Of the new inventory, only 37% is actively under development, has a mid-market positioning and is planned within the North Mumbai micro market.

The extensive development at the Mumbai International Airport Limited (MIAL), which includes several new hotels, commercial complexes, retail areas and the proposed convention centre in BKC, are expected to change the face of Mumbai at large. Going forward, our outlook remains optimistic.

New Delhi continued to see a surge in demand, primarily on the back of growing MICE, Corporate and Transient demand. The city witnessed a noteworthy growth in occupancy, crossing the 70% mark for the first time in nine years. Growth in occupancy was complemented by a marginal growth in average rates. The Aerocity hotels clocked a double-digit increase in average rate owing to new hotel openings (Roseate House and Andaz - A Concept by Hyatt), as well as existing supply reaching a stabilised level of operation. Central Delhi hotels, on the other hand, recorded a 7.2% gain in occupancy, the highest amongst the micro markets.

Hotelivate anticipates the Capital to see a supply addition of approximately 1,715 rooms over the next three to five years, with a majority of the supply spread across the midmarket and budget categories. We anticipate the existing hotels to move towards a rate-driven strategy, owing to the moderate growth in supply. Hotelivate remains optimistic about the market's performance going forward.

Known as one of India's leading educational centres, **Pune**, which has developed into an eminent manufacturing and IT/ITeS hub in the country, is also fast growing into an attractive MICE destination. Accessibility and proximity make the city an economical alternative to Mumbai giving further impetus to the growing demand.

Having endured immense pressure from the astounding room supply that came 2010 onwards, Pune has bounced back strongly. After two consecutive years of positive occupancy growths, the city also saw ADRs begin to climb in 2015-16. The decelerated pace of new supply coupled with the steady increase in demand has fuelled confidence in hotels to now correct rates as well. The addition of nearly 380 rooms in 2016 saw occupancies marginally dip but rates continued to stay strong in 2016-17.

With a waning supply pipeline and steady demand growth in both the corporate and MICE segments, we believe that Pune hotels are poised to witness performance growth in the short to medium term.

Table 2-1: Indian Hotel Industry – Seven Major Cities: Facilities Analysis and Staffing

Typical Room Profile of an Average Hotel

Seven Major Cities: 2016-2017 All India Averages

COMPOSITION	Bengaluru	Chennai	Goa	Kolkata	Mumbai	New Delhi	Pune
Air-Conditioned							
Rooms	90.0	89.6	91.6	49.7	76.4	98.0	69.2
Suites	11.8	5.5	11.1	4.1	5.1	6.6	2.2
Non-Air-Conditioned							
Rooms	1.5	0.0	1.2	3.1	0.1	0.2	2.6
Suites	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Total Average Rooms	**103.5**	**95.0**	**103.9**	**56.9**	**81.6**	**104.8**	**74.1**

* The number of non-air-conditioned rooms in lower star category hotels appears to be higher, partly because many are located in hill stations where air-conditioning is not provided in hotels.

Average Number of Food & Beverage Outlets Per Hotel

Seven Major Cities: 2016-2017 All India Averages

COMPOSITION	Bengaluru	Chennai	Goa	Kolkata	Mumbai	New Delhi	Pune
Restaurants	1.9	1.8	2.3	1.6	1.6	1.6	1.9
Bars	0.9	0.9	1.5	1.1	0.7	0.6	0.9
Others	0.4	0.4	0.3	0.5	0.3	0.2	0.1
Total	**3.3**	**3.1**	**4.0**	**3.3**	**2.6**	**2.4**	**2.9**

Average Number of Employees Per Hotel (Permanent/ Contract/ Full Time/ Part Time)

Seven Major Cities: 2016-2017 All India Averages

COMPOSITION	Bengaluru	Chennai	Goa	Kolkata	Mumbai	New Delhi	Pune
Managers							
Male	41.6	12.8	21.4	8.7	9.6	10.3	6.5
Female	9.7	1.5	4.8	2.5	2.0	2.9	1.0
Supervisors							
Male	57.8	16.3	28.0	11.2	14.9	14.3	10.2
Female	11.8	1.9	5.4	1.6	1.9	2.3	1.8
Staff							
Male	208.6	81.3	122.1	61.5	63.8	46.3	42.9
Female	37.6	13.1	15.1	12.6	5.2	3.8	5.5
Total	**367.1**	**126.9**	**196.8**	**98.1**	**97.4**	**79.9**	**67.8**
Avg. Employee/ Room	2.0	1.7	1.7	1.6	1.3	0.9	1.0

Average Percentage of Trained Employees Per Hotel

Seven Major Cities: 2016-2017 All India Averages

COMPOSITION	Bengaluru	Chennai	Goa	Kolkata	Mumbai	New Delhi	Pune
Managers	97.9	93.1	92.8	77.9	92.2	93.6	81.1
Supervisors	86.8	96.0	87.4	72.8	91.7	89.2	74.6
Staff	75.5	80.2	69.1	55.3	69.6	75.7	74.9
Total Avg. Trained Employees*	**86.8**	**89.8**	**83.1**	**68.6**	**84.5**	**86.1**	**76.9**
Total Avg. Un-Trained	**13.3**	**10.3**	**16.9**	**31.4**	**15.5**	**13.9**	**23.1**

* Trained employees includes those with a minimum one-year certificate course from a hotel management or equivalent institution; however, some hotels may have included those with short term (in-house) training.

Table 2-2: Indian Hotel Industry – Seven Major Cities: Financial Report – Percentage of Revenue

	Seven Major Cities: 2016-17 All India Averages						
COMPOSITION	**Bengaluru**	**Chennai**	**Goa**	**Kolkata**	**Mumbai**	**New Delhi**	**Pune**
Average Total Rooms Per Hotel:	**153**	**91**	**95**	**81**	**80**	**129**	**80**
Average Occupied Rooms Per Hotel:	**33,213**	**22,028**	**22,634**	**19,700**	**21,115**	**33,492**	**22,004**
Average Occupancy Per Hotel:	**58.0 %**	**67.9 %**	**66.7 %**	**62.5 %**	**73.4 %**	**70.4 %**	**74.9 %**
Average Rate Per Hotel (₹):	**5,917**	**3,908**	**7,388**	**4,050**	**5,669**	**6,181**	**3,372**
REVENUE							
Rooms	58.8 %	54.0 %	65.9 %	54.1 %	56.4 %	48.4 %	63.1 %
Food & Beverages	29.6	32.4	18.0	29.5	26.7	18.5	24.6
Banquets & Conferences	6.5	10.1	5.6	12.7	10.1	23.9	8.3
Telephone & Others	0.1	0.0	0.1	0.0	0.1	0.3	0.1
Minor Operated*	1.7	3.0	3.4	2.7	3.3	4.1	1.6
Rental & Other Income	3.4	0.5	6.9	1.1	3.4	4.9	2.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES							
Rooms	20.5	22.4	18.1	20.9	20.8	17.3	14.4
Food & Beverage	50.9	44.9	68.0	53.0	56.9	49.0	65.2
Telephone	56.1	759.4	78.7	117.6	95.3	79.7	217.4
Minor Operated*	18.7	57.9	62.5	48.4	65.6	51.9	76.3
Rental & Other Income	0.5	59.0	6.5	4.6	3.0	0.5	7.2
Total	30.8	33.4	30.7	35.0	35.0	31.5	32.1
DEPARTMENTAL INCOME	69.2	66.6	69.3	65.0	65.0	68.5	67.9
OPERATING EXPENSES							
Administrative & General	11.9	16.7	10.6	10.7	10.3	11.6	9.7
Management Fee	1.3	1.2	2.7	3.5	2.8	0.5	1.5
Marketing	2.2	4.5	4.3	4.9	3.4	7.2	2.4
Franchise Fees	0.0	0.1	0.2	0.0	0.1	0.0	0.2
Property Operations & Maintenance	12.7	5.4	8.2	8.0	5.6	6.6	9.5
Energy	5.5	11.6	6.9	10.9	9.6	8.7	13.2
Total	33.6	39.5	32.8	37.9	31.7	34.6	36.5
HOUSE PROFIT	35.6	27.1	36.5	27.1	33.2	33.9	31.4
FIXED EXPENSES							
Property Taxes	0.8	0.9	0.2	1.1	1.3	1.1	1.6
Insurance	0.2	0.2	0.2	0.5	0.2	0.2	0.3
Other Fixed Charges	1.2	0.0	0.3	0.4	0.5	0.9	1.3
Rent	0.4	0.0	0.1	1.3	0.2	0.5	2.9
Total	2.6	1.2	0.7	3.2	2.1	2.6	6.1
NET INCOME**	**33.0 %**	**25.9 %**	**35.8 %**	**23.9 %**	**31.1 %**	**31.3 %**	**25.3 %**

* Minor Operated departments include laundry, gift shop, business, news stand, sports, health club, garage, parking and so forth.
** Net Income is before depreciation, interest payments and taxes.

Table 2-3: Indian Hotel Industry – Seven Major Cities: Financial Report – Amount Per Available Room

Seven Major Cities: 2016-17 All India Averages							
COMPOSITION	**Bengaluru**	**Chennai**	**Goa**	**Kolkata**	**Mumbai**	**New Delhi**	**Pune**
Average Total Rooms Per Hotel:	**153**	**91**	**95**	**81**	**80**	**129**	**80**
Average Occupied Rooms Per Hotel:	**33,213**	**22,028**	**22,634**	**19,700**	**21,115**	**33,492**	**22,004**
Average Occupancy Per Hotel:	**58.0 %**	**67.9 %**	**66.7 %**	**62.5 %**	**73.4 %**	**70.4 %**	**74.9 %**
Average Rate Per Hotel (₹):	**5,917**	**3,908**	**7,388**	**4,050**	**5,669**	**6,181**	**3,372**
REVENUE (₹)							
Rooms	1,280,527	944,590	1,763,273	986,828	1,502,674	1,610,554	938,042
Food & Beverages	643,524	567,063	481,168	537,704	710,244	615,314	366,300
Banquets & Conferences	140,780	176,733	150,835	231,804	268,683	797,548	122,762
Telephone & Others	1,436	447	2,809	565	3,067	8,567	1,198
Minor Operated*	36,138	51,729	90,842	48,854	87,738	136,594	23,791
Rental & Other Income	73,716	9,249	185,431	19,167	91,450	162,289	34,633
Total	2,176,121	1,749,811	2,674,358	1,824,922	2,663,856	3,330,866	1,486,727
DEPARTMENTAL EXPENSES (₹)							
Rooms	262,218	211,195	319,521	206,314	312,848	279,046	135,158
Food & Beverage	399,563	334,139	429,721	407,540	557,349	692,171	318,779
Telephone	806	3,396	2,209	665	2,922	6,826	2,605
Minor Operated*	6,760	29,964	56,756	23,651	57,557	70,929	18,158
Rental & Other Income	402	5,454	12,135	883	2,755	810	2,496
Total	669,748	584,148	820,343	639,053	933,431	1,049,782	477,196
DEPARTMENTAL INCOME (₹)	1,506,372	1,165,663	1,854,015	1,185,869	1,730,425	2,281,085	1,009,532
OPERATING EXPENSES (₹)							
Administrative & General	257,792	291,817	282,037	195,548	273,024	387,503	144,426
Management Fee	28,856	21,687	71,372	63,090	74,867	15,755	22,910
Marketing	47,715	78,754	115,297	88,560	91,619	239,785	36,167
Franchise Fees	-	909	5,826	-	1,427	-	2,418
Property Operations & Maintenance	277,329	94,626	217,975	146,054	148,061	220,559	141,028
Energy	120,064	203,416	185,060	198,342	255,991	288,167	195,848
Total	731,757	690,301	871,741	691,593	843,562	1,151,768	540,380
HOUSE PROFIT (₹)	774,616	475,362	982,274	494,276	886,864	1,129,317	469,152
FIXED EXPENSES (₹)							
Property Taxes	18,222	16,354	4,898	19,193	35,007	36,185	23,642
Insurance	4,136	4,192	4,855	9,370	5,150	5,126	5,110
Other Fixed Charges	25,892	-	8,277	6,672	11,986	31,436	18,879
Rent	8,785	-	1,413	23,554	4,137	14,949	43,616
Total	57,035	20,546	19,444	58,789	56,280	87,697	91,247
NET INCOME (₹)**	717,581	454,816	962,830	435,487	830,584	1,041,620	377,905

* Minor Operated departments include laundry, gift shop, business, news stand, sports, health club, garage, parking and so forth.
** Net Income is before depreciation, interest payments and taxes.

Table 2-4: Indian Hotel Industry – Seven Major Cities: Financial Report – Amount Per Occupied Room

Seven Major Cities: 2016-17 All India Averages							
COMPOSITION	**Bengaluru**	**Chennai**	**Goa**	**Kolkata**	**Mumbai**	**New Delhi**	**Pune**
Average Total Rooms Per Hotel:	**153**	**91**	**95**	**81**	**80**	**129**	**80**
Average Occupied Rooms Per Hotel:	**33,213**	**22,028**	**22,634**	**19,700**	**21,115**	**33,492**	**22,004**
Average Occupancy Per Hotel:	**58.0 %**	**67.9 %**	**66.7 %**	**62.5 %**	**73.4 %**	**70.4 %**	**74.9 %**
Average Rate Per Hotel (₹)	**5,917**	**3,908**	**7,388**	**4,050**	**5,669**	**6,181**	**3,372**
REVENUE (₹)							
Rooms	5,917	3,908	7,388	4,050	5,669	6,181	3,372
Food & Beverages	2,973	2,346	2,016	2,207	2,679	2,362	1,317
Banquets & Conferences	650	731	632	951	1,014	3,061	441
Telephone & Others	7	2	12	2	12	33	4
Minor Operated*	167	214	381	201	331	524	86
Rental & Other Income	341	38	777	79	345	623	125
Total	10,054	7,239	11,206	7,490	10,049	12,784	5,345
DEPARTMENTAL EXPENSES (₹)							
Rooms	1,212	874	1,339	847	1,180	1,071	486
Food & Beverage	1,846	1,382	1,801	1,673	2,103	2,657	1,146
Telephone	4	14	9	3	11	26	9
Minor Operated*	31	124	238	97	217	272	65
Rental & Other Income	2	23	51	4	10	3	9
Total	3,094	2,416	3,437	2,623	3,521	4,029	1,715
DEPARTMENTAL INCOME (₹)	6,960	4,822	7,769	4,867	6,528	8,755	3,629
OPERATING EXPENSES (₹)							
Administrative & General	1,191	1,207	1,182	803	1,030	1,487	519
Management Fee	133	90	299	259	282	60	82
Marketing	220	326	483	363	346	920	130
Franchise Fees	-	4	24	-	5	-	9
Property Operations & Maintenance	1,281	391	913	599	559	847	507
Energy	555	841	775	814	966	1,106	704
Total	3,381	2,859	3,677	2,839	3,188	4,421	1,951
HOUSE PROFIT (₹)	3,579	1,963	4,091	2,029	3,340	4,334	1,678
FIXED EXPENSES (₹)							
Property Taxes	84	68	21	79	132	139	85
Insurance	19	17	20	38	19	20	18
Other Fixed Charges	120	-	35	27	45	121	68
Rent	41	-	6	97	16	57	157
Total	264	85	81	241	212	337	328
NET INCOME (₹)**	3,315	1,878	4,010	1,787	3,128	3,998	1,350

* Minor Operated departments include laundry, gift shop, business, news stand, sports, health club, garage, parking and so forth.
** Net Income is before depreciation, interest payments and taxes.

Table 2-5: Indian Hotel Industry – Seven Major Cities: Market Data

Market Segmentation

Seven Major Cities: 2016-17 All India Averages							
COMPOSITION	**Bengaluru**	**Chennai**	**Goa**	**Kolkata**	**Mumbai**	**New Delhi**	**Pune**
Airline Crew	2.7 %	2.3 %	1.0 %	1.0 %	0.8 %	1.2 %	0.1 %
Business Traveller - Domestic	42.2	28.2	14.3	30.8	39.6	26.2	46.7
Business Traveller - Foreign	20.0	14.4	6.0	16.6	15.7	12.9	6.0
Complimentary Rooms	0.6	2.5	1.7	3.2	1.0	0.7	0.7
Domestic - Tourists/Leisure FIT	6.0	13.2	33.2	18.4	17.4	11.7	26.2
Foreign - Tourists/Leisure FIT	8.2	4.5	17.5	6.9	6.3	10.2	2.5
Meeting Participants (< 100 Attendees)	2.9	3.6	7.6	1.3	1.7	3.8	4.0
Meeting Participants (> 100 Attendees)	5.3	16.4	3.3	12.1	5.8	6.7	4.7
Tour Groups - Domestic	1.5	6.6	10.0	6.1	3.9	9.1	6.0
Tour Groups - Foreign	1.4	5.6	2.7	1.7	2.5	10.5	1.1
Others	9.3	2.6	2.8	1.9	5.3	7.0	2.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Guest Analysis

Seven Major Cities: 2016-17 All India Averages							
COMPOSITION	**Bengaluru**	**Chennai**	**Goa**	**Kolkata**	**Mumbai**	**New Delhi**	**Pune**
Domestic Guests	59.9 %	75.8 %	70.7 %	72.7 %	69.4 %	62.7 %	91.3 %
Foreign Guests	40.1	24.3	29.3	27.3	30.6	37.3	8.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Business Guests	81.0	71.3	32.4	71.5	69.0	60.9	71.2
Leisure Guests	19.0	28.7	67.6	28.5	31.0	39.1	28.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Avg. Stay of Foreign Guests (Days)	3.9	9.2	6.4	3.4	3.4	4.7	3.6
Avg. Stay of Domestic Guests (Days)	2.9	12.0	2.8	4.2	3.8	2.8	6.0
Avg. Stay of Business Guests (Days)	8.8	27.4	2.3	2.9	5.1	4.1	3.4
Avg. Stay of Leisure Guests (Days)	2.9	8.9	3.4	3.2	3.1	2.9	3.3
Percentage of Repeat Guests	42.8	42.6	36.4	40.0	47.1	51.2	48.1

Country of Origin of Guests

Seven Major Cities: 2016-17 All India Averages							
COMPOSITION	**Bengaluru**	**Chennai**	**Goa**	**Kolkata**	**Mumbai**	**New Delhi**	**Pune**
ASEAN*	4.9 %	18.0 %	1.9 %	1.5 %	5.0 %	3.8 %	6.0 %
Australia	2.6	2.9	4.4	3.1	3.4	4.7	3.3
Canada	2.6	1.6	2.4	2.2	3.4	4.2	3.0
Caribbean	0.2	0.0	5.3	0.8	0.7	1.6	0.5
China	7.0	2.9	1.3	4.2	5.4	5.7	6.0
France	4.2	4.6	1.6	3.1	3.1	7.6	3.5
Germany	8.1	5.6	2.3	4.7	3.7	4.4	7.0
Japan	6.0	2.2	0.7	2.1	3.6	4.5	10.1
Middle East	4.1	3.7	3.2	2.7	10.2	6.2	3.9
Other European	6.0	7.4	9.4	10.8	7.6	5.8	4.4
Russia	3.2	0.1	17.0	1.5	2.1	3.6	2.4
SAARC**	4.3	5.8	2.1	35.4	6.9	10.0	4.6
South Africa	2.0	3.3	2.8	1.0	7.1	2.3	1.0
UK	5.5	5.5	20.1	6.9	14.2	9.3	12.3
USA	10.1	10.9	4.7	6.3	9.9	8.1	26.2
Other	29.5	25.7	21.0	13.9	13.7	18.3	5.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* ASEAN: Associaton of South East Asia Nations - Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam
** SAARC: South Asia Association for Regional Co-operation - Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka

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