ROYAL ORCHID HOTELS LTD.,

Regd. Office :
1, Golf Avenue, Adjoining KGA Golf Course,
HAL Airport Road, Kodihalli, Bangalore - 560 008, India.
T +91 80 41783000, F : +91 80 252 03366
www.royalorchidhotels.com
CIN : L55101KA1986PLC007392
email : investors@royalorchidshotels.com

Date: November 19, 2025

To,
The Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited
Floor 25, P. J. Towers,
Dalal Street,
Mumbai – 400 001
BSE Scrip Code: 532699

To,
The Manager,
Department of Corporate Services,
National Stock Exchange of India Limited,
Exchange Plaza, Plot no. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Scrip Symbol: ROHLTD

Dear Sir/Madam,

Re: Transcript of the Earnings Conference Call for the Second Quarter and Half Year ended September 30, 2025

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the transcript of the Earnings Conference Call for the Second Quarter and Half Year ended September 30, 2025 held on November 17, 2025.

The above information is also available on the website of the Company www.royalorchidhotels.com

This is for your kind information and records.

Thanking You.

Yours Faithfully,

For **Royal Orchid Hotels Limited**

Amit Jaiswal
Chief Financial Officer

Encl: A/A

ROYAL ORCHID HOTELS LIMITED

Q2 & H1 FY26

POST EARNINGS CONFERENCE CALL

November 17, 2025 3:30 PM IST

Management Team

Mr. Chander K Baljee - Chairman & Managing Director
Mr. Arjun Baljee - President
Mr. Keshav Baljee - Non-Executive Director
Mr. Amit Jaiswal - Chief Financial Officer

Call Coordinator

KAPTIFY

Strategy & Investor Relations Consulting

Presentation

Vinay Pandit: Ladies and gentlemen, on behalf of KAPTIFY Consulting Investor Relations team, I welcome you all to the Q2 and H1 FY 2026 Post Earnings Conference Call of Royal Orchid Hotels Limited. Today on the call from the management team, we have with us Mr. Chander K Baljee, Chairman and Managing Director; Mr. Arjun Baljee, President; Mr. Keshav Baljee, Non-Executive Director; and Mr. Amit Jaiswal, Chief Financial Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risks and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the period ended September 2025, the growth plan and vision for the coming years, post which we will open the floor for Q&A.

Over to the management team.

Chander K Baljee: Good evening, dear friends, partners, and members of our investment community. As someone, who has spent a lifetime building in this industry, I've learned that the real measure of progress is just not in numbers, but in the confidence with which you walk into the future. A few days ago, standing in the lobby of ICONIQA Mumbai and watching our first guest walk-in, I felt this confidence very strongly.

Just months ago, ICONIQA Mumbai was a shell, today it stands as a 292-key lifestyle landmark at Mumbai's T2 airport, delivered ahead of time within unprecedented budget and designed to set new benchmarks for our brand. That moment reminded me that Royal Orchid Hotels is entering a new era. We are not simplifying expanding. We are evolving with greater clarity, sharper execution and stronger market position. We are stepping into a space where speed, discipline and an asset-light scale are working in perfect alignment.

Performance overview. Growth built on discipline. Let me take you through our performance for Q2 FY 2026. Consolidated revenues rose to ₹86.8 crores, up 10.7% Y-o-Y. EBITDA stood at ₹20.8 crores, reflecting 7% Y-on-Y growth. Net profit after associates for quarter was ₹4.3 crores.

For H1 FY 2026, consolidated revenue grew 8.7% to ₹169.6 crores. EBITDA increased 9% to ₹44.5 crores. Cash profit improved to ₹28.4 crores. This result reflects steady dependable growth supported by 18% Y-o-Y increase in room revenue, 34% in other services, consistent performance across managed and revenue share hotels. While Q2 includes a onetime Ind AS impact due to commissioning of ICONIQA Mumbai, the underlying business remains strong, diversified and resilient, exactly what long-term investment look for.

Portfolio strength, a foundation of scale and stability. This quarter, we strengthened our portfolio with three new openings, ICONIQA Mumbai, Regenta Central Solapur, Regenta Resort Tropical Village Mysore. Together, they added 388 keys to our system. Today, Royal Orchid Hotel stands at 119 plus operational hotels, 7,437 operational rooms and 9,989 total keys, including signed properties and presence across 80 cities in India and abroad. This scale gives us balanced exposure, stronger market presence and diversified demand challenges, reinforcing our position in the hospitality landscape.

Execution excellence. The core of our market advantage. ICONIQA Mumbai not just the hotel opening, the proof of point of execution discipline that defines us, a 29 to 292 key lifestyle hotel delivered in record time, built with sharp cost and design excellence, operationally ready from day one. This is a template for the next decade for Royal Orchid Hotels, sharper execution, sharper brand segmentation, strong ROC principle, purposeful expansion across Regenta Z, Place, Crestoria and ICONIQA. We are scaling not by adding assets, but by strengthening our capabilities, technology, design-led operational excellence.

Vision 2030, clear ambitions and backed by capability. Our North Star remains focused and ambitious to triple our portfolio from 119-plus to 345 hotels by 2030 and expand our 22,000-plus keys. This will be powered by a clear brand architecture, a disciplined asset-light model, extensive use of technology and AI across operations. Regenta Rewards evolved with a strong unified loyalty engine, rising domestic travel, strong leisure demand and expanding corporate mobility.

We are building a hospitality ecosystem that blends Indian warmth with global efficiency, greater intelligence, seamless, delightful experience for every guest. A future of scalable, sustainable, and high confidence growth. We are prepared for the next phase of our journey. We do this with a disciplined balance sheet, a robust pipeline of hotels across key markets, strengthening brand loyalty and execution engine that consistently delivers ahead of expectations. We're not just adding room. We're building a legacy of service, opportunity and long-term value creation.

With growing demand, expanding footprint, rising profitability and a steadfast contribution, I can say with conviction, Royal Orchid has the foundation, the resolution and the momentum to deliver strong, sustained growth. To all our investors and partners, thank you for your trust, your belief and your continued support. The future of Royal Orchid is bright, ambitious and firmly in motion. Thank you.

Vinay Pandit: Thank you. Arjun, would you like to add something on ICONIQA and the progress of it and how things are today?

Arjun Baljee: Sure. Thank you, everyone, for all of those who have not seen ICONIQA, would love for you to come and have a look at what we've built. Your company built this hotel from shell to completion in 11 months or under a year, which is unprecedented. We're very fortunate to have received great reviews, which are now on TripAdvisor, which the influencers across social channels have consistently spoken about our food and beverage offerings.

And I think over the next couple of months, you'll see the hotel track exactly what we've stated earlier, which is in the 70% occupancy with in and around the 8,000 ARR mark, and we're well on our way to doing that.

This is as of today, we are ranked #3 out of the Mumbai hotels. So for a hotel to be open for a little under two months and to already be ranked #3, we are very, very proud of this. And you can see the reviews and see what we're doing right and it's just onwards and upwards from here. Thank you.

Question-and-Answer Session

Moderator: Thank you, Arjun. All those who wish to ask a question may use the option of raise hand and we'll invite you to ask a question. In case there is a problem at your end, you can put the message in chat. We'll take the first question from Rahul. Rahul you can go ahead.

Rahul Bhangadia: Thank you for taking my question. Congratulations on getting that ICONIQA thing, ICONIQA. The ICONIQA up and running in such a short period of time. I have had the pleasure of visiting the place. It's a fabulous place. Just to get a clear sense, if you could just give us a sense on the numbers of ICONIQA. I know it's only a month in this thing, but it has a disproportionate impact on the quarterly numbers of the base business that we were doing, which is ex-ICONIQA. Just a sense on what are the numbers of ICONIQA for this quarter, I'm assuming there would be a loss? So it would be of great help to kind of analyse the base business as well. Thank you.

Amit Jaiswal: So, Rahul, as you know, we started the hotel towards the end of September. However, the operational preopening loss we had to book of around ₹2 crore. And of course, the Ind AS adjustment of ₹6.35 crores, which I have highlighted in my presentation.

Rahul Bhangadia: So essentially, we are talking operational loss, whatever turnover you may have recognised, little turnover you may have recognised. And the OpEx itself, that is about ₹2 crores loss that we have booked in Q2...

Amit Jaiswal: Basically pre-operating expenses, which we could not capitalise has to be written off in the books. So that loss has come as ₹2 crore and ₹6.35 crores, we have highlighted in our presentation. That is the Ind AS adjustment of, because it's a 25-year lease. So that needs to be done. So it's...

Rahul Bhangadia: What would be the quarterly run rate here, sir? ₹6.35 crores is proportionate for the quarter? What would be the full quarter run rate of this Ind AS?

Amit Jaiswal: No. See, this was half year. So in next half year, also around ₹8 crores to ₹9 crores will come, Ind AS.

Rahul Bhangadia: ₹6.35 crores was for the half year?

Amit Jaiswal: Yes, yes. So total for the year, it is coming around ₹6.15 crores. So around ₹8.5 crores in the next two quarters, depending on the operations and all. That's how the calculation happens.

Rahul Bhangadia: Won't we -- talking about ₹36 Cr kind of rent number so that we have distributed because of the Ind AS like this, ₹15 crore number?

Amit Jaiswal: ₹15 crores, plus ₹36 crores, it will come. So that's how it goes.

Rahul Bhangadia: Okay, yeah, I thought the rent becomes the lease liability in the ROE part and then that gets running through in the form of interest and depreciation.

Amit Jaiswal: You are right, Rahul. But what happens, it goes up because of the initial years. So it gets averaged out over 25 years. So the average -- initially, the Ind AS adjustment will be more. And slowly, it will taper down.

Rahul Bhangadia: Okay. And just a question on how has -- Arjun has already indicated that we are on track to kind of need towards our target of occupancies and all. How has October and November kind of trended?

Amit Jaiswal: So it is good. See, initially, we had given an indication of ₹75 crores because we were targeting to open it in the month of July. But since it has got delayed by almost 2.5 months, so now we are looking at somewhere around ₹50-odd crores for the year, revenues.

Rahul Bhangadia: Over Q3 and Q4 ₹50-odd crores.

Amit Jaiswal: Yes.

Rahul Bhangadia: Right, thank you very much for answering those questions. Thank you.

Moderator: Anybody else who wishes to ask a question may please use the option of raise hand. Rahul, you can come back again.

Rahul Bhangadia: Yeah, since I thought I'd just come back in the queue. And if you could help us with this quarter's cost structure, whatever you have reported, how much of it is kind of built in and cooked into the number like how much of ICONIQA cost is cooked into the numbers here?

Amit Jaiswal: Roughly, almost ₹5 crores have been cooked in.

Rahul Bhangadia: And what do you expect the OpEx number to be for ICONIQA on a monthly basis? ₹5 crores is a good guess there?

Amit Jaiswal: On a monthly basis, somewhere around ₹4 crores, ₹4.5 crores it will be.

Rahul Bhangadia: ₹4 crores, ₹4.5 crores of OpEx. And this quarter, you are at ₹5 crores?

Amit Jaiswal: ₹5 crores, yes.

Rahul Bhangadia: Okay, I will come back. Thank you.

Moderator: So there's one question in the chat. With the success of ICONIQA, can you throw some more light on further plans with ICONIQA and from the Crestoria brand. Mr. Baljee?

Arjun Baljee: Mr. Baljee?

Chander K Baljee: Yeah, if you see the hierarchy of the -- ICONIQA is a 5-star top-class hotel. So that will be, of course, expansion will be slow because we are not franchising that. And if we get abandonment or lease, yes, we will take it. So that will be slow because there's a heavy investment involved also.

But as far as Crestoria is concerned, it's a non-standardised kind of a product, but catering to a very boutique upmarket hotels. So we are already working towards two Crestoria hotels, which should open very shortly. And then, of course, our bread and butter, such as your Regenta and Regenta Place, two brands which are rapidly expanding. We have 38 hotels which are already signed up and out of which only about two are Crestoria, but other expansion is going on very rapidly, and we want to continue that in the mid-market space.

And of course, the biggest growth which we just started, will come from Regenta Z, which is a franchise model where we'll provide all the technical know-how to set up the hotel and we will train the General Manager and the HODs very soon.

Operationally also very light, minimum service hotels, which will be like neighbour hotels in the range of 40 to 50 rooms or 40 to 60 rooms hotels, which will be the most rapid expansion. So I think this is what our growth path is in the near future.

Moderator: We will take the next question from Priyank. Priyank, you can go ahead.

Priyank Parekh: Yeah, thanks for the opportunity. Sir, my first question is on the employee expenses. So this quarter, we recorded around ₹25 Cr of employee expenses. So what could be the quarterly run rate going forward considering there is a sharp increase over the previous numbers?

Chander K Baljee: This year, of course, there has been a boom in the hotel industry and a large number of hotels are opening. So we are definitely having a pressure for people who are approaching our staff, well-trained staff.

So we have to give some extraordinary increase. But that is not going to last for too long.

We are taking other measures also like trainees, on-the-job trainings, trainees from the hotel colleges. We are getting a lot of apprentices who are joining us. We are also taking some contract staff, which we had staffed earlier. So we are taking those measures. And of course, we have done our management development programme where we are trying to churn up as many in-house General Managers as we can, although the number is very large, we may not be able to do all.

But that will give us more reliable trend in our brand standards, General Managers and HODs for the future. So that is where we want to beefed up by HR and training department, and that's going on very aggressively to well, if not reduce at least maintain the percentage of costs. So a lot of changes which we have done will increase boost our revenues. Therefore, our percentage of employee cost to the revenue will either come down or remain the same.

Amit Jaiswal: So adding to what Mr. Baljee said, Priyank, let me tell you this ₹25 crores includes almost ₹3 crores of employee cost of ICONIQA Mumbai, which has yet to give the full fledge start. That is why it is looking on the higher side in comparison to that.

Priyank Parekh: Yeah, that is understood, sir. So ₹25 Cr would be new normal going forward?

Amit Jaiswal: Roughly around ₹25 crores to ₹25.5 crores would be the new normal.

Priyank Parekh: Okay. Understood. Now on the rent side. So I noted that in cash flow statement, we have booked ₹18 Cr kind of rent for the half year. However, the pre-Ind AS number for the rent in our investor presentation comes around ₹11 crores. So why this difference is there?

Amit Jaiswal: That's what I told you that Ind AS adjustment of ₹6.35 crores of ICONIQA has hit the P&L.

Priyank Parekh: No. So the lease liability payment of ₹18 Cr for this half year, so how much would be for the second half?

Arjun Baljee: Second half is ₹18 Cr to be booked and minus the Ind AS adjustment or plus the Ind AS adjustment.

Amit Jaiswal: Plus the Ind AS adjustment.

Arjun Baljee: Yes. The first half, you said it's ₹18 crores come down to ₹11 crores. That's because we had booked it earlier thinking the hotel would start three months than it actually did.

Amit Jaiswal: No, no, Mr. Arjun Baljee, let me correct it. See, as far as the rent liability pre-Ind AS is concerned of ICONIQA, there is no rent liability. Pre-Ind AS, there is no rent liability of ICONIQA, which is being booked.

Priyank Parekh: No, that's correct. So the pre-Ind AS number versus the post-Ind AS number for the EBITDA, there is a differential of ₹11 Cr, right?

Amit Jaiswal: Yes.

Priyank Parekh: So that should be the rent?

Amit Jaiswal: Yes.

Priyank Parekh: Now the cash flow statement, we are seeing the rent of ₹18 Cr?

Amit Jaiswal: Yes.

Priyank Parekh: Yes. So my question is, particularly that only, then why that difference is there?

Amit Jaiswal: One second, I'll just tell you. See, as far as the cash flow is concerned, cash flow, we add to the net profit, the depreciation and finance costs. Okay?

Priyank Parekh: Sorry for interrupting you. I am looking at the cash flow from the financing activity, the interest and the principal portion for the lease. So if I am totalling that, that is coming around ₹18 Cr. So my rent outflow for the first half of the year is ₹18 Cr.

Amit Jaiswal: Yes.

Priyank Parekh: Okay. And now for the pre-Ind AS versus the post-Ind AS EBITDA number, the differential, which is attributable to the rent, it is around ₹11 Cr.

Amit Jaiswal: So rent expense, we have taken ₹5.7 crores for the quarter. You are looking at the half year, right?

Priyank Parekh: Yes. For the quarter, it is ₹5.4 Cr.

Amit Jaiswal: But the ₹11.1 crores we have taken. Now the ₹6 crore has been plugged in into depreciation and finance costs.

Priyank Parekh: That is understood. So for...

Amit Jaiswal: ₹11 crores is without the ICONIQA rent.

Priyank Parekh: Yeah. So the ICONIQA rent has not been factored in.

Amit Jaiswal: No, no. That's what I told you. ICONIQA rent has been -- there's no rent, which has accrued on ICONIQA Hotel. It will start accruing only from 15th of November.

Priyank Parekh: Okay. So we have paid some rent in advance. Is that what we are trying to say?

Amit Jaiswal: No, no, no. We have not paid in rent in advance. We have done the adjustment of Ind AS adjustment for the entire period of ₹25 crores and discounted it for this period and booked at ₹6.35 crores in depreciation and finance costs towards that rent.

Priyank Parekh: Okay. And for the second half, how much rent we are expecting in terms of cash flow?

Amit Jaiswal: As far as the cash flow is concerned, in the second half means from October to March, we will be incurring around ₹12 crores, ₹13 crores of rent.

Priyank Parekh: Okay. Understood. Perfect. Yeah. Thank you. That's it from my side. Thank you.

Moderator: Thanks, Priyank. We'll take the next question from Prashant Kanojia. Prashant, please go ahead.

Prashant Kanojia: First of all, I would like to congratulate you on the opening of ICONIQA. The pictures look really amazing on TripAdvisor and the reviews do as well. And 11 months is an amazing time to open it. And my question is perhaps to Arjun. In terms of -- I know that you guys are focused on return on capital. And I would love to understand the framework you have for an asset like ICONIQA, which is a leased asset. How you guys think in terms of return on capital for an investment like that? As the company, I guess, we want to scale up a few more ICONIQAs in the future? I would love to understand your framework on this.

Arjun Baljee: Sure. Thanks for the question, Prashant, and we'd love to see you at the hotel, if you'd experience it firsthand rather than just through TripAdvisor. But when we decided that we focus a company like a private equity shop and figure out how do those guys look at a return on capital, right? And everything, while it is Excel, you're looking at a very data-driven theory on where you would deploy your money.

So things like STR reports, things like what's happening in the market, is there going to be absorption of commercial spaces, so on and so forth. You look at all that data to figure out demand. Now it's not accurate, okay? It can never be accurate. Given the experience we have and given what is happening in the market, it gives you some dipstick understanding of if you were to do hotel positioned in a -- let's say, it's upper mid-scale or in the upscale lifestyle like we were talking about or like ICONIQA is, if you were to do an upscale lifestyle hotel, what is the industry benchmark of what it would cost, okay? So there are rule of thumbs and those numbers are available out in the public domain.

So the way we think about it is that if a chair cost ₹20,000, can we get that chair done for ₹8,500. Those are fundamental value engineering things that we look at in order to help reduce cost, our input cost into the project to begin with, okay? You know your end goal. You know where the market is. I mean, it will be foolish of us to say we can come in here and invest and outperform the Fairmonts of the world. I mean, it's foolish.

So you need to first create what is the target segment you want to go after, what returns and yields that target segment generates. Then what is the sort of return metric and profile you want to create. Therefore, determine what sort of cost you want to incur and take it from there. So there's a bottom approach and a top-down approach that one looks at from an investment of this scale. And this is large scale for us, right?

Prashant Kanojia: Yeah. That makes sense. But I guess in terms of, is there a particular number you guys want to target like after the hotel stabilises in terms of yield on the asset?

Arjun Baljee: Well, listen. Asset yield is a very different metric. So let's look around us. We look at the ROCE metric, which we said, listen 25% return on capital is kind of what we really want our portfolio to perform it. And that will be great. Now from a comparison perspective, our competitors own their assets. Therefore, they have huge interest and repayment and huge amounts of CapEx upfront.

We, in turn, have lease rent. So there is an asset liability per se on for both people. So we're just looking at how does one earn a return on that dollar invested in quicker, right, from a cash basis because you guys at the investors value us on a cash basis, right, and not really the NAV of the asset. That was really our thesis.

Prashant Kanojia: Thank you.

Arjun Baljee: Pleasure.

Moderator: Anybody who wishes to ask a question, please raise your hand. We'll take the next question from Chirag. Chirag you can go ahead.

Chirag Singhal: Thanks for the opportunity. First question on the ICONIQA expense that we reported in the quarter. So you said there's a ₹2 crore OpEx with regards to ICONIQA and there is ₹3 crore employee expense. So ₹5 crore is the impact on the P&L for the quarter? Is it the right understanding?

Amit Jaiswal: Yes.

Chirag Singhal: And what were the total revenues from ICONIQA...

Amit Jaiswal: Around ₹3 crores.

Chirag Singhal: ₹3 crores. Okay. And second question is on the rent. So you mentioned that there is no rent cash outflow in the quarter. And it will only start from 15th of November. So why is there isn't the hotel has started, right?

Amit Jaiswal: We had a rent-free period of three months from the date of getting the -- when the hotel is ready to operate.

Chirag Singhal: Okay. Understood. That would be it from my end. Thanks.

Moderator: We take the next question from Anshuman. Anshuman, you can go ahead, please.

Anshuman Seth: Yeah, hello. Thank you for the opportunity. So my first question is, what is the lower ARR in Q2 versus the last year Q2, and this year Q1 and similarly lower occupancy rates? Also, how does this equate with the net guest being higher so domestic increased by 14,000 Y-o-Y, while foreign guest reduced 4,000 Y-o-Y.

Amit Jaiswal: So Anshuman, let me tell you the ADR. ARR, we have got 5,479 as against 5,114 for last year. Our occupancies were 67% as against 70% last year. And in our managed segment, we had an ADR of 3,552 as against 3,574 last year, an occupancy of 54% as against 58%.

Moderator: He's asking why is it lower?

Amit Jaiswal: Why is it lower means, see, generally second quarter when it rains across the North India, the occupancies were quite low. And even Goa market also did not do that well in this year, reasons are there are a lot of issues which is going on in the Goa market, the taxi issues and all. So that is why the occupancies got a little bit hit, whereas ADR, we have improved upon the ADR since last year.

Anshuman Seth: Yes. And my another question is that what has led to higher payroll cost Y-o-Y and Q-o-Q?

Amit Jaiswal: As we explained, the payroll cost includes the three months preopening payroll cost of ICONIQA of around ₹3 crores. That is why you are seeing a surge in the payroll cost whereas the revenues have started coming only mid-September. That is why the payroll cost looks a little higher for ICONIQA.

Anshuman Seth: Okay. And my last question is that where are on the modernisation in our Goa and Bangalore hotels?

Amit Jaiswal: Mr. Baljee, would you like to...

Chander K Baljee: Yes. In Goa hotel, we are actively pursuing it, but there is an issue of change of land use where certain parties had gone to the court to stop the smooth conversion of land. But I'm told that the thing should be through very shortly. So once the land use issue was settled, plans are ready, then we will get the plan sanctioned. And we hope that, but right now, we don't want to do anything right now, any case because it's a season. So we hope to start the work sometimes in the month of April when there is no season as far as we think.

As far as the other hotels are concerned, we have just completed our 28 rooms, 28 wooden cottages in the resort in Bangalore. So that has been done, and it's come out very well, received also very well. Just about less than a month ago, we started that. It gives a very like ambience in the whole place. The inventory from 54 has gone to 82 rooms. And we hope to increase the revenue by about at least 70% to 80% of the room revenue.

We are taking up the Dhaba renovation and the banquet hall renovation very shortly. The plans are getting ready, tenders are being invited. That work is going on. We have out of the 50 rooms, which were to be renovated in Royal Orchid Hotel, up to 37 rooms were already renovated. The balance 13 rooms, we have just kept it hold till the month of March. And March, we'll start.

Everything ready. I think once we start in two months' time, April and May, we hope to finish those renovation. We are also now planning to renovate our Central Hotel that is Manipal Centre on MG Road, which is 130-room 4-star hotel. There, we have just invited a few architects to give us some plans. So I think in about three to six months plan, plan should be ready, and then we'll take up that renovation also. So this was our renovation and expansion plan is.

Anshuman Seth: Okay, thank you for the opportunity.

Moderator: Thank you. We'll take the next question from Yash Dantewadia. Yash, you can go ahead, please.

Yash Dantewadia: Yeah, hi. I'm sorry, this is repetitive and I missed the first half of the con call, really sorry for that. My question is regarding this ICONIQA hotel. Just wanted to understand, I've seen online for a lot of days, it's already sold out. I think even on this weekend for Friday, I think it's showing sold out. So the ₹100 crore number on this hotel, how far do you see it annual number? I'm talking about F&B included. Is ₹100 crore a right estimate? Or are you expecting more or less?

Amit Jaiswal: Next year, we are targeting because we have started in the mid of September. So this year, definitely ₹100 crores is not possible. But next year, we will definitely cross ₹100 crores.

Yash Dantewadia: Right. And as far as your 4-star hotel in Bangalore that's there, and you were talking about renovations, could you approximately give us some cost guidance on that and renovation room by room. Are you going to close down the hotel?

Arjun Baljee: No. We're not going to close down the hotel. That's something I can tell you. We are very prudent in that way. Even with our main flagship, the Royal Orchid in Bangalore, we closed down floor by floor. So Royal Orchid Central, Manipal Centre will go under the knife in a phased manner, perhaps a floor retirement, but we will not close the hotel down.

Yash Dantewadia: But could you give us some sort of guidance on the cost or range would work?

Arjun Baljee: I think you're a little pretty premature. As Mr. Baljee said, we're in the middle of just finalising the plan of how to go about it and then where to position it. And earlier, we had stated that once you position the hotel with the right use of the right return profile for the asset, then we'll figure out the investment, and we'll figure out how to go about this. So I think we're a couple of weeks away from actually giving those numbers or estimate.

Yash Dantewadia: That's fine. But are we trying to convert, so I know Bangalore, I'm from Bangalore. So it's a very premium area, right, MG Road. My question is, are you trying to convert that into a 5-star hotel by any chance? Are we going to see a renovation of that scale? Or is it going to remain a 4-star hotel?

Chander K Baljee: 4-star hotel, but we'll upgrade it.

Yash Dantewadia: Okay. And my next question is, are we going to see any more hotels coming under the lease contract this year, like the ICONIQA in Mumbai? Do you have anything more on that scale under discussions of any sort?

Arjun Baljee: So listen, discussions is one, but on the upcoming hotels on the 38 hotels that we've listed out, there are five hotels under the revenue share model that we are currently working towards executing. There is the Regenta, which is a 120-key hotel in Gurgaon Sector 20, Lucknow is a 172-room hotel, a large property. And then you've got the North Goa asset in Dodamarg, again under Regenta Resort. We have a small Crestoria, the first of its kind, it's going to be really, really boutique lovely under revenue share as well.

Yash Dantewadia: How many rooms is that, the last one?

Arjun Baljee: Crestoria is about 40 keys. But it's upscale. It's very upscale, and it will be a really nice hotel experiential.

Yash Dantewadia: All right. All in all, what are we guiding for next year? Next financial year?

Amit Jaiswal: We have given the guideline in our presentation, if you really look at it. Next two years, we have given. And I think we should be there.

Arjun Baljee: We're at the 450 mark.

Yash Dantewadia: Right, right. And are we confident of this number?

Arjun Baljee: Yes.

Yash Dantewadia: Thank you. I will just come in queue.

Arjun Baljee: Sure, thank you.

Moderator: Thank you. We'll take the next question from Aishwarya. Aishwarya, please go ahead.

Aishwarya Gaokar: Thank you. Good evening. I have two questions. First one is, could you throw some light on the role being played by senior management teams between them on strategy, new hotel openings, negotiations, etc?

Amit Jaiswal: Mr. Baljee?

Chander K Baljee: Yes, you see all new projects are now discussed almost on a weekly basis with the development team and the cluster heads. Cluster heads are also involved in evaluating the project. The development team brings the project, evaluates it, brings to the cluster head. And then we have a joint Zoom call or so to say yes or no, and/or maybe seek some more information about the market, either the market, so many hotels gets turned down because the market is not -- hotel may be good. The owners may have very ambitious plans, but the market may not be that strong or stable.

So some hotels will be turned down. Some hotels, we go into deeper details and get more information. But all this has to be done very confidentially and very fast because otherwise, information can leak to the market. But today, owners are also very smart. They engage a consultant who lines up most of the various chains. So we have to really show that how we are really actually performing against the competition chains. So we have to show that in certain.

A lot of markets, we are performing better. Some we are not performing that good. So there, the focus is on now sales and marketing. We have engaged new professions in sales and marketing. And their focus is to look at all the hotels, which are not in the one or two positions in the market. How are they? So we're trying to push that also. So a lot of work has gone in and we are trying to get AI also into action to improve our, one is, efficiency, reduce costs and increase sales and profitability.

Aishwarya Gaokar: My next question is we have recently seen Indian hotels acquiring something on the wellness side. So any plans that you will have on similar lines to acquire any allied businesses, or any other hotels or smaller chains or something on the food and beverage side?

Chander K Baljee: No. We are looking at acquisition. But obviously, acquisition has got to do with something with how much deep pockets you have. And Indian hotel does have much deeper pockets with Tata backing also. But this is something which is definitely being explored by us. And so that will bump up our development rather than going organically one by one, one, two hotels, if we need a little bump. So we are exploring. I can't tell you what we're exploring, but we are definitely exploring that. Maybe smaller weaker chains, which we're trying to see whether we can have a strategic tie-up with them.

Aishwarya Gaokar: Got it. Thank you and wish you all the best.

Moderator: Thank you. Anybody else who wishes to ask a question may please raise hand. I have a question on chat from Kavina Desai. Can you provide some context on the F&B revenue trend going forward? And since it is down this quarter, where do you see it? And any guidance for EBITDA margins and debt for FY 2026-2027?

Arjun Baljee: So let me just take the F&B question. Over the last few months, we've had a strategic review of the F&B of our hotels to understand what restaurants work, what doesn't work, what food works or doesn't work. Obviously, the customer is rapidly changing, the customer demands and preferences are changing and standalones are eating the lunch of the mid-market hotel players.

So in that light, we are in the middle of revamping and rolling out new F&B concepts along our managed hotel partners today. So in the next couple of months, the F&B will have, whether it's the menus refresh, whether it's concept refresh. So all of that is being done strategically as we speak. So rest assured, I think F&B contributes about 40% of revenue right now, and that number should remain stable and not go down.

Moderator: Since there are no further questions, would you like to give any closing comments?

Chander K Baljee: I'm really happy to see a lot of participations by the people and a lot of questions which we can think of for the next quarter and be prepared for better answers. Thank you very much for joining us, and we look forward to your continued support. And we can assure you from our side that we'll leave no stone unturned to make this company better and better quarter-on-quarter. Thank you.

Vinay Pandit: Thank you, sir, and thank you to all the participants for joining on this call. Thank you to the management team. This brings us to end of today's conference call. Thank you.

Amit Jaiswal: Thanks, Vinay.

Arjun Baljee: Thanks, everyone.