

IPO Note of Chalet Hotels Limited

Issue Highlights:

Issue Type	100% Book Built Issue IPO			
Issue Open	Tuesday, 29 th Jan, 2019			
Issue Close	Thursday, 31 st Jan, 2019			
Issue Details	Fresh Issue of Equity shares aggregating upto Rs.950 Cr and Offer for sale of upto 24,685,000 Equity Shares			
Issue Size	Rs.1,628.84 [†] - Rs.1,641.18 [^] Crores			
No. of Shares	58,613,571 - 59,230,454 Equity Shares			
Face Value	Rs. 10 per Equity Share			
Price Band	275 - 280			
Minimum Order Quantity Retail	53 Equity Shares and in multiples thereof			
Maximum Bid amount for Retail	Rs. 2 Lakhs			
Listing	BSE & NSE			
Issue Size and Investor Category Allocation	Category	No. of Shares	Rs. In Cr	% of Issue
	QIB	29,615,226-29,306,785	814.42 - 820.59	50%
	NIB	8,884,569-8,792,036	244.33 - 246.18	15%
	Retail	20,730,659-20,514,750	570.09 - 574.41	35%
Book Running Lead Managers	JM Financial, Axis Capital & Morgan Stanley			
Registrar	Karvy Fintech Private Limited			

* Lower Price Band; ^ Upper Price Band

Competitive Strengths:

- » High-End Branded Hotels Strategically Located in Key Metro Cities of India
- » Active Asset Management Model
- » Well Positioned to Benefit from Industry Trends
- » Experienced Management Team
- » Backed by Leading Indian Real Estate Developer

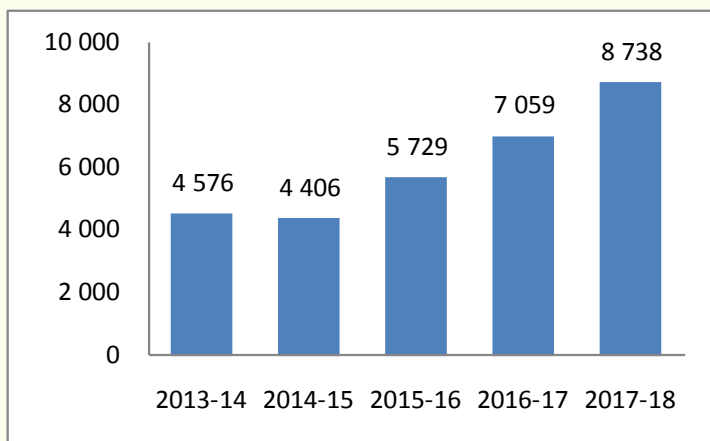
Competitive Strategies:

- » Focus on Maximizing Performance in Existing Portfolio through Active Asset Management
- » Disciplined Development of Assets in the Current Pipeline
- » Expand Portfolio by way of Opportunistic and Accretive Acquisitions
- » Maintain a Sustainable Capital Structure and Ensure Prudent Capital Allocation
- » Opportunity for reflagging hotels or renegotiating hotel operation contracts

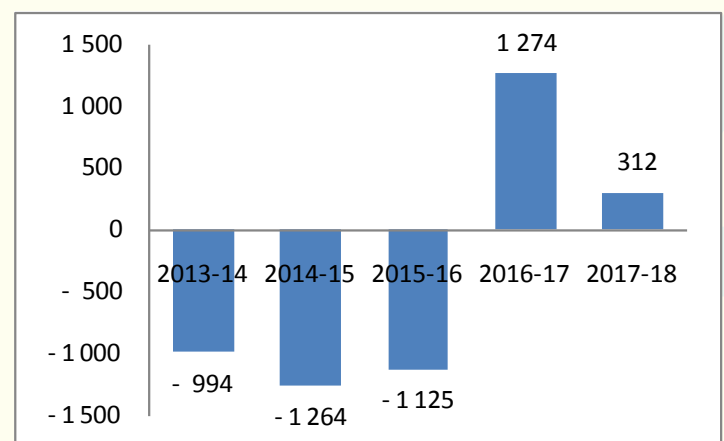
About the Issuer:

- » Chalet Hotels Ltd is an owner, developer and asset manager of high-end hotels in key metro cities in India.
- » Company's hotel platform comprises five operating hotels, including a hotel with a co-located serviced residence, located in the Mumbai Metropolitan Region, Hyderabad and Bengaluru, representing 2,328 keys, as of March 31, 2018.
- » Company's hotels are branded with globally recognized hospitality brands and are in the luxury-upper upscale and upscale hotel segments.
- » Company's hotel platform emphasizes strategic locations, efficient design and development, appropriate positioning in hotel segments together with branding and operational tie-ups with leading hospitality companies.
- » Company's hotels are currently branded with global brands such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, Renaissance and Four Points by Sheraton which are held by Marriott Hotels India Private Limited and its affiliates (collectively "Marriott").
- » They follow an active asset management model for their hotels operated by third parties, pursuant to which they closely monitor, and exercise regular oversight over, the performance of their hotel properties.
- » Chalet Hotels Ltd is part of K. Raheja Corp group which is a leading business group in India.
- » The companies forming part of the K. Raheja Corp group ("**K. Raheja Companies**") have extensive experience in developing large scale real estate, hospitality and commercial projects resulting in a strong understanding of industry and market trends, which they leverage to identify suitable locations and opportunities.
- » They have a strong management team with significant industry experience.
- » The total revenue was ₹ 9,295.14 million for the financial year 2018, and the total revenue grew at a CAGR of 15.81% between the financial years 2014 and 2018.
- » The total comprehensive income was ₹ 326.26 million and the Adjusted EBITDA before Exceptional Items was ₹ 3,501.48 million, for the financial year 2018.

Revenue from Operations (Rs. Million)



Net Profit After Tax (Rs. Million)



Brief Financial Details:

(Rs. in Million)

Particulars	Year Ended March 31,		
	2018	2017	2016
Revenue from Operations	8,737.83	7,058.80	5,729.43
Other income	557.31	2,186.57	246.18
Total Revenue (A)	9,295.14	9,245.37	5,975.61
Total Expenses (B)	5,793.66	4,937.06	4,416.67
Earnings before interest, depreciation, amortisation and tax (adjusted EBITDA) before exceptional items (C) (A-B)	3,501.48	4,308.31	1,558.94
(Loss)/profit before exceptional items and tax (D)	265.94	858.97	(1,587.84)
Exceptional items (E)	(54.08)	(67.81)	(72.20)
(Loss)/profit from continuing operations before share of profit of equity accounted investees and income tax (F) (D+E)	211.86	791.16	(1,660.04)
Share of profit of equity accounted investees (G)	-	-	-
Profit/(Loss) from continuing operations before income tax (H) (F+G)	211.86	791.16	(1,660.04)
Tax expense (I)	(99.74)	(483.22)	(535.14)
Profit/(Loss) for the year (J) (H-I)	311.60	1,274.38	(1,124.90)
Other comprehensive income/(expense) (K)	14.66	0.13	1.26
Total comprehensive income/(expense) for the year (L) (J+K)	326.26	1,274.51	(1,123.64)
Profit/(Loss) attributable to : Owners of the Company	311.60	1,274.38	(1,124.90)
Other comprehensive income/(expense) attributable to : Owners of the Company	14.66	0.13	1.26
Total comprehensive income/(expense) attributable to : Owners of the Company	326.26	1,274.51	(1,123.64)
Basic and diluted earnings per share	1.66	7.97	(7.39)

Source: RHP

Disclaimer

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Research Team

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Ankit Choradia

E-mail: karvy.distribution@karvy.com

Direct Ph: 040 3321 7132