

## LEISURE FOR EVERYONE

25<sup>th</sup>

Annual Report 2014-15

The Byke Hospitality Limited



## Forward-looking Statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.



## Contents

### Corporate Overview

02

Elevating Leisure for All	02
A Differentiated Model	04
Financial Performance	06
MD's Message	08
Crafting Unforgettable Memories	10
Our Properties	12
Seeking Attractive Opportunities	16
Reaching Out to New Locations	18
Setting the Future Roadmap	20
Board of Directors	22
Corporate Information	24

### Statutory Reports

26

Directors' Report	26
Management Discussion and Analysis	46
Corporate Governance Report	50



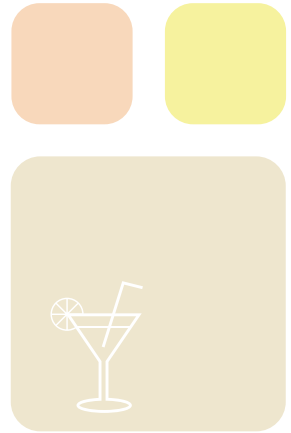
For more information visit:  
[www.thebyke.com](http://www.thebyke.com)

### Financial Statements

64

Auditors' Report	64
Balance Sheet	68
Statement of Profit & Loss	69
Cash Flow Statement	70
Notes	71
Notice	89





# Leisure has a refreshing connotation at Byke.



---

Ever since inception, we have steadily honed the expertise to provide our patrons with the finest of holiday experiences and cherished memories.

---

Rising aspirational middle-class population and increasing discretionary spend have enhanced the potential of tourism in India significantly.

Our properties across important leisure destinations in India, along with a unique asset-light business model have enabled us to create significant sustainable value for all our stakeholders.

We follow a disciplined and calibrated investment strategy, taking into consideration the national and international trends in the hospitality sector.

We are consistently focusing on upgrading our existing properties, expanding our presence and adopting the best-in-class technology. To build a brand of compelling recall.

With the help of technology, talent and teamwork, we delight in creating unique experiences and lifelong memories for our guests.

# Elevating Leisure for All

Ever since inception our mandate has been twofold: to infuse a sense of Indian hospitality and culture in each of our properties; while at the same time catering to the preferences of the sophisticated patron.

We operate eight hotel properties in Maharashtra, Rajasthan, Goa and Himachal Pradesh of which two are owned and the rest six are on a long-term lease. We also book rooms for third parties through our unique room chartering business model at strategically identified cultural and religious tourist destinations on a bulk basis; and let-out them to tourists during peak seasons.



## Vision

To be a leader and preferred choice in the Hospitality Industry while sustaining our Indian culture of *"Atithi Devo Bhavah"*



## Mission

"Providing excellent contemporary hospitality services with a touch of tradition across the country and optimal returns to stakeholders with extraordinary and unmatched strategies."



**₹ 181.42 Cr**

Total Revenue for 2014-15



**₹ 100 Cr**

Net worth in 2014-15



**₹ 91.71 Cr**

Revenue from owned & leased model in 2014-15



**519 rooms**

Total capacity



**8 properties**  
in India



**₹ 89.71 Cr**

Revenue from room chartering model in 2014-15



**3,73,250**

Room nights sold

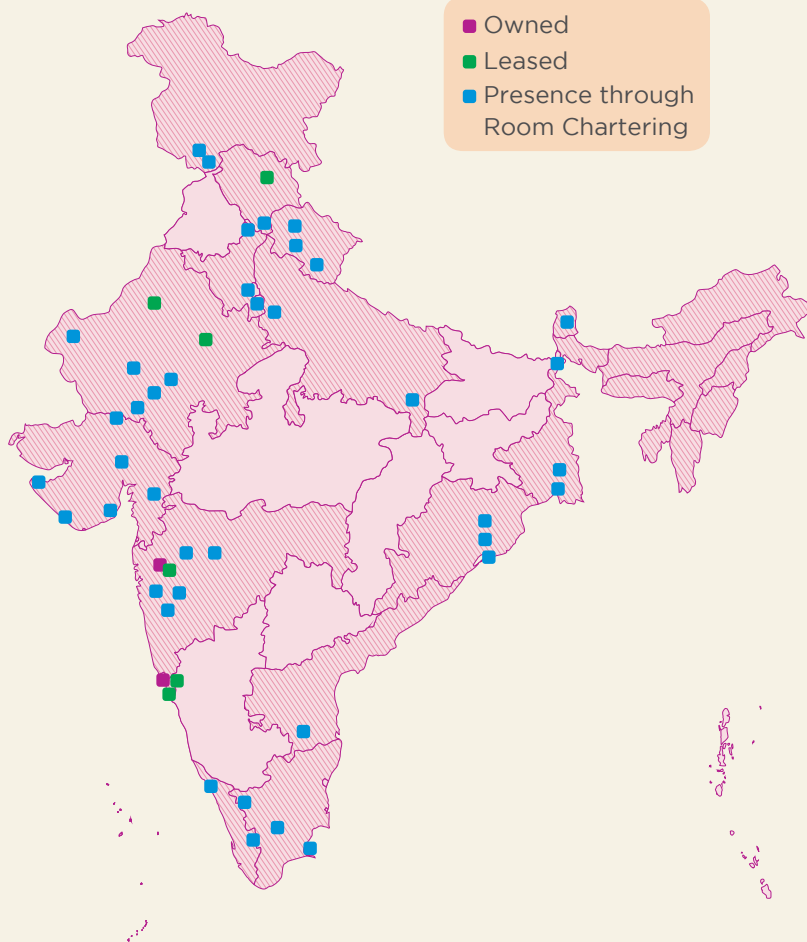


**47 cities**

Presence in India



### The Byke presence



### How we create value?

- Rich experience:** Our decades-rich experience in hospitality has helped us emerge as a preferred choice among customers.
- Asset light model:** Our 'asset-light' business model allows us significant profitability from a low capital base.
- Wide range:** We have a huge network of mid-budget resorts, which help us, cater to a wide range of customers.
- Domestic focus:** We focus on domestic middle-class leisure tourism, which is set to grow at a faster pace.
- Charter model:** Third-party hotel rooms are chartered at strategic locations across 50 cities in India. It helps to maximise revenue.
- Vegetarian food:** Our philosophy of serving only vegetarian food at our resorts helps us capitalise on the relatively faster growing domestic travel spending in India.
- Strong network:** We have a strong marketing and distribution network of agents to ensure customer satisfaction.



# A Differentiated Model

We follow a unique asset-light business model, which allows us to leverage high profitability from a low capital base. This model has helped us register significant growth even during a downturn in the hospitality sector. Our business is broadly classified under two models: Owned & Leased (O&L) and Room Chartering (RC).

## Owned & Leased Model

While two of our properties are owned, the remaining six are on a long-term lease under the 'Byke' brand. As on March 2015, we have 519 rooms under management, of which 102 are owned. The model has enabled us to undertake the modernisation of acquired resorts, thereby encouraging a steady increase in average room rates (ARRs) and occupancy rates.

Resorts as on 31st March, 2015	Location	Form		
Byke Heritage	Matheran	Owned	8	2
Byke Sunflower	Goa	Owned	Properties are operational	Owned properties
Byke Redwood	Matheran	Leased		
Byke Old Anchor	Goa	Leased	6	Bouquet of
Byke Neelkanth	Manali	Leased	On long-term lease	519 rooms
Byke Hidden Paradise	Goa	Leased		
Byke Grassfield	Jaipur	Leased		
Byke Paawana	Mandawa	Leased*	3 properties & 196 rooms	to be added in 2015-16

\* Byke Paawana lease was discontinued from 2015-16.





### Room Chartering Model

We started our room chartering business in 2010-11. Under this model, we buy room nights of mid-budget hotels in bulk across leisure tourist and religious destinations during off-peak seasons. In the peak seasons we sell those room nights. This model has helped us to strengthen our pan-India presence through chartering rooms across 50 cities in India. We capitalise on diverse peak seasons to maximise our revenue. In 2014-15, we sold 373,250 room nights, compared to 3,45,00 in 2013-14.

- Strong network of around 208 active agents present across 47 cities
- While there is no capital cost involved, the profits earned directly boost the bottom-line
- With pan-India presence and location specific inventory, we are assured of chartering revenues throughout the year
- The pan-India presence also leads to better risk mitigation



## 373,250

Room nights sold



## 47

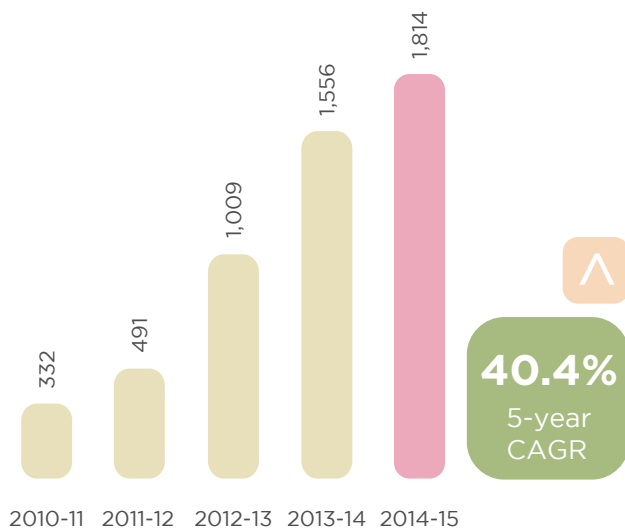
Presence across cities



# Financial Performance

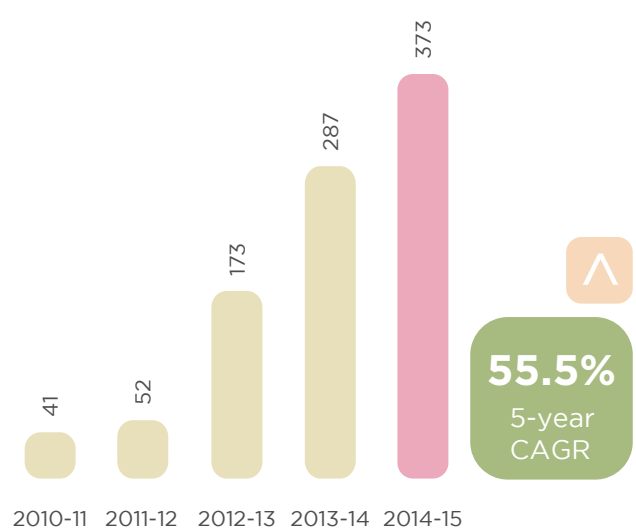
## Revenue

(₹ In Mn)



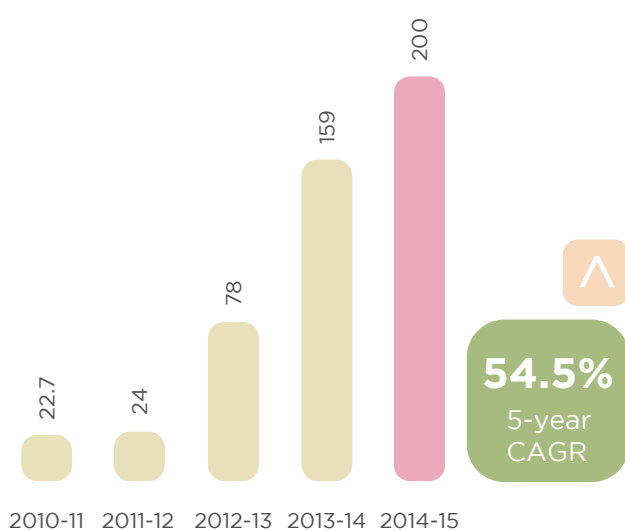
## EBITDA

(₹ In Mn)



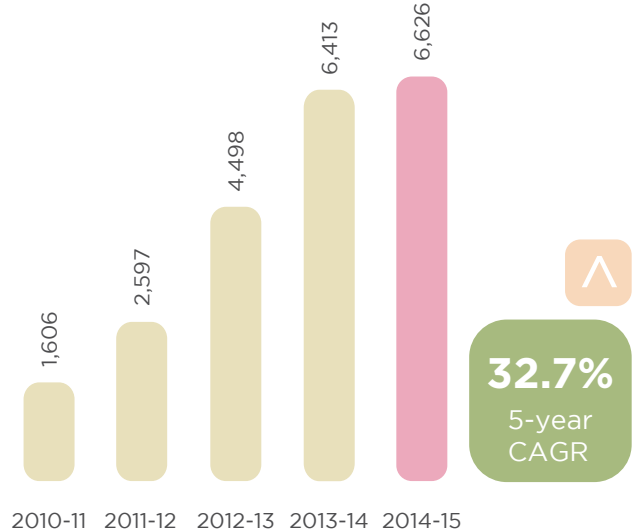
## PAT

(₹ In Mn)



## Market Capitalisation

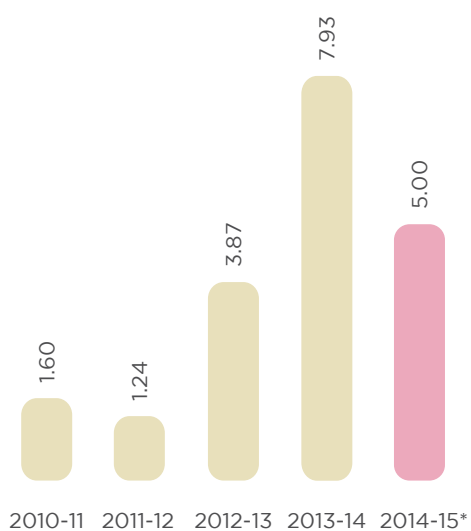
(₹ In Mn)





## EPS

(In ₹)

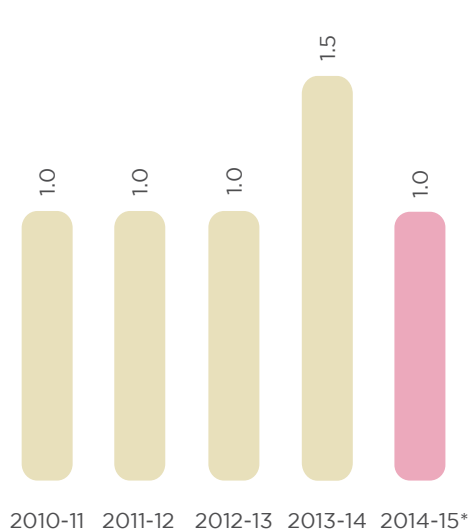


2010-11 2011-12 2012-13 2013-14 2014-15\*

\*In 2014-15, Company has issued bonus shares in ratio 1:1

## Dividend

(In ₹)



2010-11 2011-12 2012-13 2013-14 2014-15\*



## MD's Message



**Anil Patodia**  
Managing Director



Our promising performance during the year made our 25th year special. It was the fifth year under the leadership and management of 'The Byke' brand. Our business models viz., Owned & Leased (O&L) and Room Chartering (RC) played a key role in driving our growth.

Dear Stakeholders,

I am indeed delighted to report that we had an encouraging 2014-15 on the back of a steadily improving economic and business scenario.

2014 has been a significant year for India both politically and economically. With the election of a new Government at the Centre, India's macro-economic prospects have strengthened owing to a host of policy initiatives being undertaken. More initiatives are on the anvil and are likely to bolster the confidence of investors and consumers. The macro environment of positivity augurs well for our business, going forward.

### **Growth drivers**

The emerging middle class, their changing lifestyles and rising discretionary income have led to a growth in domestic tourism. Besides, the Government of India has emphasised on the beautification of major tourist destinations, which is expected to attract more tourists. The Government