

ANNUAL REPORT
2016-17

Building a Brand for Tomorrow

THE BYKE HOSPITALITY LIMITED



Table of Contents

01 Corporate Overview

- 02 Introducing The Byke
- 04 Property Portfolio
- 06 Business Model
- 08 Financial Performance
- 10 MD's Message
- 12 Widening Presence – Promising Markets
- 14 Disciplined Execution
- 16 Maximise Performance
- 18 Board of Directors
- 20 Awards and Recognitions

02 Statutory Reports

- 22 Directors' Report
- 36 Management Discussion and Analysis
- 40 Corporate Governance Report

03 Financial Statements

- 54 Auditors' Report
- 58 Balance Sheet
- 59 Statement of Profit and Loss
- 60 Cash Flow Statement
- 62 Notes
- 76 Notice

Revenue
₹2,700 Million
41% 5-year CAGR

Profit After Tax (PAT)
₹317 Million
68% 5-year CAGR

EBITDA
₹622 Million
64% 5-year CAGR



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. While we believe we have been prudent in our assumptions, we cannot guarantee that these forward-looking statements will be realised. The achievements of the results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, 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.



*With strong brand momentum,
The Byke Hospitality Ltd. (The Byke)
is growing at a significant pace.*

We continue to focus on increasing our brand presence in gateway cities, serving our tourists and corporate customers, meeting their needs and expanding our select service brand in urban markets. We endeavour to offer the finest experiences to our guests by exceeding their expectations through unwavering dedication to perfection in every aspect of our business.

We execute our asset-light strategy in the most attractive, high-growth markets and industry segments. We take a disciplined approach to capital allocation, investing for the future growth of our brands. This enables us to drive sustainable growth in our profitability and deliver superior shareholder returns over the years.



Introducing The Byke



The Byke is a fast emerging name in the hospitality sector with luxury resorts and boutique hotels under its banner. With years of experience in providing its patrons with the finest of holiday experiences, the Group is committed towards quality and excellence.

Each of our properties harnesses best-in-class technology in tune with global trends, so that we can deliver service as per international standards. The Group employs a team of highly skilled staff, who display efficiency and competence. We take pride in serving an exclusive multi-cuisine vegetarian spread enriched with natural and authentic flavours.

We operate in two broad segments – owning and managing hotel properties and room chartering.

Vision

To be a leader and preferred choice in the hospitality industry while sustaining our Indian culture of *Atithi Devo Bhavah*.

Mission

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



Key Differentiators

Asset-light Model

Our asset-light business model allows us significant profitability from a low capital base.

Domestic Focus

We focus on domestic middle-class leisure tourism, which is set to grow at a faster pace.

One-stop Solution

Our properties cater to tourists and are well-equipped to handle corporate and social events with multiple banquets, halls, gardens, etc.

Charter Model

Third-party hotel rooms are chartered at strategic locations across 60 cities in India. It helps to maximise reach and target new locations for our own properties.

Vegetarian Food

Our philosophy of serving only vegetarian food at our resorts helps us capitalise on the underserved fast growing segment in India.

Strong Network

We have a strong distribution network of agents to ensure maximum reach and occupancy.



Relevant Facts

9

Properties in India

60+

Cities in which we are present across both segments

733

Rooms

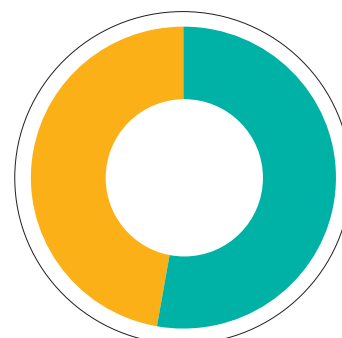
300+

Network of agents

₹ 3,788

Average Room Rent (ARR) for 2016-17

Hotel Segment Revenue Breakup (FY17)



■ Hotel 49% ■ Chartering 51%

Property Portfolio



The Byke Old Anchor

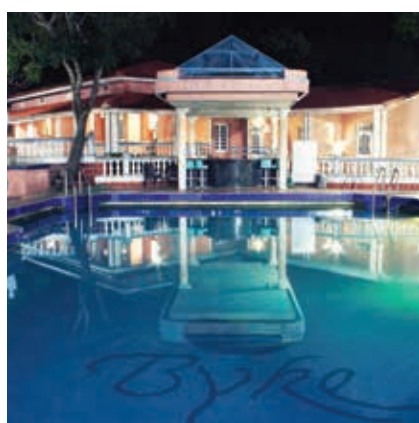
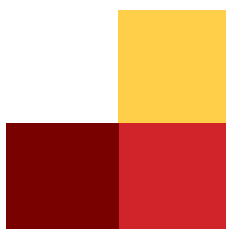
Location: Goa

No. of Rooms: 240

The Byke Suraj Plaza

Location: Thane, Mumbai

No. of Rooms: 122



The Byke Heritage

Location: Matheran

No. of Rooms: 80



The Byke Grassfield

Location: Jaipur

No. of Rooms: 54



The Byke Grassfield Riviera

Location: Jaipur

No. of Rooms: 80



The Byke Delotel

Location: Mumbai

No. of Rooms: 40



The Byke Riddi Inn

Location: Udaipur

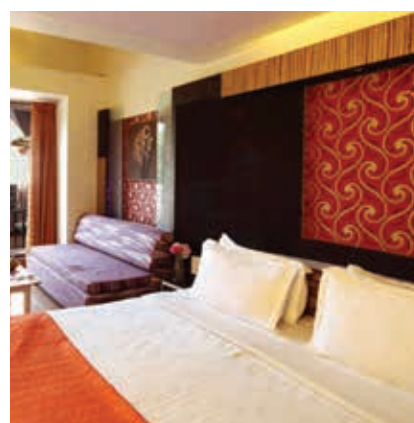
No. of Rooms: 52



The Byke Neelkanth

Location: Manali

No. of Rooms: 40



The Byke Redwood

Location: Matheran

No. of Rooms: 25

Business 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 (O&L) Model

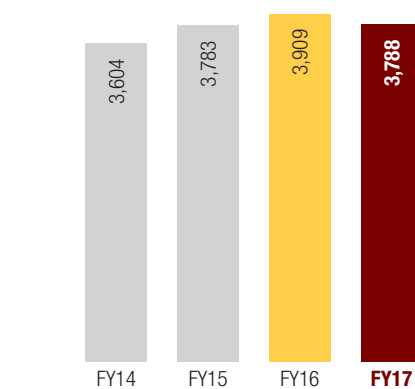
Out of the nine properties classified under the O&L Model, one of them is owned by 'The Byke' and the remaining eight are on a long-term lease. As on March 2017, we have a portfolio of 733 rooms, of which 80 rooms are owned by us. This model enabled us to undertake the modernisation of acquired resorts, thereby encouraging a steady increase in Average Room Rates (ARR) and Occupancy Rates (OR). With a strong brand and renewed momentum, we are leveraging this opportunity to grow at a rapid pace and aim to extend our presence across geographies.



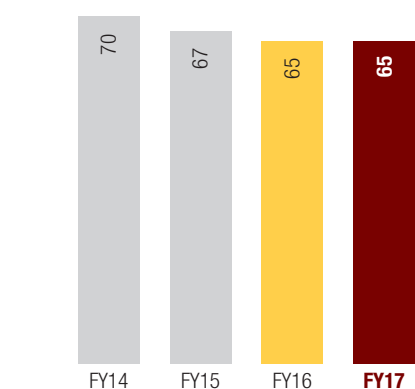
23%

Return on Equity

Average Room Rates (₹)



Occupancy Rates (%)



Room Chartering (RC) Model

Under this model, we buy room nights of mid-budget hotels in bulk across religious as well as leisure tourist destinations during off-peak seasons. In the peak seasons we sell these room nights. This model has helped us to strengthen our pan-India presence through chartering rooms across 60 cities in India. We capitalise on diverse peak seasons to maximise our revenue. In 2016-17, we sold 5.96 Lakhs room nights, as compared to 4.90 Lakhs in 2015-16.

Key Differentiators

Scalability

Flexibility to quickly expand depending on tourist trends.

Availability and Quality

Pan-India chartering based on peak season; strict quality checks while purchasing inventory.

Wide Network

Rooms sold to a wide network of travel agents to then sell to the customers.

Synergistic

Gives insight on where to expand in hotel segment; agent networks helps to maximise occupancy.

High Returns

Low capital employed yielding high returns.



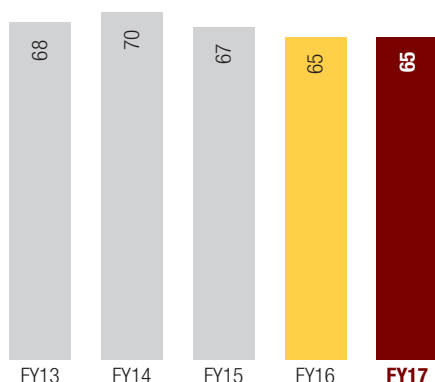
5.96 Lakhs

Room Nights sold in 2016-17



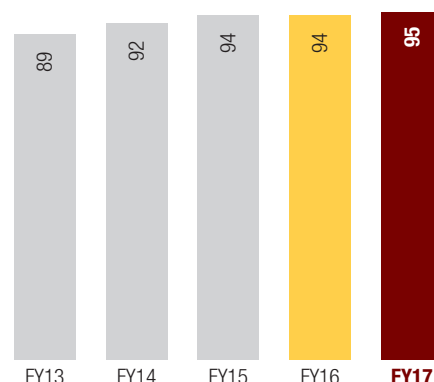
Hotel Segment Occupancy

(%)



Charter Segment Occupancy

(%)

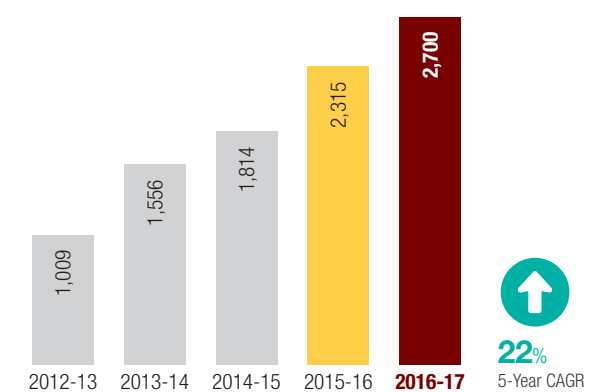


Financial Performance



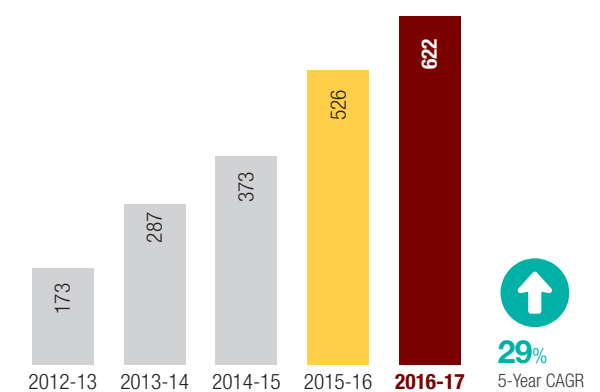
Revenue

(₹ in Million)



EBITDA

(₹ in Million)



EBITDA Margin

(%)

