June 4, 2025

BSE Limited
25th Floor, P J Towers,
Dalal Street, Fort,
Mumbai- 400 001
Scrip Code: 531637

Dear Sirs,

Sub. : Transcript of Earnings Conference Call – H2FY 2024-25

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Transcript of Earnings Conference Call held on Monday, June 2, 2025.

This is for your information and dissemination on your website.

Thanking You,

Yours Faithfully,
For Praveg Limited

MUKESHKUMAR SOHANRAM CHAUDHARY

Digitally signed by MUKESHKUMAR SOHANRAM CHAUDHARY
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Mukesh Chaudhary
Company Secretary &
Compliance Officer

Encl. : As Above

"Praveg Limited H2 & FY '2025 Earnings Conference Call"

June 02, 2025

MANAGEMENT: **MR. VISHNU PATEL – CHAIRMAN, PRAVEG LIMITED**
MS. BIJAL PARIKH – FINANCE DIRECTOR, PRAVEG LIMITED

MODERATOR: **MR. GANESH – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Praveg Limited H2 FY '25 Earnings Conference Call.

As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*", then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ganesh from Kirin Advisors. Thank you, and over to you, sir.

Ganesh: Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Praveg Limited.

From the management team we have Mr. Vishnu Patel – Chairman; and Ms. Bijal Parikh, Finance Director.

With that, now I hand over the call to Ms. Bijal for the Opening Remarks. Over to you, ma'am.

Bijal Parikh: Thank you. Good evening, everyone. It is my pleasure to welcome all of you to the conference call for Praveg Limited. Thank you for joining us today.

Before we dive into the detailed performance review for the second half of the Financial Year 2024-'25, I would like to share a brief overview of our company and recent developments:

At Praveg, we are proud pioneers in the field of eco-responsible luxury hospitality. Our reason is to blend sustainable tourism with premium-guest experiences. Our properties are thoughtfully developed in areas of cultural and ecological significance, enabling us to offer exclusive travel experiences, while preserving the integrity of local ecosystem. In addition to our core Hospitality business, Praveg continues to excel in the event management space.

We entered the high-growth destination wedding and premium banquet segment creating a strong avenue for future revenue generation by offering holistic event solutions from venue management to event coordination, we aim to be a one-stop solution for luxury experiences.

During the second half of Financial Year '25, Praveg Limited made significant strides in expanding its footprint and strengthening its market position in the eco-luxury hospitality and event space. We formed a strategic partnership with Lallooji & Sons as master franchisee for marketing and booking of 400 luxury tents at Rann Utsav 2024-'25. Praveg also led even conceptualization, consulting, management and active coordination, offering the premium visitor experience at this iconic festival.

We expanded our resort network with four new launches, Praveg Resort at Daman Ganga, Silvassa and Praveg Beach Resort at Jalandhar House, Diu, strengthening our presence in culturally rich scenic locations. On January 1, 2025, we began operations at Praveg Caves Jawai at -- an upscale resort in the wilderness that deepens our luxury offerings. Shortly after that, on January 18th, we launched Praveg Atoll's Bangaram Island, Lakshadweep. Managed by IHCL SeleQtions brand, this resort merges global luxury standards with the island's pristine beauty.

In a major operational move, we partnered with Roots Corporation Limited, Ginger, an IHCL brand, blending our eco-luxury concept with Ginger's service excellence to enhance guest experience and property management. We also signed a three-year agreement with Mahindra Holidays & Resorts India Ltd., allocating 80 rooms across selected Praveg properties to integrate with their holiday network. Together, this H2 Financial Year '25 milestone reflects Praveg's focused execution of its eco-conscious, experience-driven growth strategy.

Turning to financial performance:

We are pleased to report robust growth across key metrics, reflecting the success of our expansion strategy and the strength of our business model. For the 4th Quarter of Financial Year '25, on a consolidated basis, total income stood at Rs. 59.29 crores compared to Rs. 33.50 crores in the same quarter last year. EBITDA grew to Rs. 16.60 crores from Rs. 9.46 crores while net profit rose to Rs. 3.42 crores, up from Rs. 1.59 crores. Earnings per share for the quarter increased to Rs. 1.58 from Rs. 0.73 in Q4 Financial Year '24.

On a standalone basis, for the same quarter, total income was Rs. 43.62 crores, up from Rs. 33.50 crores. EBITDA stood at Rs. 11.90 crores compared to Rs. 9.36 crores. And net profit rose to Rs. 3.11 crores from Rs. 1.48 crores with EPS at Rs. 1.18 versus Rs. 0.68 in the previous year's quarter.

For the full Financial Year '25, we delivered a strong performance as well. On a consolidated basis, total income was Rs. 174.43 crores, a substantial increase from Rs. 94.55 crores in Financial Year '24. EBITDA rose to Rs. 56.88 crores from Rs. 32.14 crores. And net profit grew to Rs. 16.13 crores compared to Rs. 12.95 crores last year. EPS for the year was Rs. 5.96, slightly up from Rs. 5.78.

On a standalone basis, the full year income rose to Rs. 139.60 crores from Rs. 94.37 crores. EBITDA improved to Rs. 45.70 crores from Rs. 32.03 crores. And net profit came in at Rs. 12.95 crores compared to Rs. 12.84 crores in Financial Year '24. EPS was Rs. five compared to Rs. 5.73 in the previous fiscal.

In terms of segmental performance:

The Hospitality & Events segment contributed to Rs. 45.65 crores to revenue, while the advertising segment generated Rs. 12.41 crores in Q4 Financial Year '25. We currently operate 775-plus rooms across 15 resorts and one hotel, and we are well on track to achieve our Vision 2028 goal of managing over 2,500 rooms across 55 to 65 locations. We are extremely encouraged by our revenue and operating profit growth, even as recent expansion has resulted in higher depreciation, temporarily impacting net margins. As these new properties mature and stabilize, we expect to see improved profitability going forward.

Looking ahead, we remain highly optimistic about the future. The Indian hospitality industry is poised for accelerated growth with the rising demand for personalized premium and experiential travel. Our eco-conscious luxury offerings are uniquely positioned to meet this demand, particularly in emerging Tier two and Tier three cities. As we expand further and deepen our partnerships, we remain committed to delivering sustainable growth and shareholder value.

On behalf of the entire Management Team, I extend our sincere gratitude to all our stakeholders, investors, customers, partners and employees. Your trust and support have been instrumental in our journey so far. We look forward to continuing this journey together with confidence and with purpose.

With that, I would now like to open the floor for any questions you may have. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. We take the first question from the line of Ranodeep S from MAS Capital.

Ranodeep S: Yes, thank you for the opportunity. First, congratulations, very heartening to see the partnerships with IHCL and Mahindra Group, which actually gives a validation of the curated and exquisite properties that Praveg is building. I am also happy with the statement that Vision 2028, which is of 2,500-plus rooms, is also being retained. My question was in this regard. We did speak about in the past about international expansion. Can you throw some light in terms of in the Vision 2028, which is 2,500-plus rooms, what percentage share will be of international? And if we have made any progress in expansion in any of the countries, if you can share some plans?

Bijal Parikh: Sure. Our Chairman, Mr. Vishnu Patel, will throw lights on this.

Vishnukumar Patel: Thank you, MAS Capital. Thank you, Ganesh, investor, investor representative and analysts.

As asked by you, our development overseas we are taking it forward. Serengeti, we have just two days before got environment clearance, that is the final certification for that project. And the project team is working on it. Soon, we will deploy our team to the Serengeti and the work will start. We want to finish that project as early as possible, and there is a good potential in terms of strategic alliance internationally. And that 25 room, which we are developing will generate the revenue more than Indian revenue per room revenue we got.

Secondly, we are trying to acquire further resort locations at Masai Mara, so those two locations are highly strategical, so we are working on that. Thank you.

Ranodeep S: Very, very happy to hear this. I think there's a big contingent of Indian travelers who visit these two locations that you mentioned, so very happy to know that it's finally happening. Congratulations on that.

Sir, my second question was, is there a change in strategy? The reason I am asking, sir, because if I see the earlier projects like especially our Kevadiya project where 200 tents were there, versus now are becoming more exquisite and high-end, which may be 20 to 30 rooms or cocoons or various interesting concepts like the Jawai or the Caves that you are doing. Is there a change in strategy, sir? Or can you throw some light on that?

Vishnukumar Patel: This is not a change of strategy. This is already focused by the Praveg and Praveg's creative team. We want to give some more value addition to the experiential hospitality. That's why we are working on a unique model that is Praveg specialty. My total engineering team of 50 people executing that dream whatever we visualize in our head office for the particular project.

There is two things which is very important for us. We want to work only in experiential hospitalities, beautiful, scenic, rivers, seashores, jungles, like that places were we can give more experience to my tourists, my guests, that is the basic purpose. And obviously, as a commercial entity, we also have an interest to generate more ARR for such kind of locations. So, now we are working to generate more ARR-basis location where there is a lower competition, but there is location-added advantages like Serengeti in Kenya, like Lakshadweep. That's why we are focusing this segment in a major way.

Unlike already promised before two, three con calls before one year, that my company is not interested to work in city metro hotels like model. We are in some different kind of models that we are working on it. And in terms of total Vision '28, we are further acquiring more properties, more locations, which you will get a good location ideology of the Praveg. So, we are working on that. In this year, we have planned to build five to 10 resorts, which we are under progress.

So, right now we are operating in 17 to 18 resorts, still two, three locations is under development, which you get a strategical date of operation. In Lakshadweep there is rainy season, so we are going to start in October that operation. So, we are working on that so as to a maximum we can generate revenue as well as reputation over Lakshadweep. Thank you.

Ranodeep S: Sure. Sir, can you kind of share the guidance for FY '26, given I think in the presentation, it's very nicely laid out that I think nine more upcoming resorts which kind of adds 505 rooms. So, is my reading correct that we will end FY '26 with around 1,250 to 1,300 rooms? If yes, what is the ARR that we will end with at FY '26? If you can just share that.

Vishnukumar Patel: I would like to tell you one thing. The guidance is dependent upon the operationalization of the resorts, number one. Number two, the matter is, when we are operating the resorts and starting the operation, so we need to give some time in terms of marketing and branding as well as exploring that location. We need to have a minimum of five, six months to 12 months, that's our experience.

So, what happened in this year, we have started operation of 18 resorts. Out of that, around 60% resort is inaugurated in this year only. So, in terms of EBITDA margin, in terms of sales volume, it's going to change in the next year. Then when the property is older by two years, it will further add more ARR as well as more occupancy. So, it depends upon that.

And my result is itself speaking that we will reach to our target for the operation of 25 resorts in this year, that I can say that the revenue is always upward will increase in this year, this current year, because of last year all out of 17, 18 resorts, 60% resort was operation for three months, four months, eight months maximum. So, there we need some time to reach to our desired goal of 40% EBITDA margin.

We are always working for average EBITDA margin of 40% over a project period, which is being awarded to us by government. It means that if we are taking a resort for five years, seven years, then its overall seven year average should come to 40% EBITDA margin, then only we trigger that acquisition. So, that is our philosophy.

And I would like to tell you, in the first year of major operationalization this March '25, you can see that 35% or 34% EBITDA margin in the first year we reached. So, the more lucrative and more incremental EBITDA margin you will find in '26. As well as, in terms of turnover also you will find a major chunk of incremental revenue in top line. Thank you.

Ranodeep S: Thank you so much, sir. Really appreciate you taking time to kind of explain the nitty-gritties and sharing the details. Thank you. I will join back the queue. Thank you.

Moderator: Thank you. The next question is from the line of Vaidik from Monarch Networth Capital. Please proceed.

Vaidik: Sir, congratulations, sir, on good set of numbers. Firstly, sir, my question is on the gross margin front. I just wanted to ask on a sequential basis, our revenue has increased by 7%, but gross margin has expanded by close to 10%, 11%. So, what costs are being added to that event and site expenses. Can we know that? And the reason behind gross margin contracting?

Vishnukumar Patel: Just wait. Are you talking about standalone or consolidated? EBITDA margin?

Vaidik: Consol gross margin.

Bijal Parikh: EBITDA, you are talking about?

Vaidik: Both, sir.

Vishnukumar Patel: So, gross margin was 35.09% for '24, it's come to 34.02%, right?

Vaidik: No, sir.

Vishnukumar Patel: It's a 35% EBITDA margin in last year. This year is 34% EBITDA margin in consolidated.

Vaidik: Okay, sir. And sir, on the next question in the presentation --

Vishnukumar Patel: So, 1% EBITDA margin variation. This variation is dependent upon the proportion of the newly started resorts in this year was maximum. In March '24 there was only five, six resorts were operationalized. In this current March ending '25, we have started around 10 to 12 new resorts. So, always in beginning our margin is also under pressure. Once the time period for marketing, social media or the promotion strategy of the Praveg will come into effect after six, seven, eight, 12 months that leads to higher EBITDA margin, higher gross margin. That's a natural process of the hospitality industries.

Vaidik: Sir, you are talking about full year. I was talking about in the current quarter, Q4. But other than that, a few other questions. Firstly, in the presentation, you mentioned that we have around 505 upcoming rooms in this year. So, I just wanted to know for how many resorts have we got approval? And by when will they be operational?

Vishnukumar Patel: Okay. I would like to tell you. We got this clearance for Serengeti. We are already working under development, the Thinnakara-II, there's a 200 room. Serengeti is at 25 rooms. Kashid and Kihim, out of that, one resort's approval is nearby to complete, it's around 35 to 40 rooms. Then after Jaisalmer we are working on that direction, there is around 40 rooms, 50 rooms, that all will come in this year. Apart from that, there is always chances to have more acquisition during the current year. The acquisition maybe of the ready property, may be underdeveloped property. It depends upon the market scenario.

Vaidik: Sir, in the presentation, you mentioned Udaipur, 35 rooms; Ranthambhore, 30 rooms; Bangaram II, 100 rooms; Agatti Island, 50 rooms; Kihim and Kashid, 40, 40 rooms each. So, what's the status over that?

Vishnukumar Patel: Exactly. Out of that, I have explained the status of these six resorts is under progress as well as ready to progress, ready to start with development process. I have just told you, Serengeti, Thinnakara-II. Bangaram is Thinnakara. Bangaram is already operational. 50 room is already given to Indian Hotels, just we have talked about it. January 2025, we started Bangaram resorts. Instead of Bangaram, you put as a Thinnakara-II resort. Bangaram and Thinnakara-Is nearby islands. So, there may be some corrections that Thinnakara-II is 200 rooms. And Jaisalmer that almost clearance is near to come. So, a total of six resorts are under development out of that two resort is under development already nearby finishing stage or resort's legal clearance is already done. So, it will work in that direction.

Vaidik: Okay sir. Thank you. That's it from my side.

Moderator: Thank you. The next question is from the line of Gautam Gosar from Monarch AIF. Please proceed.

Gautam Gosar: Hi, Vishnu sir. Thank you for the opportunity. OkayuFirst question is on your ARR. So, if I go through your PBT, in some of the properties there has been a decline in the ARR than what we used to indicate. So, for example, in our Kevadiya property we used to indicate around Rs. 10,000 to Rs. 10,500 ARR. In Jawai we used to indicate around Rs. 25,000 ARR which has come down to around Rs. 18,000 to Rs. 22,000. So, can you just understand what is leading to this impact?

Vishnukumar Patel: Yes. Jawai, our properties just started in January, February 2025. Then after the season is on summer season. The Jawai property sees less footfalls during the summer season. So, always, we have to have a seasonal tilt in such cases. So, in Jawai the ARR that we have got in the month of March, versus what we will get in 2026, you will get to see a good improvement in it. Secondly, we started the Jawai property around January or February. Initially, we are keeping the track, our marketing team strategizes with ARR, plus/minus, to improve the occupancy rate. So, that operational and marketing strategy is always going on. So, as and when guests will come, will stay there, the experience that they will get, then after it's going to improve ARR. Always, we need to have minimum one year for improving ARR status of the new project. So, Jawai is a new project.

Gautam Gosar: Understood, sir. For the new properties, we can understand that, but for a bit older properties, like Kevadiya, there also we are seeing some things?

Vishnukumar Patel: I would like to talk about Kevadiya also, but just you told me so I explained about Jawai. In Kevadiya there isn't any competition in the Kevadiya also. So, in Kevadiya as well, this year March 2025, the ARR that we have got there's a variation in it, and to improve the occupancy we are trying to have some balance ARR looking to the competitive scenario.

Same way, in last year, certain date was blocked for government business, is not accumulated or converted into business. But this year, we are getting good response, and we have catered three or four conferences in the current quarter also. So, many times our certain dates are blocked, because of which our sales and marketing strategy gets impacted. In such scenario if we go and sell the rooms, we will get much more than rooms when we host conferences and all. So, we have always strategically balanced ARR as well as conference and government business also. Thank you.

Gautam Gosar: Okay. Sir, secondly, on our occupancy of Kevadiya, which you are talking about, so sir, are we seeing any decline in the occupancy for our existing properties in some of the areas like Kevadiya, where the footfall rate should be higher in the initial year and now it is slowing down?

Vishnukumar Patel: It's not about occupancy decrease. Occupancy, I think already, we are maintaining occupancy level of the property. And that's why the property is made that occupancy should always be there. ARR plus/minus is a strategical decision sometimes. As well as seasonal effects are also to be considered. This year what happened, I would like to tell investors about the scenario of the last quarter.

Last quarter there was a major boom at Kumbh. Kumbh marketing was all we are knowing, all the public was diverted to Kumbh. So, it affected other property for tourist also. So, that's why we have to balance the occupancy level as well as marketing ARR. So, there are certain extraordinary steps we have to take in the last quarter. So, that is also affect of gross margin, some variation, EBITDA margin, some variation. Thank you.

Gautam Gosar: Sir, if you can help us understand how much revenue we did in Kevadiya project in this year as well as last year? So, we can understand the trend, how much revenue are we generating from this property.

Vishnukumar Patel: Our competitor scenario is also there. I would like to not comment about the total revenue, that is a strategic decision. But I would like to tell you, my Kevadiya performance in earlier year and this year, there is a variation of about 15% in total sell volume. 15% to 20% sell volume is impacted. And that is not due to occupancy, but it is due to government business, please understand. So, that impact, 15% to 20% impact of the sales is majorly due to government business.

This year, we have re-strategized the strategy. We have taken a good conference of Supreme Court, Chief Justice came just in one month before in our property. Apart from that, Rajasthan government has done a great conference here also in 5th, 6th, 7th May. Apart from that, there is also another private conference is there. Apart from that, this year we are doing very few weddings in Kevadiya. This year we are getting good in terms of manyfold incremental in wedding revenue this year. So, we have re-strategized. I would like to rest assure you that this year is going to contribute by Kevadiya will be tremendous incremental to us.

Gautam Gosar: Okay, understood. And sir my last question, the lease cost, how much rental have we paid in this year? In FY '25 how much is the lease cost?

Vishnukumar Patel: Lease cost is dependent upon total.

Gautam Gosar: No, sir. I am asking, how much we have paid already in FY '25.

Vishnukumar Patel: Kevadiya? Are you talking about Kevadiya?

Gautam Gosar: No, no, full.

Vishnukumar Patel: Rs. 16 crores. This year we paid about Rs. 16 crores rent, total. So, it's about you can understand 10% of the total revenue. And this year, revenues is the beginning for the Praveg journey. So, these 17 properties, some property come into second year of operation, some property coming to third year operation, very few properties come after five years of operation experience. So, that product mix will contribute to sales as well as EBITDA margin as well as bottom line, because we have already sustained the cost. The expenses that we have, we are netting those off, we are getting around 34%, 35% EBITDA margin, now whatever incremental increase we will get it will definitely promote the bottom-line.

You have to give some time to Praveg. I would like to tell my investor that it takes time to succeed, let's wait some time. The journey has just started, our resorts have now operationalized, we are operationalizing new ones, our team is very optimistic that they will take this concept, model way forward. We need to give some more time because if you look at traditional hospitality, it takes three to four years to develop that property. Then after one, two, three years you have to reach to breakeven point. Instead, here you can appreciate that in 18 resorts there's no depreciation, then there's sizable contribution in net profit. Even in first year of operation no hospitality company in India generates net profit, you can study all hotel models. Thank you.

Gautam Gosar: Yes, sure.

Moderator: The next question is from the line of Nikhil from Kizuna Wealth.

Nikhil Poptani: Yes, hi sir. Thank you for giving me the opportunity. Sir, I have a question on your Vision 2028, we are saying that we are going to go beyond 2,500 rooms, right now we are around 770 rooms approx., so sir you are saying you will increase your inventory every year by about 50%, so how much CAPEX would it require? And second question is, from where are we going to fund the CAPEX?

Vishnukumar Patel: Yes. We have already resources to have a fund of warrants that will suffice to develop this high resort. Out of that, Thinnakara, already we have invested huge cost for Thinnakara. For Jaisalmer, for Kashid, for Serengeti, we have our own fund for the company as well as warrants for that. Third one, I would like to tell you that many proposals are under our vetting for the investment model, that's called operation and development model. That is a third model. This is a different model is started by Praveg, wherever someone has a land and Praveg feels that land is good for tourism and if the owner is ready to invest for the development of the land, then Praveg will develop that property with Praveg's style. And we will provide turnkey solution in terms of development, that means our engineering, our architects, our structure, our MEP design, our landscape consultant, which is in-house team of the Praveg, will design and visualize that resort.

My development team will do the development of that project, we get certain profit on that development also. That will make a major share contribution in terms of top line and bottom line also. And after that's ready, we will operate it for 30 years or 15 years, depends upon the lease period if it's not owned by that investor. In that case, 15 years, 20 years, 30 years depend upon that agreement, the operation will be handled by Praveg. So, this is a unique model which we have launched already. And we will get certain outcome in very near future. And for that we do not need to have CAPEX. Instead of CAPEX, we get the revenue for development of that property, please understand, along with operational regular income.

Nikhil Poptani: Okay, sir. So, further we do not need to raise preference share or raise equity or raise debt for these additional rooms, right, sir? That's what you are indicating?

Vishnukumar Patel: We are a debt-free company right now. We do not want to raise any debt. That is our strategy.

Nikhil Poptani: Okay, sir. That's really great to hear.

Vishnukumar Patel: But maybe the promoter can or the promoter group can contribute fund if required in that case, if the fund is required.

Nikhil Poptani: Okay, sir. That's great to hear. And sir, now you have done a strategic alliance with IHCL and Mahindra, so sir, how much management fees are we giving to them, if you can explain the structure, as in it is based on percentage of revenue or is there a flat fees, if you can explain?

Vishnukumar Patel: Yes, good question. I would like to tell you that Mahindra is not operating our properties anywhere. Our operational properties, they are booked by a bulk inventory by arrangement. So, number one, Mahindra is not taking any money from us, any charges from us. Mahindra is giving a contribution to us in terms of sales, number one. You also asked a question or maybe your earlier representative that why is there a plus/minus in your ARR? So, that's because of bulk inventory and retail inventory which impacts the sales value. You are smart analysts, so understand this also.

Number two, Taj has a operational management contract. So, the management contract with the Taj is on our books. So, all turnovers will give business and profit to Praveg, they will charge a management fee, that varies depending upon their brand and their strategy. And always, we get good cooperation from Indian Hotels for strategic alliance for such kind of resorts. So, they are highly connected with our team also, their management. Where required support they give, the analysis, they give such cooperation in terms of commercial negotiation, they give the base rate to us. I can say only this, I cannot say publicly the management fee. But it's very minor. Whatever benefit we get from it in the ARR, from that we get the management fees.

And one strategy that I had shared with you guys earlier that in one location if we are making more than three, four resorts, then we hand the responsibility of one property to a good management, a good company so that we can diversify the mass of tourists, from where we get the incremental EBITDA as well. Our experience in Diu has been good, we had four resorts there, one which we handed over to Taj Ginger, and we get lucrative results from that operation because it has a separate tourist base, our tourist base is different, so it also adds a separate value addition. So, where we have three, four hotels and resorts, so we also have our internal competition, so this way this gets minimized, we get new tourists, and they also contribute to us. So, that strategic alliance we have Indian Hotels.

Same way we replicated that model in Thinnakara and Bangaram, we have given 50 rooms to Taj. Because Thinnakara, we are coming with 200 rooms nearby, in this season after rainy season. So, that is a strategical alliance. And it's always a mutual beneficial basis. So, that management fee is not in a major way impacting to the Praveg's profit. It's even contributing their experience, their customer base, improve our net margin also. Thank you.

Nikhil Poptani: Yes, sir. But my question was on the management fee that we will get from them, so what range would be on the management fee? Like 1% to 5%, 5% to 10%, if you can guide on that bit, please.

Vishnukumar Patel: It's a confidential contract between the company and Indian Hotels. But it is very minor. It's in terms with the industrial standard for management.

Nikhil Poptani: Okay, sir. And now sir, my next question is, in the presentation you have written you had strong bulk sales but the only portion was recognized. So, what was the reason for the only a portion was recognized even after sales being strong bulk sale? And sir, secondly, what's the share for room rentals from the corporates and government, and what's the share of retail as well?

Vishnukumar Patel: Your voice was not clear, please ask one question at a time.

Nikhil Poptani: Yes, sir. So, my first question is, you have mentioned about bulk sale in Rann Utsav but only a portion of sales was recognized this quarter. So, what was the reason for that?

Vishnukumar Patel: Yes. It's a Rs. 1.5 crores contribution in terms of accounting standards. We have bulk done a business, but it will be treated as a principal concept. And that's why Rs. 1.5 crores is a contribution of this quarter for booking of this inventory of the Lallooji company.

Nikhil Poptani: Sir, like I wanted to ask what would be our share of B2B, the government, corporate sales, and retail contribution as well?

Vishnukumar Patel: We have total 76 rooms of the company there, which we call Tent City, White Rann Resorts that Praveg runs there. And for Lallooji company has 400 rooms, we have 76 rooms, so the sales that we have for those rooms for three, four months, that is around Rs. 7 crores to Rs. 8 crores approximately. Apart from that we have a bulk inventory sales arrangement, Rs. 1.5 crores is from there. And the events work that we did there, the contribution from there was Rs. 2 crores. So, in all, including the event as well as inventory arrangement as well as the resort sales we got around Rs. 12, apart from Dholavira.

Nikhil Poptani: Yes, sir.

Moderator: Sorry to interrupt Mr. Nikhil, may we request you to join the queue again for your follow-up question as there are other participants waiting for their turn. The next question is from the line of Avinash from Profitmart Securities.

Avinash Gorakshaker: Vishnu, very good set of numbers, congratulations. Vishnu bhai, if you can tell me, what is the outlook for the Event business, this business that we had started earlier on? That is question number one. Sir second question was, we have acquired an advertising agency, I saw very good announcements in the presentation regarding that, like you have said that you are going to expand in Rajasthan, you have done partnerships, so if you share a bit more about this company, what is the strategic role does this agency have in our company?

Vishnukumar Patel: Praveg is known for advertising, event management, exhibitions, and since last 10 years we have started operation in hospitality also. So, right now we have already re-strategized our strategy based upon that for advertisement, outdoor media as well as publicity, we have acquired tools of Abhik and Bidhan, two companies, last year. The last two years, the logic behind acquisition of the particular company, the major purpose was to create a SPV which has exclusivity of smart toilets project in Ahmedabad, they have gotten 15 years rights for that project. Same smart toilets advertising model we want to run off in Rajasthan also. We have already deployed two locations in Jaisalmer. Many inquiries came across India for the development of such type of smart toilets, you can see in a good location like SG Road, like Sindhu Bhavan Road. Same way Rajasthan government is also eager to expand that kind of models in Rajasthan, same way in Maharashtra.

So, that company has a credential. And only companies which has operated successfully for the last five years. So, the number one purpose was that advertising experienced people, Mukesh Patel, Managing Director of Abhik is a 35-year experienced guy, 30-to-35-year experience in outdoor media. After the acquisition of that particular two companies, we have expanded our network to Gandhinagar Urban Development Authority. We got a good contract, handsome contract for around 300 hoardings, that just we got a work order in this March or April. So, lucrative and good, handsome turnover will come from that.

Apart from that, we got Maharashtra and Goa Hindustan Petroleum, HPCL, marketing of the hoarding contract for Goa and Maharashtra, all except Mumbai, Hindustan Petroleum. That credential is with that company, that's why we have acquired that company, so we get good sales revenue in this current year from Maharashtra and Goa. Same way, we are working on Gurgaon and Uttar Pradesh also. For the smart toilets, we may get a good handsome number of contracts for smart toilet development as well as operational.

This is a very unique model. I would like to tell you that in India, the facilities that we have on roads of Ahmedabad or Bombay, the lavatory facilities are in very bad situation. So, five years ago Gujarat government came up with a tender on SG Road and Sindhu Bhavan in which the smart toilet designs which TATA company provides, it has auto flush, auto system, it is very clean, very neat and clean and very professional. And on the back side of it is a hoarding, for example, 15x20, 15x50, depending on the size of the location. So, it has a hoarding on the back of it, from which we can generate Rs. 1 lakhs, Rs. 1.5 lakhs, Rs. 2 lakhs, and if it is Gurgaon, Delhi, Bombay so we can even get revenue of Rs. 5 lakhs as well.

So, that line of revenue we are expecting in the future that the manufacturing cost is borne by the government, but it is very difficult to run it. We have smart systems and smart outsourced teams which is managing this type of smart toilet in Ahmedabad. So, we just got work order from Jaiselmer, now further we are expanding this across India, across high-profile metro like Delhi, like Mumbai that we expect good revenue from that model. Apart from Hindustan Petroleum, apart from outdoor 700 hoarding of the Praveg right now in Abhik and Bidhan, this year we are expecting very high surge in revenue than traditionally Bidhan and Abhik was contributing.

So, by the change of management, the reason for that outdoor and media publicity, we get sizable revenue generation, you can get in this year as well as next year onwards.

Avinash Gorakshaker: Okay. And Vishnu bhai, one more point I had from the presentation I was seeing, in Ayodhya also you are planning a developmental project, plus you have also got some rights from UFO Digital to secure government advertizing, so this is basically a good strategy to increase your advertising revenue, right?

Vishnukumar Patel: Yes. That's why we are working on that direction. And the team is standalone and very expert team, very experienced team, they added our capacity to expand. That is the main strategical decision. So, you will find also in Uttar Pradesh, Delhi and Gurgaon, Maharashtra, Goa, maybe Rajasthan also government is coming up with smart toilets. And one smart toilet costs around Rs. 25 lakhs, so we get revenue from that development also. As well as, after operation we get a monthly Rs. 1 lakh, Rs. 2 lakh advertising, hoarding rent for their role. So, that will also contribute. Zero investment, zero CAPEX, and Rs. 12 lakh potential revenue from that one hoarding. So, if we multiply this to 1,500 over a period of 10 years or five years, you get zero cost, operating cost is very minimal. So, this is a very smart model. That's why we are expanding that model, too.

Avinash Gorakshaker: In fact, Vishnu bhai, I take your point, because I was seeing your profitability of Bidhan, it almost has a net profit margin of 30%.

Vishnukumar Patel: Because of smart toilets.

Avinash Gorakshaker: So, basically, this is definitely a very profitable business. So, just one last question, Vishnu bhai, in the next two years can we see a significant amount of revenue growth coming from this vertical also for Praveg? If you can just give us a descriptive answer, if you do not want to share any numbers.

Vishnukumar Patel: Sir, you can see this first year of revenue, that's incremental around 80%, 90% of the last year's revenue. That journey will be continued until we get a good acquisition, until we get good market support, we will do it.

Avinash Gorakshaker: Okay. Vishnu bhai, thank you very much. All the best.

Moderator: Thank you. The next question from the line of Manan Shah from Moneybee Investment. Please proceed.

Manan Shah: Yes. Hi sir. Thank you for the opportunity. Sir, I wanted to understand what is the CAPEX budget for the current year.

Vishnukumar Patel: Major way we have invested CAPEX, in Thinnakara there is 200 rooms. So, this year, our work in progress will convert into development around Rs. 100 crores, approximately Rs. 100 crores, and work in progress goes to the fixed assets. Yes.

Manan Shah: Right. But so we do not have to invest any further capital is what you are saying, this will just get converted from work-in-progress to --

Vishnukumar Patel: No, no. You did not understand what I said, let me explain it to you. We have three, four resorts in which land and investment they will do, we will do a development plus operation. In that case, we need not invest in anything.

Manan Shah: No, I understood that. But the current work in progress that we have, to capitalize that how much more CAPEX would we need to do, already the pipeline that we have? I am not talking about the new ones, but the current pipeline.

Vishnukumar Patel: Okay. Rs. 30 crores to Rs. 40 crores, approximately I am saying, but it's Rs. 30 crores to Rs. 40 crores to finish present four, five resorts. Apart from that, investor model also this year we are starting.

Manan Shah: Understood. Sir, this tie-up that we have done with Indian Hotels, this is only for the existing 50 rooms, or it also includes the new pipeline that is going to come in Lakshadweep?

Vishnukumar Patel: Sir, right now it's 50 rooms. And Jalandhar, it's around 35 rooms. But these are alliance, you can understand that may further expand on strategical location based upon what companies consent to work on that direction. But it's a alliance. It's kind of a corporate alliance whereby we can expand this strategy further also. So, I cannot deny both sides or as such. Either way is possible.

Manan Shah: Understood. Sir, in Lakshadweep currently since the airstrip is small, I think direct flights are not there form major metros. And also to visit the island, there is some permit that is required, which is to be taken before you can go there. So, is that hindering you in achieving the desired occupancy to attract the tourists? If you can throw some light. And what work is going on there from the government's side, or are we helping people in getting these permits?

Vishnukumar Patel: Good question. You have done good research on it. Let me tell you, before this resort started there was one flight in all, now there are already four flights in operation. Apart from that, another three flights is getting added by the government of India, so there will be total seven flights. So, this problem government knows, the government has this PPP model, so they are also aware of that thing. So, seven flights will suffice for the purpose of the tourist mobilization, number one.

Number two, you talked about the license and entry permit. What you are saying was true till March, this problem was there that I had to go to the government to get the permit. Now they have issued our direction to Praveg, then Praveg gives vouchers, and Praveg KYC becomes the entry voucher, and Praveg will do back work with that government authority to issuing the permits. So, right now, the problem of permit issue is solved. So, Praveg can invite and give coordination to issue permit.

Manan Shah: Okay. Understood. So, you are saying that the number of flights to Lakshadweep has increased from one flight to four flights with two more flights potentially coming up, and Praveg will handle the permits at the back end, tourists would not have to handle it?

Vishnukumar Patel: It's not a subject now of tourists. Even police clearance is also not needed. I would like to invite my all these guests on con call that you must visit India's heritage like Lakshadweep. It's very unique location. If you visit, you get a good idea about this property, and Taj is going to promote internationally. Praveg will going to market it across India.

So, I would like to tell you that earlier we need a police clearance when we started our first resort, of each and every guest, then the guests' KYC document was required, he had to log-in into it, and only then he used to get the entry permit. Now this process has been eased, and now no police clearance is required. He should be a citizen of India, and he should be a foreigner with having valid visa that needs to be submitted to Praveg. Praveg simply issues a guest voucher that will register by the Praveg to the government department, whatever it may be. So, it's not a headache of the government. Please come and enjoy Lakshadweep.

Manan Shah: Understood. And sir, the deal with Indian Hotels that we have done, do they have any occupancy commitments from their side?

Vishnukumar Patel: It is always not a commercial commitment; it is always a moral commitment. And there is a joint discussion on that margin and sale strategy. So, there is some internal discussion to make a projection and target for the Indian Hotels, that we give to them, they accept to deliver. There's always work on that direction. Then only the management contract will work. That same strategy works over here also, it's not unique. Thank you.

Manan Shah: Okay, sir. And sir, in Daman, across various properties, we have close to around 200-odd rooms across these various properties. And most of these properties have now been in operation for almost a year or so. So, overall, sir, how is the response in this area or this micro market? And overall, what sort of occupancies have we been able to reach in this area?

Vishnukumar Patel: Sir, I would like to tell all these analysts and investors and investor representatives, Daman, we got award from Tripadvisor, very authentic award, that's highest ratings, Tripadvisor Travelers' Choice Award 2025. That is the top number one guest satisfaction, sites and locations and hotel chain in Daman. That award we got from Tripadvisor. It's a professional body that you know.

Manan Shah: Yes, sir. Many congratulations. But my question was, what type of occupancies are we able to achieve there?

Vishnukumar Patel: Sir, it's amazing. It's over than our expectation. After our own guests as well as Mahindra Group guests is making almost full status of occupancy. But you have to always consider in hospitality never 100% achievement possible because of seasonal variation, seasonal variation. So, it's I think Daman's the highest occupancy property of all these.

And we have launched Kachigam property. I would like to also market to my investor also, because my company always markets everywhere. So, Kachigam, we have launched in May 15 or something date. That's the very exclusive property across 89,000 square meters lake view property is just launched by the Praveg. And we get tremendous good response in Daman for that wedding inquiry as well as guest response.

So, you must visit Kachigam property of Praveg. You will get what the Praveg development model is, you will get good idea. And for weddings, my all-analysts market that you also inquiry for wedding because it is very nearby to Mumbai. So, Mumbai people are booking a wedding in Daman.

Manan Shah: Wonderful, sir. Sir, I wanted to know, last year we sold a total of 88,400 room nights, and if I do a ballpark calculation with respect to capacity, it comes to 2.5 lakh room nights. So, that translates to roughly 35% sort of an occupancy. So, what sort of occupancy are we able to achieve on a practical basis based on the properties and the geographies that we are serving? Company level, 50% sort of occupancy can we target, and over what time period?

Vishnukumar Patel: Let me tell you, you came up with information just based on statistic calculator. You calculated the rooms as of March end, 2.5 lakhs. In the opening remarks itself I said that 17, 18 properties were not operational for the whole year. Some operationalized in October, November and December as well, so two months, three months, four months, six months, eight months will also have to be counted, so you will get good occupancy results.

Manan Shah: Right, sir. But these were not available for all of the months.

Vishnukumar Patel: No, that's why I am telling you this year will perform 18 properties full year. You can calculate accordingly. But last year, out of 2.5 lakh rooms you counted 1.5 lakh rooms, you were not supposed to do that for the whole year. Room night inventory, maybe, I have not calculated overall, but 1.6 lakh to 1.7 lakh nights will be there.

Manan Shah: Okay, so around 50% occupancy we were there?

Vishnukumar Patel: Yes, the average beyond that we have achieved.

Manan Shah: Okay, wonderful. Thank you sir. I will get back in the queue.

Moderator: Thank you. Due to time constraints, that was the last question. I now hand the conference over to Mr. Ganesh for the closing comments. Over to you, sir.

Ganesh: Thank you, everyone, for joining the conference call of Praveg Limited. If you have any further queries, you can write us at research@kirinadvisors.com. Once again, thank you, everyone, for joining the conference.

Vishnukumar Patel: Thank you so much. Ganesh, thank you for the opportunity.

Moderator: On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.