



IPO DETAILS

#IPOlogy

# SCHLOSS BANGALORE LIMITED (LEELA HOTELS)



**ISSUE OPEN**

**26 May, 2025**



**ISSUE CLOSE**

**28 May, 2025**

Min. Lot Size

**34 shares**

Issue Price Band

**₹413 - ₹435**

## Issue Size

Fresh Issue:  
5.75 Cr Eq shares  
(₹2,500.00 Cr)

OFS:  
2.30 Cr Eq shares  
(₹1,000.00 Cr)

## Face Value

₹10

## Industry

Hospitality

## Listing at

NSE, BSE

RATING

**SUBSCRIBE**

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### Marwadi Shares and Finance Limited

**Corporate Office:** Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

**Registered Office:** X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.

0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

**Disclaimer:** 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

For Facts & Figures



# SCHLOSS BANGALORE LIMITED (LEELA HOTELS) LIMITED

## Rationale

Considering the FY25 EBITDA of Rs 594 Cr on a post issue basis, the company is going to list at a EV/EBITDA of approximately ~30x with a Market cap of Rs 14,527 Cr, whereas its peers namely The Indian Hotels Company Ltd, EIH Ltd, Chalet Hotels Ltd, Juniper Hotels Ltd, Ventive Hospitality Ltd, ITC Hotels Ltd are trading at EV/EBITDA of approximately ~37x, ~19x, ~28x, ~25x, ~25x and ~32x.

We assign "Subscribe" rating to this IPO as the company is a leading luxury hospitality brand with rich heritage and global appeal along with sponsorship by Brookfield which is a leading global investor with deep local expertise. Also, it is available at a valuation at par with its peers.

## Objectives of the issue

Repayment/ prepayment/ redemption, in full or in part, of certain outstanding borrowings, interest accrued and prepayment penalties, as applicable, availed by the company; and certain of their wholly owned subsidiaries and step-down subsidiaries, namely, Schloss Chanakya, Schloss Chennai, Schloss Udaipur and TPRPL, through investment in such Subsidiaries; and

General corporate purposes

## Company Overview

Schloss Bangalore Limited own, operate, manage and develop luxury hotels and resorts under "The Leela" brand. Their portfolio includes The Leela Palaces, The Leela Hotels and The Leela Resorts. They undertake their business primarily through direct ownership of hotels and hotel management agreements with third-party hotel owners.

As of March 31, 2025, the company's portfolio comprises 3,553 keys across 13 operational hotels in 11 cities in India, comprising of five owned hotels, seven hotels that are managed by them pursuant to hotel management agreements and one hotel which is owned and operated by a third-party owner under a franchise arrangement with them.

Further, they plan to expand their portfolio with seven new hotels, aggregating approximately 678 keys or 19.08% of existing keys through 2028 that will be either developed, owned or managed by them.

The company derives 52% of its revenue from room income, 37% of revenue from food and beverages, 5% of revenue from management and other operating fees, 4% of revenue from other allied services and 2% of revenue from manpower services.

The company derives a significant portion of revenue from their five owned hotels namely The Leela Palace Bengaluru, The Leela Palace Chennai, The Leela Palace New Delhi, The Leela Palace Jaipur and The Leela Palace Udaipur.

The company derives 93% of revenue from owned portfolio and the rest of revenue from hotel management agreements and other sources.

They have a strategic footprint across 10 key Indian business and leisure destinations, covering 80% of international air traffic and 59% of domestic air traffic in India in the financial year 2025. They account for nearly 18% of the total existing luxury keys across these markets that they are present in as of December 31, 2024.

Their net promoter score ("NPS") across our Portfolio was 84.00 in the financial year 2024 – the highest amongst key hospitality peers.



## Global Growth Backed by Brookfield

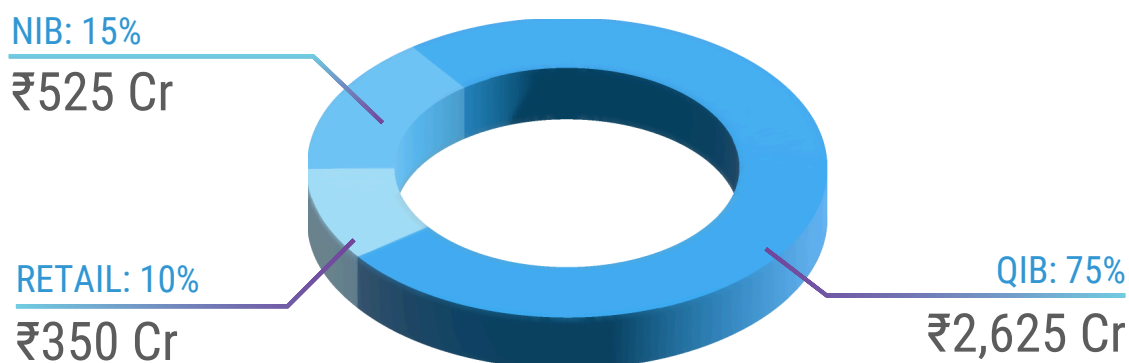
Their strategic initiatives and expansion plans are greatly enhanced by the support of their promoters that are advised and managed by affiliates of Brookfield, a global alternative asset manager with over US\$1 trillion of assets under management.



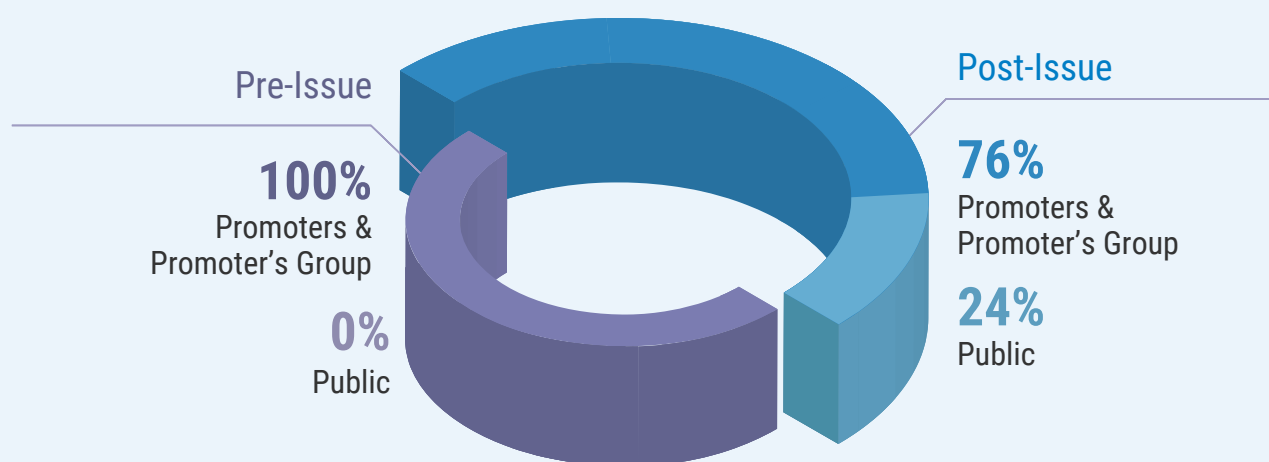
SCHLOSS BANGALORE LIMITED (LEELA HOTELS) LIMITED

## Issue Details

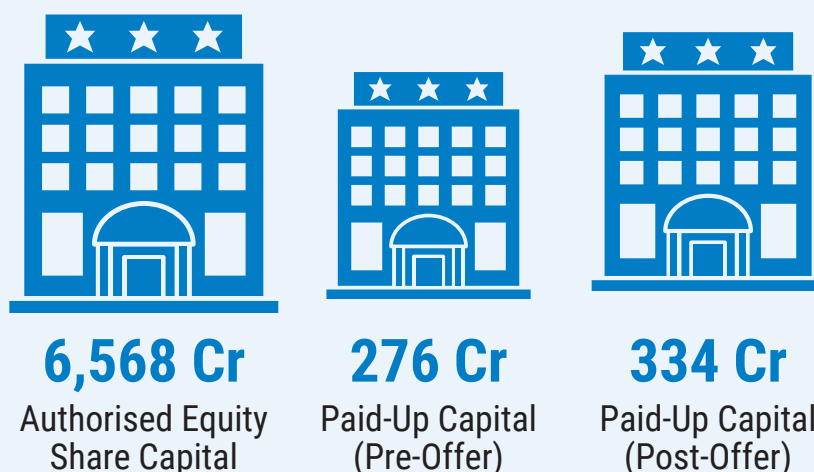
### Issue Break-Up



### Shareholding Pattern



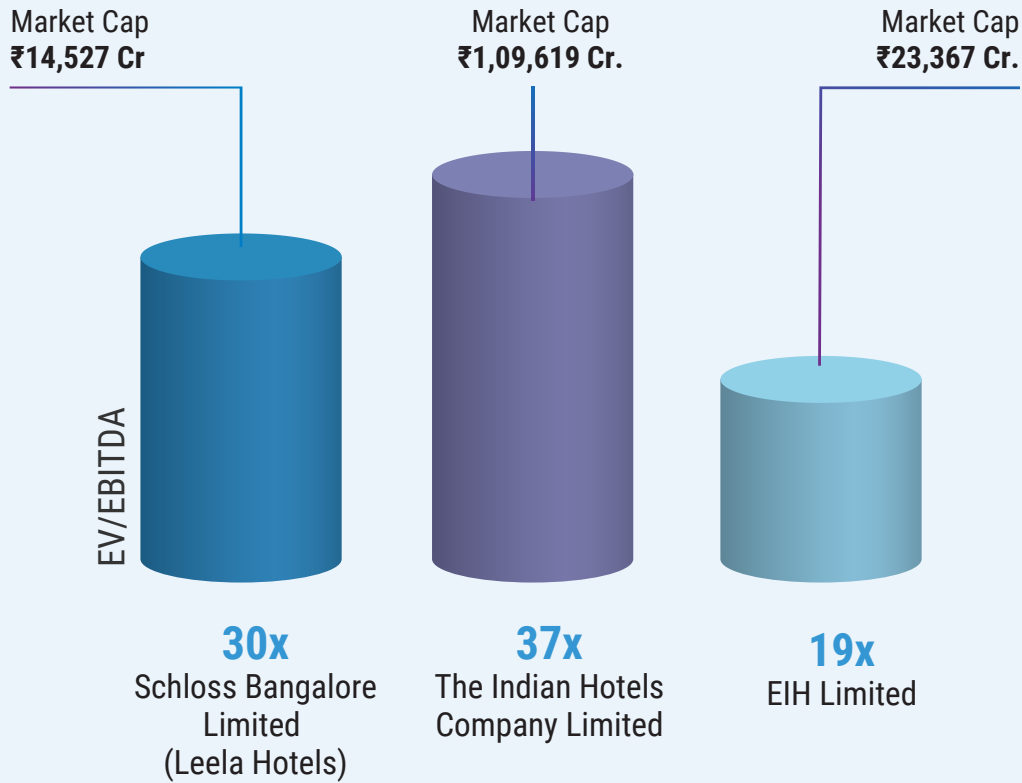
### Capital Structure (in ₹ Cr.)





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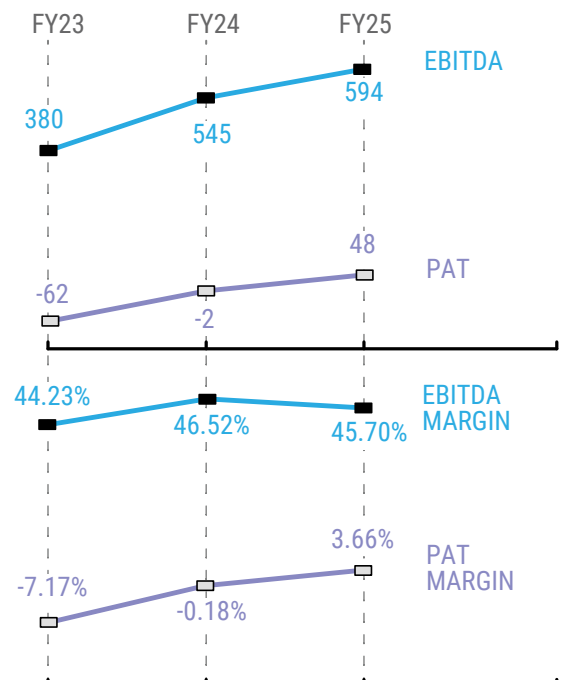
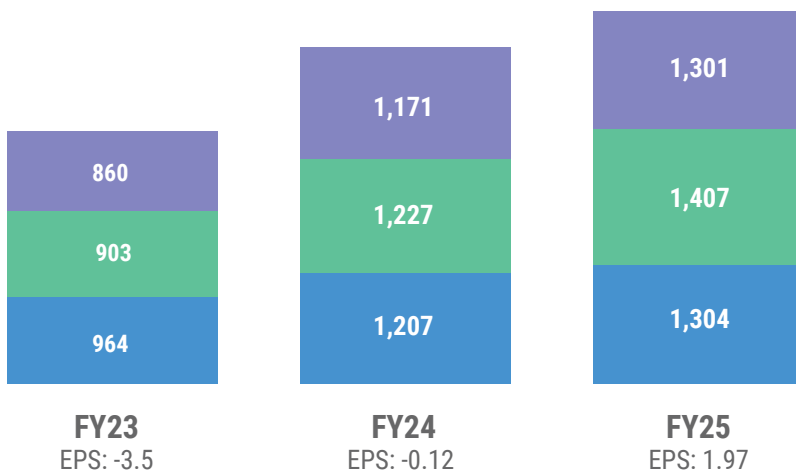
## Valuations and Peer Comparison



Market Cap data of listed securities as on May 22, 2025

## Financial Snapshot (in ₹ Cr.)

- Revenue
- Total Income
- Total Expenses





SCHLOSS BANGALORE LIMITED (LEELA HOTELS) LIMITED

## Business Insights



### Competitive Strengths

- Leading luxury hospitality brand with rich heritage and global appeal.
- Marquee owned hotels in markets with high barriers to entry.
- Comprehensive luxury ecosystem resulting in diversified revenue sources.
- Track record of driving operational efficiency by their active asset management approach.
- Highly experienced, cycle-tested senior management team, guided by an experienced and distinguished board.
- Sponsorship by Brookfield – A leading global investor with deep local expertise.



### Business Strategy

- Improve same-store growth and profit margins through proactive asset management.
- Expansion of their portfolio through acquisitions and developments, including through identified assets.
- Expand their footprint through new hotel management agreements.
- Maintain a sustainable capital structure while pursuing organic and inorganic growth opportunities with prudent capital allocation.
- Expand the reach of The Leela brand.



### Risks

- A significant portion of their total income is derived from the five hotels owned by them (aggregating to 93.46%, 93.77% and 91.13% of their total income for the financial year 2025, financial year 2024 and financial year 2023, respectively) and any adverse developments affecting such hotels or regions could have an adverse effect on their business, results of operations and financial condition.
- Their company and certain of their material subsidiaries have incurred losses in the past during financial years 2024 and 2023 (₹(21.27) million for the financial year 2024 and ₹(616.79) million for the financial year 2023 (on a consolidated and restated basis)), as well as during financial year 2025 for three of their material subsidiaries, and may experience losses in the future which could result in an adverse effect on their business, cash flows and financial condition.
- They have substantial indebtedness which requires significant cash flows to service and limits their ability to operate freely. As of March 31, 2025, they had outstanding borrowings of ₹39,087.46 million on a restated and consolidated basis. Further, their finance costs as a percentage of total income for the financial year 2025 amounted to 32.57%. In addition, they may require additional financing in the future in order to continue to grow their business, which may not be available on acceptable terms, or at all.

## Promoters and Management Details

Deepak Parekh - Chairman and Independent Director

Anuraag Bhatnagar - Whole-time Director and Chief Executive Officer

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