

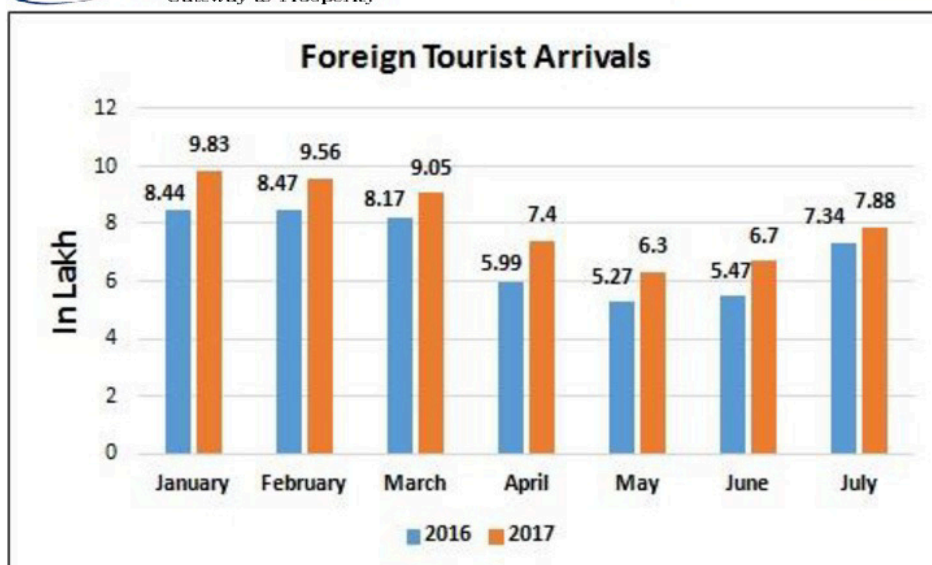
The Indian travel and tourism industry is one of the key drivers of growth among the services sectors in India. It accounts for 7.5 percent of the GDP and is the third largest foreign exchange earner for the country. India has evidenced sustainable and inclusive economic growth due to the wide expansion of tourism sector. The growth of tourism sector has resulted in employment generation, foreign exchange earnings, expansion of infrastructure facilities, capital investment, socio-economic growth, and increase in the contribution to GDP and so on. Besides, the government has taken a number of decisive steps to make tourism a pillar of the Indian economy over the past three years. Schemes like the issuance of visa on arrival to visitors from over 180 countries, the UDAN regional connectivity rollout, the impetus to digital payments, and the focus on infrastructure, have all given a big boost to the travel and tourism industry.

Foreign Tourist Arrivals (FTAs)

With more people opting for the e-visa facility, India has registered a growth of over 15 percent in foreign tourist arrivals (FTAs) from January to July this year.

FTAs during the Month of July, 2017 were 7.88 lakh as compared to FTAs of 7.34 lakh during the month of July, 2016 and 6.28 lakh in July, 2015. There has been a growth of 7.4% in July, 2017 over July, 2016. FTAs during the period January-July, 2017 were 56.74 lakh with a growth of 15.7%, as compared to the FTAs of 49.03 lakh with a growth of 9.6 % in January- July, 2016 over January- July, 2015. The percentage share of Foreign Tourist Arrivals (FTAs) in India during July 2017 among the top 15 source countries was highest from Bangladesh (20.12%) followed by USA (16.26%), UK (10.88%), France (3.01%), Malaysia (2.81%), Canada (2.66%), Sri Lanka (2.56%), China (2.32%), Oman (2.27%), Germany (2.21%), Australia (2.17%), Japan (2.10%), Nepal (1.84%), UAE (1.82%) and Singapore (1.69%).

The percentage share of Foreign Tourist Arrivals (FTAs) in India during July 2017 among the top 15 ports was highest at Delhi Airport (25.95%) followed by Mumbai Airport (16.63%), Haridaspur Land Check Post (10.92%), Chennai Airport (9.09%), Bengaluru Airport (6.78%), Cochin Airport (5.39%), Hyderabad Airport (5.07%), Kolkata Airport (4.23%), Gede Rail Land Check Post (2.78%), Trivandrum Airport (1.81%), Ahmedabad Airport (1.72%), Ghodadanga Land Check Post (1.54%), Tiruchirapalli Airport (1.37%), Amritsar Airport (0.97%) and Calicut Airport (0.73%).



Foreign Exchange Earnings (FEEs)

Foreign exchange earnings through tourism in India, during the month of July, 2017 were Rs 14,986 crore as compared to Rs 14,285 crore in July, 2016 and Rs. 11,982 crore in July, 2015. The growth in FEEs in rupee terms during July, 2017 over July, 2016 was 4.9% as compared to the growth of 19.2% in July, 2016 over July, 2015. FEEs from tourism in rupee terms during January- July 2017 were Rs 1,02,082 crore with a growth of 17.3% as compared to the FEE of Rs 87,034 crore with a growth of 14.5% during January- July, 2016 over January- July, 2015, while FEEs in dollar terms during the month of July, 2017 were \$2.325 billion as compared to FEEs of \$2.125 billion during the month of July, 2016 and \$1.884 billion in July, 2015.

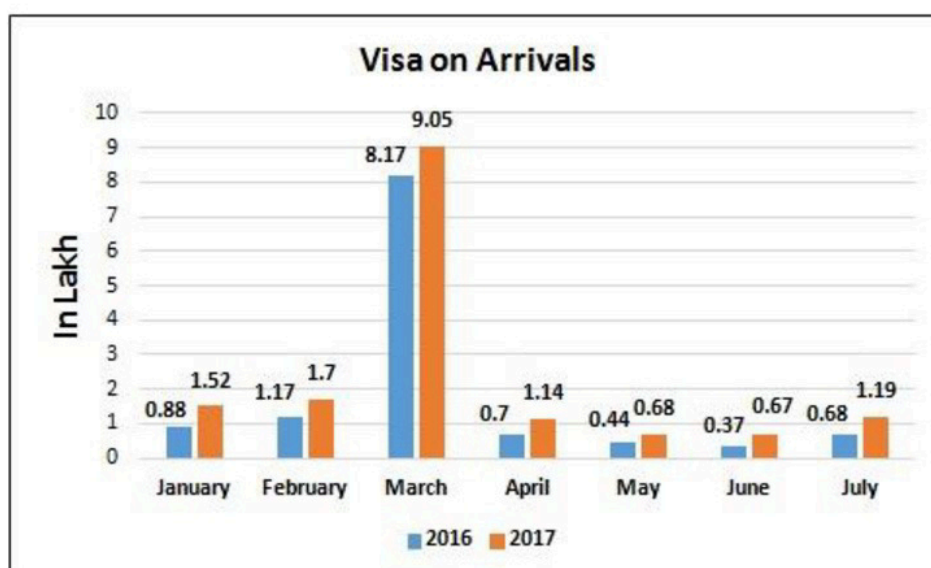
The growth rate in FEEs in dollar terms in July, 2017 over July, 2016 was 9.4% compared to the growth of 12.8% in July, 2016 over July, 2015. FEE from tourism in dollar terms during January- July, 2017 were \$15.555 billion with a growth of 20.2% as compared to the \$ 12.943 billion with a growth 7.1% during January- July, 2016 over January- July, 2015.



Visa on Arrivals

During the month of July, 2017, a total of 1.19 lakh tourist arrived on e-Tourist Visa as compared to 0.68 lakh during the month of July, 2016 registering a growth of 73.3%. During January-July, 2017, a total of 8.36 lakh tourist arrived on e-Tourist Visa as compared to 5.40 lakh during January - July 2016, registering a growth of 54.7%.

The percentage shares of top 15 ports in tourist arrivals on e-Tourist Visa during July, 2017 include New Delhi Airport (41.0%), Mumbai Airport (20.6%), Chennai Airport (9.5%), Bengaluru Airport (7.8%), Kochi Airport (6.6%), Hyderabad Airport (5.1%), Kolkata Airport (2.2%), Ahmadabad Airport (1.4%), Trivandrum Airport (1.4%), Calicut Airport (1.2%), Amritsar Airport (1.1%), Tirchy Airport (0.8%), Dabolim (Goa) Airport (0.4%), Jaipur Airport (0.3%) and Pune Airport (0.3%).



Government initiatives

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Cabinet approves initiation of the process of disinvestment of ITDC properties: The Cabinet Committee on Economic Affairs has approved the initiation of the process of disinvestment of hotels/properties of the India Tourism Development Corporation (ITDC). The decision on disinvestment has been made, keeping in view that running and managing hotels on professional lines is not the work of the Government or its entities. Further, there has been considerable development in the hospitality sector in the country in past years, with world class hotels and all leading international chains of hotels present in the country and providing services and facilities of highest standards.

Govt launches pre-loaded SIM Card for tourists arriving on e-visa: The government has launched an initiative that provides pre-loaded SIM cards to foreign tourists on their arrival in India on e-Visa. SIM cards will be pre-loaded with a value of Rs 50 talk time and 50 MB data and will be activated on immediate basis so as to enable them use this facility instantly.

Govt sanctions Rs 1,200 crore for development of beaches, rivers: The government has sanctioned more than Rs 1,200 crore for the development of beaches and rivers as tourists spots. 11 projects, worth Rs 896.66 crore, have been sanctioned under the coastal circuit of the 'Swadesh Darshan Scheme' and four projects, costing Rs 119.27 crore, have been earmarked under the Pilgrimage Rejuvenation and Spirituality Augmentation Drive (PRASAD) to harness the potential of beaches as a tourist attraction.

Recent Developments

Govt rolls out Rs 194 cr tourist projects for J&K: The Ministry of Tourism, Government of India, has rolled out two mega projects worth Rs 194.74 crore on February 6, 2017 for development of tourism infrastructure in Jammu and Kashmir. Under the two new projects, integrated development of tourism facilities on Gulmarg-Baramulla-Kupwara-Leh circuit shall be undertaken by the National Building Construction Corporation (NBCC) at a cost of Rs 96.92 crore, while another project for integrated development of tourism facilities on Mantalai-Sudhmahadev-Patnitop circuit shall be executed by National Projects Construction Corporation (NPCC) at a cost of Rs 97.82 crore.

Govt plans to develop five cruise terminals: The government will make an investment of Rs 1,500 crore to develop cruise terminals in India. The terminals will come up in Mumbai, Goa, Chennai, Cochin and near Kandla port. The shipping and tourism ministries are working actively to draw up an action plan to develop cruise tourism in the country.

Corporate developments in the sector

- Thomas Cook India Group - the largest integrated travel and travel related financial services provider in the country, has completed the acquisition of a significant part of Kuoni's global DMS network.
- Cox & Kings has received an approval for demerger of its foreign exchange division into a separate financial services company to be named Cox & Kings Financial Service (CKFSL).
- Online travel company MakeMyTrip has raised \$330 million in fresh funds from existing investors Ctrip.com International and Naspers and a clutch of undisclosed investors in a move that will help it counter rivals in the ticketing segment.



Sector Outlook - Travel & Tourism

- BLS International Services has been awarded the Contract from Embassy of Afghanistan in U.A.E. for Five Gulf Countries i.e., UAE, Kuwait, Oman, Bahrain and Qatar. The company shall open nearly 8 Visa Application Centers to support the Embassy of Afghanistan & Consulates General of Afghanistan of the ministry of Foreign Affairs - Islamic Republic of Afghanistan.

Outlook

Indian tourism industry plays key role in development of the economy, by bringing billions of dollars into the country each year. The increasing foreign tourist arrivals and Foreign Exchange Earnings will also help the industry to grow rapidly. The government has taken several steps to make India a global tourism hub. Government's sanctioning Rs 1,200 crore for development of beaches, rivers too will help to attract foreign tourist towards India. Besides, increasing domestic and international tourist footfall, and introduction of e-tourist visas are expected to boost growth in India travel & tourism market.

Companies Financial Data In Industry

Company Name	CMP	MCAP	BOOK VALUE	DIV. YEILD %	TTM EPS	TTM PE
International Travel House Ltd.	214.25	171.28	206.44	1.98	15.28	14.02
Cox & Kings (India) Ltd.	271.20	4788.44	158.55	0.37	10.79	25.12
Thomas Cook (India) Ltd.	241.85	8873.93	42.34	0.16	1.14	211.67
Transcorp International Ltd.	38.30	97.38	17.41	0.42	0.72	53.48

Sorted with TTM EPS (High to Low)

Source – Ace Equity

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