



DEMOCRATISING HOSPITALITY



2015-16
26th ANNUAL REPORT
THE BYKE HOSPITALITY LIMITED

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₹2,315
million

Revenue

(from ₹1,814 million in 2014-15,
growth of 28%)

₹259
million

PAT

(from ₹200 million in 2014-15,
growth of 30%)

₹526
million

EBITDA

(from ₹372 million in 2014-15,
growth of 41%)

The Byke Hospitality Limited (Byke) is one of India's fastest growing hospitality brands. The country's strong growth momentum, increased disposable income and enhanced desire for a better quality of life among its millions of citizens is leading to a new energy in the hospitality space.

With a strong brand, and renewed momentum, Byke is leveraging this opportunity to grow at a rapid pace. We are focusing on travellers at the bottom and middle of the pyramid in helping them experience world-class hospitality at affordable costs, to significantly expand the consideration set for customers in the hospitality industry in India. Therefore, we are contributing to democratising hospitality and enable many more people to discover the joy of travelling.

We are focusing on increasing our brand presence in gateway cities, serving our corporate and association customers meeting their needs, and expanding our select service brands in urban markets.



INTRODUCING BYKE

Incorporated in 1990, The Byke Hospitality Limited is an emerging hospitality company with pan-India presence.

We operate in two broad segments - owning and managing hotel properties and room chartering. Each of our properties offers a memorable experience, adapting global best-practices to Indian sensibilities. Byke employs a team of highly skilled staff, who are instrumental in taking the brand forward and making our guests feel at home. Byke offers the unique value-proposition of being India's first and only vegetarian hospitality brand. Our gastronomic offerings incorporate exclusive multi-cuisine vegetarian options that are enriched with natural and authentic flavours, while preserving nutrition.

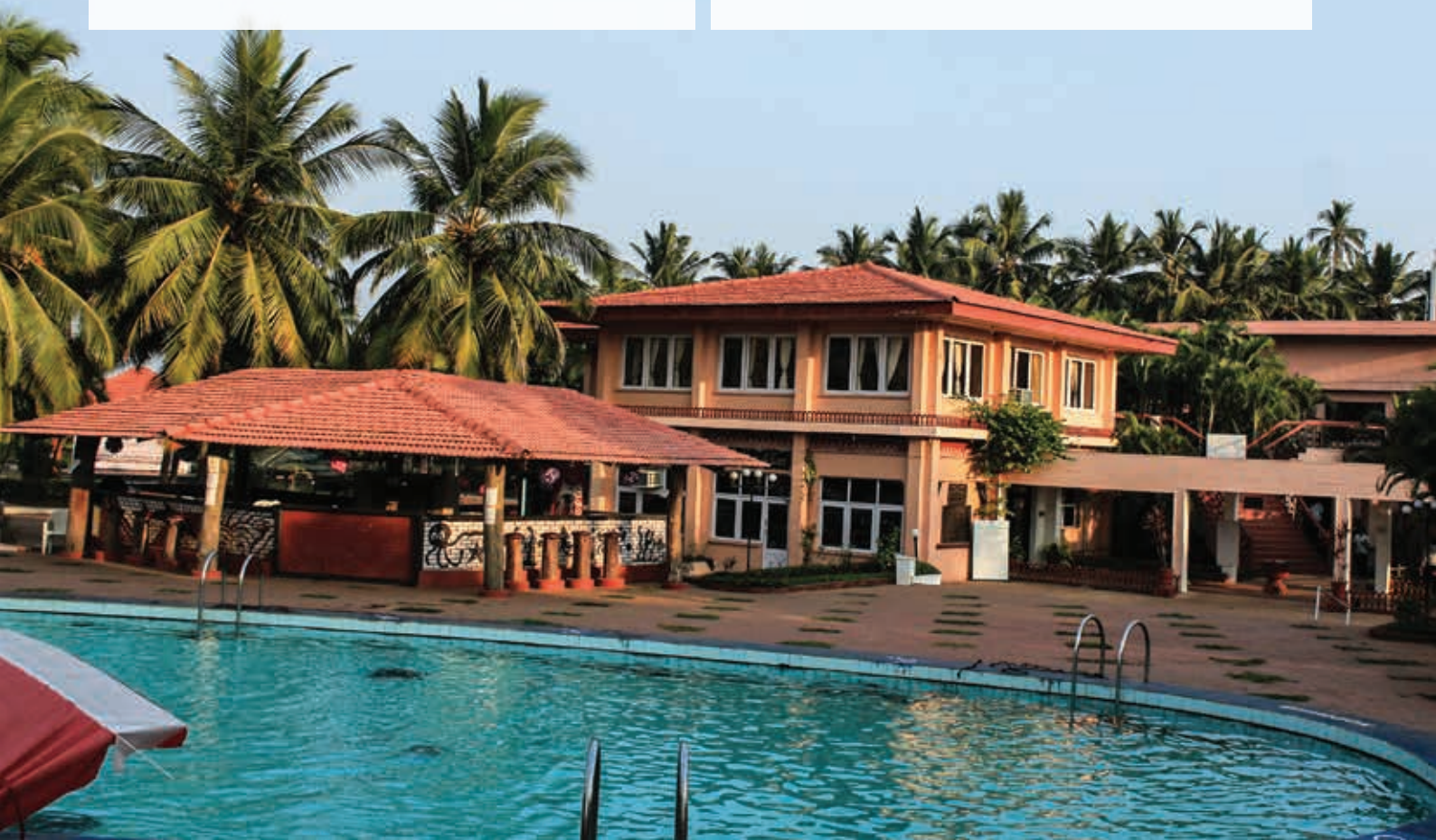
We also book rooms for third parties through our unique room chartering business model at strategically identified cultural and religious tourist destination on bulk basis and let-out them to tourists during peak seasons.

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.



KNOW
BYKE
BETTER

677

Room Portfolio

9

Properties in India

CORE STRENGTHS



Rich experience

Years of rich experience in hospitality sector has helped us emerge a preferred choice among customers



Asset light model

Our unique 'asset-light' business model allows us to leverage high 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, from all sections



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 through agents



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 confirm customer satisfaction

INTRODUCING BYKE CONTINUED



Our Properties



The Byke Old Anchor

Location: Goa
No. of rooms: 240



The Byke Grassfield

Location: Jaipur
No. of rooms: 54



The Byke Heritage

Location: Matheran
No. of rooms: 80



The Byke Suraj Plaza

Location: Thane
No. of rooms: 122



The Byke Neelkanth

Location: Manali
No. of rooms: 40



The Byke Hidden Paradise

Location: Goa
No. of rooms: 40



The Byke Redwood

Location: Matheran
No. of rooms: 25



The Byke Sunflower

Location: Goa
No. of rooms: 22



The Byke Vijoya

Location: Puri
No. of rooms: 54

UNIQUE AND ASSET-LIGHT BUSINESS MODEL

AT BYKE WE BELIEVE THAT GROWTH SHOULD BE CAPITAL NEUTRAL, ESPECIALLY IN HIGH OUTLAY INDUSTRIES SUCH AS HOSPITALITY. WHICH IS WHY WE HAVE CREATED OUR BUSINESS MODEL AROUND THE CONCEPT OF BEING ASSET-LIGHT, SO THAT OUR CORE OFFERING OF HOSPITALITY IS NOT IMPEDED BY CAPITAL CONSTRAINTS AND UNPRODUCTIVE INVESTMENTS IN REAL ESTATE.

This allows us to leverage high profitability from a low capital base. It has helped us register significant growth despite an overall slowdown and lack of momentum in the occupancy levels in the hospitality space. Although there is attractive growth in India, it is not uniform, and given the poor monsoons, and other structural inefficiencies, it is difficult to predict when the next cycle of high-demand will come. Therefore, remaining asset-light is an assured way of generating higher ROI and protecting cash flows for future growth.

We follow two distinct operating models - Owned & Leased (O&L) and Room Chartering (RC).

Byke operates 9 resorts across Maharashtra, Rajasthan, Goa, Odisha(Puri) and Himachal Pradesh

(Manali) with a total capacity of 677 keys. These operate primarily on a leased model. While 2 of the 9 resorts are owned, the remaining 7 are on an operating lease.

Under our room chartering business, we manage room inventory at various locations. Our offering includes the booking of third-party hotel rooms at strategically identified cultural and religious tourist destinations during peak seasons, on a bulk basis, and subsequently letting them out to tourists at a retail level through agents.

Byke also focuses on the MICE category (meetings, incentives, conferencing, and exhibitions). Bankquets and F&B constitute a sizeable chunk of our overall revenues, enabling a diversified revenue mix and augmenting occupancy returns.



ROOM CHARTERING MODEL — A UNIQUE VALUE PROPOSITION

- The chartering business involves aggregation of hotel rooms through prior booking of inventory. This is done on a 'take or pay' basis, 3-4 months before the tourist season
- Room aggregation is carried out on a pan-India basis
- The chartering is done for the entire duration of the tourist season in a particular location
- There are strict quality checks while purchasing inventory, to minimise the risk of refunds because of customer complaints
- The aggregated rooms are sold onward to travel agents, largely in mini metros and tier-2 cities across the country. This is a B2B business



OWNED & LEASED (O&L)

677 
Total capacity of keys

2 
Owned resorts

7  
Leased resorts

No. of Rooms



102



323

2012-13



102



363

2013-14



102



417

2014-15



102



521

2015-16



Owned rooms

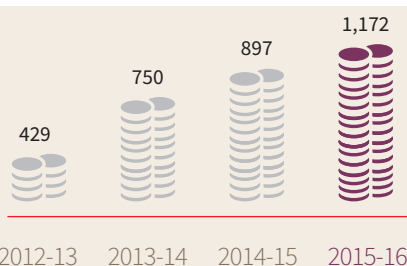


Leased rooms

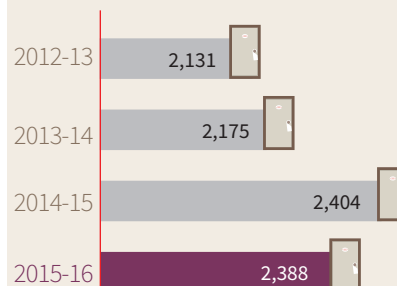


ROOM CHARTERING (RC)

Chartering Revenue ₹million



ARR ₹



FINANCIAL PERFORMANCE



Revenue

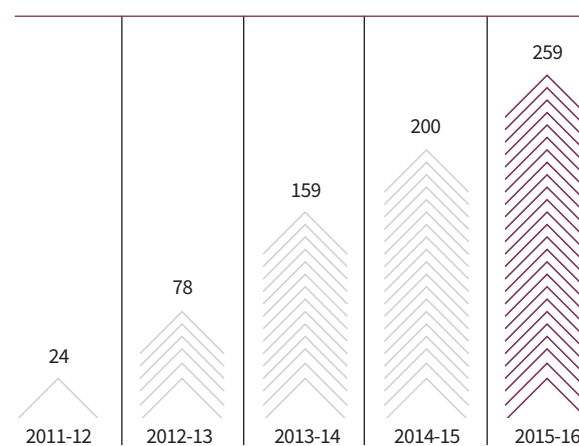
₹ million



36% 5 Year CAGR

PAT

₹ million



61% 5 Year CAGR