February 07, 2025

To,
Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

Code: 526668
ISIN: INE967C01018

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra –Kurla Complex,
Bandra (E), Mumbai – 400051

Symbol: KAMATHOTEL

Sub.: Submission of Transcript of Q3/9M FY25 Earnings Conference Call held on February 04, 2025

Dear Sir / Madam,

In accordance with the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), please find enclosed herewith a transcript of Q3/9M FY25 Earnings Conference call of Kamat Hotels (India) Limited with various Investors and Analysts held on Tuesday, February 04, 2025 at 12:00 noon (IST).

We request you to take the above on record and treat the same as compliance under the applicable provisions of SEBI Listing Regulations.

Kindly take the above on your record.

Thanking you,

Yours faithfully,
For Kamat Hotels (India) Limited

NIKHIL SINGH Digitally signed by NIKHIL SINGH Date: 2025.02.07 15:19:37 +05'30'

Nikhil Singh
Company Secretary & Compliance Officer

Encl a/a.

Kamat Hotels India Limited
Q3 and 9 Months FY'25 Earnings Conference Call
February 04, 2025

Moderator: Ladies and gentlemen! Good day and welcome to Q3 and 9 months FY'25 Earnings Conference Call of Kamat Hotels (India) Limited.

As a reminder, all participant 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.

At this time, I would like to hand over the conference over to Ms. Nupur Jainkunia from Valorem Advisors. Thank you and over to you.

Nupur Jainkunia: Thank you. Good afternoon, everyone, and a warm welcome to you all. My name is Nupur Jain Kunia from Valorem Advisors.

We represent Investor Relations of Kamat Hotels (India) Limited. On behalf of the Company, I would like to thank you all for participating in the Company's Earnings Call for the 3rd Quarter and 9 months ended for the Financial Year 2025.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's con-call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to the Management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's Earnings Conference Call is purely to educate and bring awareness about the Company's fundamental business and Financial Quarter under review.

Let me now introduce you to the management participating with us in today's Earnings Call and hand it over them for Opening Remarks. We have with us today: Mr. Vishal Vithal Kamat – Executive Director, Ms. Smita Nanda – Chief Financial Officer and Mr. Nikhil Singh – Company Secretary and Compliance Officer.

Without any further delay, I request Mr. Vishal Vithal Kamat sir to start with his opening remarks. Thank you and over to you, sir.

Vishal Kamat: Thank you very much, Nupur. Namaskar, everyone. Thank you all for being here on this afternoon and welcome to our Earnings Call to discuss the Q3 and the 9-month FY'25 Results.

The Results along with the comprehensive presentation have already been shared with you all on the stock exchanges for your review and for you to look at and based on that I am assuming many of you are here. So, thank you for being here.

As you may have noticed, the Company has delivered a very good performance in the 3rd quarter across the various metrics, showing growth also year-on-year, quarter-on-quarter. Apart from growth, it's also shown some improvements on the various other factors which we will take up further in the call as per our long-term plan.

In terms of strategic and intent to extend our footprint to many more geographies and which we can deliver it a lot more in the detail to come mainly, our Pune Orchid, which has been going on in terms of certain upgradations, then the Goa Hotel, our Orchid Hotel in Goa has commenced operations on 17th of January, so we are very happy about that also coming on it was a little late, but it is there. Then there are also expansion facilities happening at certain places, which will further increase our revenue, and along with that, our EBITDA also. So, the Company is also dedicated to enhancing additional efficiencies in terms of reducing electricity, HLP, which we call certain labor costs, by using various technologies and also enhancements to make the same efficiency, and while also at the same time keeping the service factors in mind.

Our customer-centric focus, that's what Kamat is known for, our customer-centric focus in terms of family and corporate as a Company, which we focus on, we are committed to that. Along with the environment, because we are Asia's first five-star pioneering chain of environmentally-sensitive hotels, and our customers recognize for that, and that is why we have a very high repeat of 34% repeat customers in our entire, so 34% of our sales, which comes from repeat customers, so we are very grateful to our high repeat care.

With this, I would like to hand over the call to our CFO – Mrs. Smita Nanda, who has done a fantastic job in terms of various aspects, and she will take you through the financials for the current year. Thank you.

Smita Nanda: Thank you, sir, and good afternoon, everyone.

Let me briefly touch upon the key "Performance Highlights" for the Quarter ended 31st December 2024:

The consolidated revenue for the third quarter was 111 crores, representing the increase of around 29% year-on-year basis. EBITDA for Q3 FY'24 was 44 crores, reflecting the growth of around 70% year-on-year basis, with the EBITDA margin reported 39.77%, which comes 40%. The profit after tax for Q3 FY'25 stood at 26 crores, decreased from 42 crores in Q3 FY'24, that is because of the last year we have contributed an exceptional item, IRA Mumbai sales. For the 9 months of Financial Year 2025, the consolidated revenue stood INR 270 crores, representing the growth of 22.8% year-on-year basis. The total EBITDA stood INR 80 crores, which rose by 18.3% year-on-year, with EBITDA margin reported 29.63%. The profit after tax was INR 36 crores, which is 16.6%, lower than the previous year Q3 FY'24 on account of the same exceptional item, which we related to the IRA Mumbai sales.

The PAT margin stood for the period at 13.19%. With this, I conclude my remarks and request the moderator to open the floor for a question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press '*' and '1' on their touchtone phone. If you wish to remove yourself from the question queue, may press '*' then '2'. Participants are requested to use handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We will take the first question from the line of Raj Saraf from Finvestors. Please go ahead.

Raj Saraf: Sir, two, three questions I have. So, first of all, as we know, I have seen in the past that our Q4 is generally nice. So, can I assume that our guidance, which was lowered from 400 crore to 350 crore in the course of this financial year, so now we are on target to overachieve our 350 crore and EBITDA I think more than 100 crore?

Vishal Kamat: So, sir, definitely we have given revised guidance because of the certain outlooks at that particular juncture because we always want to be as candid and transparent as we can based on what we outlook. But this quarter has been very good. I am very proud of our boys and girls, our team members who have done a great job supported by our admin at HO and other levels because of which we had a really good this thing and definitely we seem to be on track in terms of the EBITDA for 100 crore.

Raj Saraf: Okay. So, sir, this 40% EBITDA in Q3, close to 40%, is it sustainable going forward or what could be the outlook going forward from your end?

Vishal Kamat: The Company's historic performance even before the last 2 years, which is basically where we have been out of our financial challenges, the Company's historic performance has always fluctuated between 33, 35 and 40 odd percent, if you see and in the last 2 years, since we came out of various financial challenges, we were using the whatever things to clean up and smoothen all our, in fact, the new balance sheet when you will see it, will be much thinner than the previous one because various things which were contingent liabilities and other aspects, all that has been cleaned up systematically and we will come back to our normal efficiency, which is ranging between 35 and 42%. That will come back. So, it is more or less, I would say it is fair to assume 35% to be our standard benchmark, which in the last few years or the last 15 months has not necessarily been the case because like I explained, a lot of things have been done, streamlined, smoothened, because of which the Company is now neat and clean in that regard

Moderator: Thank you. We will take our next question from the line of Jay Kant Beria from IIFL Securities. Please go ahead.

Jay Kant Beria: Hi. First of all, thanks for the opportunity. So, I had a question on the state of the Pune market. You know, it's one of the key markets for us besides Mumbai. So, just wanted to know your opinion on how do you see it going forward?

Vishal Kamat: So, Pune market is a fantastic market. It used to be a terrible market about in 2012-2014, but Pune as a city and hoteliers over there along with various other private players have been able to make it into a really fantastic commercial hub, plus my city, plus it is a fulcrum city more than Mumbai is to various other B-town cities around in that zone of, say, 100-200-250 kilometer radius. So, people from Kolhapur, people from Sambhaji Nagar, people from other places all prefer to go to Pune rather than even Mumbai and Pune have become that fulcrum of business also, education also, and when it comes to hospitality, my events, conferences, exhibitions. I mean, Ed Sheeran not played in Mumbai and Ed Sheeran played in Pune as well. So, it has certain plus points which Mumbai at times may not have, which is basically geographic more than anything else and there is a little more comfort and emotional connect which Pune as a city has with the certain Ahmed Nagar and all. So, Pune market will continue to thrive. It is extremely well supported by a lot of GCCs coming in, a lot of other kind of businesses which are coming in which are not only manufacturing but service-oriented also. So, the long-term prospects of Pune are very robust, and we are very bullish on Pune in that regard. Thank you.

Moderator: Thank you. We will take our next question from the line of Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar: Congrats for a good set of numbers. Sir, I wanted to ask about ARR and occupancy. This quarter, our guidance is Rs. 7100 for better occupancy. But this quarter, we are at Rs. 6377 with 65% occupancy. So, what is our plan to increase both?

Vishal Kamat: So, sir, one of the reasons ARR is not a very good metric to take is because ARR is a combination of all the brands of Orchid. Now, today, the average ARR in Orchid Mumbai is sitting at around Rs. 8000 to Rs. 9000. But it is still showing as a metric for the whole Orchid brand at Rs. 6000, like you mentioned. The reason being that there are certain other hotels which are either they are new or they are in a low ADR competitive market. But the ARR is not only driving the revenue. The revenue is being driven by F&B and ARR, banqueting, restaurant tiering, and rooms business. Apart from any kind of miscellaneous income which may be there, which has also grown. Simple things like car rentals. It's not a very big line item. So, as Little drops make the mighty ocean like that overall, the boost which has happened. So, while ARR of the brands we give because people ask, tell me according to your brand. City-wide, like example, IRA has a comparatively lower ARR shown. But IRA by Orchid Ayodhya is doing an average Rs. 10,000 ARR. Rs. 9000 to Rs. 10,000 going up to Rs. 11,000 fluctuating between that. Same way, IRA Mumbai is doing anywhere between Rs. 7500 to again Rs. 9,000 is fluctuating between that. So, the brand as a whole, we have given this metric. But it is not a true reflection of every property's individual performance.

Ankur Kumar: No, sir, but we have given this number in the future KHIL 3.0 strategy, Rs. 7500 is also there, so that is possible to come the overall group or that will take some time, sir?

Vishal Kamat: So, that jump will definitely reflect in the time to come. And this is just now. We have just now opened Orchid Passaros in Goa which is at Benaulim. It used to be Lotus. It is now the Orchid. Earlier the average rate over there was 3000-3500. Today the average selling rate in Goa Passaros was around 7000- 7500. So, that jump will definitely reflect in the times to come and that is why and this is just now. We are just now opened the hotel and this is the ARR. So, if the ARR we expect to obviously go north of 7000. So, the systematically the ARR which you see will definitely increase as hotel stabilizes and mature that is also on the regions of the better performance that many of the hotel is opened last year as this year done their due and added to the overall KT. Thank you, sir.

Moderator: Thank you. We will take our next question from the line of Ruzmik Oza from 9 Rays EquiResearch. Please go ahead.

Ruzmik Oza: I just wanted to understand the timeline for the expansion of Pune property rooms from 410 to 500 and also, the number of rooms now in Goa has gone up to 58. Is it right?

Vishal Kamat: Yes, sir. You are absolutely correct. We have taken the number of rooms up. Right now, it is 57. One room is pending because that is a sort of different and a unique room and that will take a little longer. But we are at 57 right now but it will eventually be 58. So, it will just be a couple of months more for that one particular room. But that said and done, coming to Pune. Pune will take approximately anywhere between 12 to 15 months to come to the 500 mark. The reason being that the current rooms also of Pune have been upgraded to a very upper category. That is why basically while we will have some of the rooms ready, we will be taking out some inventory and at any given point of time, the hotel will always operate with 350 to 380 rooms depending on floor to floor so that we do not lose revenue. Because Pune Orchid last year also did almost Rs. 80 crore and we intend to take that upwards towards the crossing of 100 systematically. So, for us to do that, we do not want to lose the number of rooms. So, that is why we will add these rooms. But yet while we add certain rooms, say we add 30, 40, 50 rooms, we will take out also 30, 40, 50 rooms based on that to balance out and make sure that we always have around 350 rooms because Pune Orchid being a nice destination, always is having a high demand for bulk rooms. So, we do a lot of events where there are a lot of bulk rooms required which a normal hotel cannot. So, a normal business practice of a prudent, good hotel will always not give more than 50% of its inventory. Even if you are doing a wedding or you are doing a conference or you are doing something, unless it is a resort, they will not give you the full inventory because they do not want to upset their routine guests and regular guests. On an average, any hotel does 60-80% occupancy they don't want that 60% to get upset because you have given the whole hotel to someone. So, we all are lucky that having such a huge inventory of 380 rooms, we can give up to almost 200 rooms and still maintain our corporate relationship where they are not unhappy that every time you say no to me, that does not work. That does not happen to us. So, that is the plus point which is the size of Pune Orchid and same advantage is there for Mumbai Orchid also. So, this is where basically the expansion will take about 12-15 months of the additional, but it will always operate with 350-380 rooms approximately.

Moderator: Thank you. Next question is from the line of Pankaj from Affluent Assets. Please go ahead.

Pankaj: Just wanted to understand whether this is sustainable. Earlier, we used to have our top line in the range of 80-90 crores. This quarter, we have reported 110 plus. So, where do you see quarterly revenues going forward and is this sustainable along with the margins which we have reported, 40%?

Vishal Kamat: Sir, it is only sustainable if we continue to do what we are doing, which is one, expand. New hotels which come in will add to it. Two, existing hotels who are there to make them sweat better, the team has done a very good job. In fact, considering that previous to this result, the last 4 months and 5 months, there have been various reports on consumer sentiments being down, other aspects being this and that X and Y. So, when there has been not necessarily the same kind of buoyancy, which we would see in terms of people's stock in 2022, and yet we have done this number, which goes to show that our brand is appreciated, our customers appreciated us, we are able to hold them, retain them, give them the right kind of deals, which are helping us and then both and that is basically why it has to be sustainable. If we have to answer your question, it has to be sustainable because of, like I said, expansion, existing sweating of assets, and not being complacent. While you might think it is excellent, we think it's good. We do not want to get into the euphoria that we have done a very good job, because this is not our standard. Our standard is even better than this, which we will work towards striving. Thank you.

Moderator: Thank you. Next question is from the line of Jay Kant Beria from IIFL Securities. Please go ahead.

Jay Kant Beria: So, just a follow-up question on my previous part. So, on the Pune market, as you mentioned that you see it to perform really well, but we do hear a lot of industry experts who say that Pune is a very rate-sensitive market and that a majority of the business is driven by corporate. So, what is it for your hotels? What is the mix and do you think that there is some stickiness around ARR?

Vishal Kamat: So, ARR is always, as I said in my past also, ARR is not in my hands. It is a function of the market and ARR boost is always a function of the market. If the market is buoyant, you will have a better ARR. Occupancy is in my hands, because based on how the market is behaving, I can drop the prices, I can get customers in I can do whatever I want. But ARR is always a function of the market. If there is a conference, like example, when there was a Coldplay Conference, the entire city got booked out, regardless of the category, whether it was travel agent, whether it was corporate, whether it is FIT. FIT means people who are free individual travelers, your family, individual person going on his own accord. So, ARR is definitely something to keep a track of, because it shows you the kind of robustness of the demand, which is why hospitality as a whole, when I was asked 2 years back, will these ARRs sustain? I said, no, they will grow. But why I said that is because I could see the future pipeline, I could see my competitors and earlier hoteliers were insecure. They were like, if the business goes, today the hoteliers say, let the business go down a bit, but I will not sell the property. Because there are expenses and challenges. So, ARRs will sustain and continue to grow. Obviously, they will continue to grow. Whether they grow in leaps and bounds that is a different perspective. But overall, what scenario we see is here to stay. Again, microclimate-wise, it will definitely grow. Like example, in certain cases, like today's the Ayodhya, Ayodhya's ARR is stabilized and it is going to continue to grow on this stability. Because as we are maturing in that market, we are understanding the trend. Next year, I will not be surprised to see a 20%, 15% minimum growth in ARR next year. Because this is our first year of operation. On Ram Navani, we started, and this Ram Navani in April will be our one-year completion. So, we know the entire cycle that when do people come there? Why do people come there? How do they come there? How are they coming? How are they going? How many flights are there? The flight touch would have been not only stable, but going full. So, ARR aside, overall the operations which we see, and coming to your mix, broadly, all our hotels operate on a mix of, which I feel is right, sir. I feel right is 30% cooperate. Assuming that we are going 100% full, 30% to 35% corporate, 20% travel agents, around 30% to 25% to 30% being OTA, then approximately 10% to 15% being our own website, our own channel, which is basically our Orchid reward members who are there. We have so many repeat customers, like I mentioned. Our channel itself also, sir, is very robust in that regard. So, around 10% to 15% of our own. In some cases, we have some airline business also, which is your anchor business, which could be around 5% to 7%. Okay and broadly, this sub-segment and FITs. Balance are FITs. Now, FITs are basically the pillars which give you a higher ARR. They don't have a corporate tie up. They have not come to a travel agent who has tied up. They have not come to, or they have not seen your website. They have just landed up at the door. So, even if they come to the website, they come to FIT. So, that is basically the thing. It, again, changes from hotel to hotel and even like resort destination may not have any corporate. Resort destination will have higher FIT, and higher travel agent, and higher OTA that way.

Moderator: Thank you. Next question is from the line of Manvardhan Baid from Laurel Securities Pvt. Ltd. Please go ahead.

Manvardhan Baid: Namaskar, sir. So, sir, at our end, there are multiple lease properties. Can you share the sort of the return metrics for these lease properties, the terms of these lease properties? When are these lease expiring and the nature of these leases from property to property so that one can understand the whole business in detail?

Vishal Kamat: Sir, mostly our lease are signed between 12 to 15 years. Some may be a little longer than that. So, none of the lease are expiring anytime soon because they are all like I said, new lease is entered in either 1 or 2 years old and the minimum life cycle of the minimum is 12 years to 15 years. So, all those are this thing. Secondly, sir, it depends broadly across the thing is, generally, a hotel, if it does a 35% EBITDA and your revenue share is 20%, then broadly you will take home 15%.

Manvardhan Baid: Okay. So, broadly, this is the ballpark that one should work with for these leases on an.

Vishal Kamat: Ideally, broadly, 15 can become 10, 12, but broadly this is the ballpark to work with. It is a fair metric. If, suppose, someone's 20% revenue share has become 21, 22, 25, broadly this would be the metrics to work with. Within this also, sir, I mean, yeah, that is broadly how I would break this down.

Manvardhan Baid: Okay. And on the expiry of these leases, where do you see this business going because, let's say 10 years down the line, there will be 5 or 7 expiries. So, then...

Vishal Kamat: Sir, why do we feel that there will be expiry? Why don't you feel that the owner is so happy with us that he will renew and we just continue renewing on a revenue share? So, that way, sir, 10 years down the line, we do not know whether I would want to continue that hotel. Maybe by then that hotel may not be worth continuing for. So, these are all things for 10, 12 years down the line. Let us, sir, my horizon is the next 3 to 5 years because the world is so dynamic. You do not know what is going to happen every 4 years in America and every 5 years in India. Then we need to see both and balance it out. Trump has come with now all these trade warfare and other things, whatever he is doing, and it is working in his favor. Now, if it is working in his favor and he is finding that people are posturing and then giving in to him, all the more the world will be a very VUCA world. So, we should take everything as a short innings T20 rather than thinking of a test match and that is why my horizon is basically more important to see 18 months, 3 years and a little of 5 years in terms of strategic events where we want to grow as a brand, which are the tier 2 cities, tier 3 cities. In Tier 1, what is the long-term aspect. If I am especially acquiring an asset, then I am looking at a decade horizon. But otherwise, sir, in terms of rental, lease, it is not necessary that we need to worry about 15 years from now because it is not our asset. Thank you, sir.

Moderator: Thank you. We will take our next question from the line of Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar: Sir, if I look at Q4, it is generally equal to Q3 because there is a lot of demand in Q4 also. So, what are our guesses on that, sir?

Vishal Kamat: So, sir, Q4 is always a little lesser than Q3. I do not think that it will be that little lesser. It might be a little lesser than a little lesser. But in a practical sense, I am saying, I don't want to... While the books look robust, I don't want to unnecessarily give you any great guidance. I would like to tell you that while this month has been good, the month of January has been very good, the month of February always is very good. It is a traditional….. it is the budget time, that is when a lot of travel happens and then it is historic that February is one of the best months even though it has 28 days. So, again, I would not necessarily base it on what will happen in Q3. But at the same time, if I was to say that will it be better than probably next year's Q4, it could be. As of now, the signs are positive that... I would say that even if we achieve last year's Q4, still the overall net result of our operations is very interesting.

Ankur Kumar: Sure, sir and, sir, do you want to give any guidance for next year, sir?

Vishal Kamat: Sir, we just discussed this 9 month. We will see, sir, in that week and accordingly see. Okay. More important than guidance is basically being able to... which I had mentioned earlier also that we will do 100 crores plus EBITDA. There were some skeptics, and they are right to be skeptical because technically it did not make sense. How can it be Q2 that we will achieve 100 and there were a lot of skeptical people, but I think my team has done me a great favor in terms of proving me correct by seeing what we saw in the books. Ultimately, sir, we have to see our business on books along with that experience and pray that it comes perfectly together and that basically is what has happened here also. The conviction we had in our team, the conviction we saw in our books, and based on that what the team has done and that is why when I saw…before also I mentioned 100. That time, of course, there were some on the call also who would have felt that way and they are absolutely right in thinking so. I would not because, see, I am day-to-day doing it. You guys are analyzing us only once in a quarter when the quarter results come out and you have hardly any knowledge other than what is shared in terms of the balance sheet or the result. Whereas I, day-to-day, I am in the grind. So, I would obviously have first-hand knowledge more. Certain things, which give me that confidence to say, yes. So, I don't want to do small talk, big talk or give any higher expectations. I would say, sir, this quarter has gone so well, so we will work hard on the next quarter also and we will make sure that the 100 crore EBITDA has already been touched as per me, which I have promised my investors and all you people who take the time out to listen to us. So, that I am at least grateful for. Thank you, sir.

Moderator: Thank you. We will move on to the next question from the line of Komal from Trade Walk Research LLP. Please go ahead.

Komal: I just had a couple of questions. First, in one of your interviews, you mentioned plan for overseas operation. Is that still under discussion? In one of your interviews, you mentioned plan for overseas operation. Is that still under discussion?

Vishal Kamat: In my interview, plan for overseas operation, okay, I am really sorry. It may not be in the recent. Is it a recent interview?

Komal: Yes, a couple of months back, I guess.

Vishal Kamat: No, madam. I can assure you, I am very happy in Be India, By India. I have already been abroad. I know how it is over there. Today, when God is giving me so much opportunity over here, and today, thanks to the kind of push the government is giving, both state-wise, central-wise, and as the state means, Orissa state government, I am grateful to Maharashtra government is there. The Himachal government also has been doing, especially the previous government was doing a lot. I mean, I do not have much to complain about in terms of within India. So, I am very happy doing business here. I do not think it might be my interview, madam, because I am very clear that I am not really very keen right now to go abroad. Because of so much of opportunity and work happening here. I mean, within India also, we are having some more sign-ups to come up, which, we will announce at the subsequent time once it is on the dotted line. What is in the pipeline, I do not want to speculate on, but it is, let me tell you, a very robust pipeline because what has happened is, Kamat also has come out of its shadow, and Orchid as a brand also has come out of its shadow, whereby we are, today, hoteliers are giving us, or rather potential tie-up partners are giving us our dues. So, I do not think I mentioned about it. It might be a similar named person, but not me, madam. I do not know who are these people because I am not very sure that I am keen. I am not very keen, and I know very clearly. Traveling within India, madam, I feel like sometimes I am an Indigo or Air India staff member. They know me, I kid you not, they know me now by, so well, because, randomly you fly and it is the same people on the same circuits. So, that I do not want to add to my pain of travelling abroad.

Komal: Okay and are we looking for any progress in terms of adding keys going forward?

Vishal Kamat: Adding keys?

Komal: Yes.

Vishal Kamat: Yes, madam, of course we are. Like, right now, we have so many hotels. Chandigarh will open by March, so we will get a full financial working of the year for Chandigarh Hotel. It is a fantastic 5-star hotel and will really come out beautifully. We are really, really proud of how it is. So, it got delayed, but it has come out fantastic. Hyderabad will open within the first quarter of this thing, and it is a high-tech city, which is a prime area. I would rather tell you also, I will tell you where exactly the location when it will open. Then Bhavnagar also will open by around October. By December ending, our Dehradun Hotel will open. Gwalior also will open by December ending. Our Puri Hotel will open by December 26. Work is going on in full swing on that property also. So, when we have all these things in pipeline, which is in hand, apart from this, we have properties coming up in Sambalpur. We have properties coming up in various other locations in Orissa. We have some more signing-offs, which, like I said, once it is signed up, I will inform you all. So, the pipeline is quite robust.

Moderator: Thank you. We will take our next question from the line of Trisha Kansara, an individual investor. Please go ahead.

Trisha Kansara: Sir, I wanted to understand the breakup between, let us say, our new properties versus the old legacy properties that we had. So, whatever growth we are seeing in this Quarter, or let us say, even for the nine months in FY'25, how much was contributed by new properties, which were, let us say, opened in the last 12 to 15 months, versus how much was contributed by our old properties, the growth as well as the profitability?

Vishal Kamat: So, you are saying that new properties are opening? Around 65-35. That is what Smitaji has just updated me. I thought it was around maybe 75-80. But no, the Company has balanced itself very well in terms of revenue from new properties coming to 35, which is very good, actually. Thank you, Smitaji, for highlighting me also. I was also under the wrong impression because this shows that the Company is moving away from its dependency on its traditional core hotels and balancing out with now new infusion of... So, that means we are deleveraging, de-risking, and at the same time being able to get additional revenue streams. So, if this is already 65-35, then by next year, I would not be surprised if it comes to almost 50- 50 also, which is a really great thing. So, that is really good. Thank you, Madam.

Moderator: Thank you. Next question is from the line of Vedant S from KG Securities. Please, go ahead.

Vedant S: Hello, sir. I wanted to check, are you planning to expand your Rewards Program to include some banks whereby your customers can pay and their customers, common customers can book by reward points or something like that?

Vishal Kamat: That's a very good question. Actually, we have been pushing our agency who handles our program, and we have been telling them that we do not want to only restrict our members to only Orchid Hotels, IRA Hotels, Lotus Hotels, and for Jadhavgadh. We want this program to be that if you are an Orchid Rewards member, you should get benefits in various other firms, banks, various restaurants. So, we are already working on this. In fact, we were even looking at in fact we are even looking at to do this whole thing, in fact, but it did not materialize due to certain other financial and other challenges. But in terms of the bank, yes, there are certain banks also who are keen now because we have almost 8 lakh members, and 8 lakh members to have a co-branding card or to have various other benefits, add points, and redeem, and we want people to not only earn and burn in our ecosystem, we want them to either earn and burn in any ecosystem, but they should either earn with us or burn with us. So, this is also something which is basically this thing.

Vedant S: Okay, sir. Any timeline, sir, when we can see that materialize? Any timeline by when we can see this materialize?

Vishal Kamat: No, sir. This is something which is part of time that you take to negotiate. So, we are pushing. There are actually some other hotels also who would like to be a part of this program, and we might in the near future have some properties which are not exactly owned or managed by us, but a part of our program because they are also excellent operators and they also want business, and then we also should be able to send our members and probably earn some revenue stream from this also. So, look at that. If we can have a revenue stream. See, today, it is about only money. Today, it is something about more than money. It is about being able to connect and have that person come to you again and again. Even if I don't earn a rupee, but if through my Orchid Reward program, I am able to send someone to an exotic location, or if I am able to send someone to a resort which is in line where he wants to expire and he goes there, then automatically, what did he remember as an Orchid member, I was able to go here. So, my repeat customer in my own hotel, we have to see the long game. Today, we are proud that almost 34% percent of our repeat customer is coming back to us. I want to see how is he coming to me more and more even if he does not always use me. So, obvious but naturally how many times will he go to Fort Jadhavgadh? One time, two times. He might find it the best place in the world but then he will try something else. But when he goes to that other place he tries, through our program he is remembering Orchid, he is remembering us. So, that is how basically we look at it is a more open, more android type of thinking rather than a closed system iOS thinking. So, that is how we are looking at. So, let's see how it goes. Thank you.

Moderator: Thank you. Next question is from the line of Pankaj from Affluent Assets. Please go ahead.

Pankaj: I just wanted to understand if we own the Royal Orchid outside Mumbai Airport and secondly can you please repeat the new hotels program which you recently mentioned?

Vishal Kamat: So, madam, Royal Orchid is not part of Kamat Group. Royal Orchid basically lost the case. They cannot use the word Orchid. Actually no one in India can use the word Orchid with prefix or suffix as per the Supreme Court and this is a landmark judgment we won many years back. That is why they only open their hotels under the name of Regenta or others. They do not open any, only the 12 which are there, which again as per the order is in, as part of the suite. So, there are only 11 or 12 Orchid hotels which they have called as Royal Orchid hotels, which are there and those also as if they remove the name or if they shut them down, like example one of their hotels in Bangalore was Royal Orchid but now it has become another brand hotel. So, it has become a Lemon Tree. So, now they cannot reuse and take that name elsewhere. So, that is the condition of the court. So, they are Royal Orchid, we are Kamat Hotels, and we own the brand Orchid in India. So, I hope that lays your query to rest.

Pankaj: So, the property outside Mumbai Airport, that belongs to us?

Vishal Kamat: So, that is the Orchid Mumbai.

Pankaj: So, it is with us right?

Vishal Kamat: Yes, that is with us. You mentioned Royal Orchid, so I thought I would just clarify that.

Moderator: Thank you. We will take our next question from the line of Randeep Kapoor from Investire Investments. Please go ahead.

Randeep Kapoor: My question is regarding the joint venture which was for the Puri hotel. What is the latest update of that?

Vishal Kamat: Unfortunately, we could not continue with the joint venture. It is better to have a positive and amicable happy separation or I would say a discontinuation rather than having things. So, we had a discussion, there were certain things it is very dynamic. So, based on that, they had thought that they would like to participate but we are still moving ahead on that and we have some other things in line. Let us get back to you, sir once we have some more details on that.

Randeep Kapoor: No, but the hotel is coming up by December.

Vishal Kamat: Yes, sir.

Randeep Kapoor: It is a joint venture or it is totally by yourself now?

Vishal Kamat: Sir, it will be a joint venture still. It will still be a joint venture. I will share the details once that is first approved by the board and other things once that then we can share to the public.

Moderator: Thank you. Next question is from the line of Kaushik D, an individual investor. Please go ahead.

Kaushik D: So, I was just checking your Ayodhya properties. The room rates are showing in the range of 15000 to 20,000. So, can you throw us a light on the occupancy and the average room rate for this month of January and Feb as part of Mahakumbh?

Vishal Kamat: Right now, sir, you are talking about Ayodhya sir?

Kaushik D: Yes.

Vishal Kamat: Yes. Ayodhya, sir, we are selling anywhere right now between 15,000-20,000. It is fluctuating because a lot of people are going to Mahakumbh. Myself, I am trying to go on 13 to 15, but it is very difficult. I don't know who are these 40-crore people who are reaching there because of this 30 crore people because I am finding it so difficult to go there. I must appreciate the UP government. It is a phenomenal achievement and actually, not only UP government, it is a testament to all of our, all Indians, how amazing the whole place has been in terms of whatever feedback I have got, what my friends have gone and seen. So, that is also affecting us positively in Ayodhya because from Mahakumbh to Ayodhya, our hotel is only 4 hours, maximum 4.5 hours. So, people are going on a circuit. They are going to Varanasi. They are going to Ayodhya. They're going on a tour. So, overall, UP, apart from Mahakumbh, is benefiting and booming. So, I think that's something which is there. Occupancy-wise, sir, right now, we are going at 90 plus occupancy and hopefully, sir, we will give you some more good news of some additional hotels in Ayodhya. At the right time, we will announce that because we are doing so well that we are right now the number 1 hotel in terms of the government people. We have all various kinds of central ministers staying with us. Even though we are not the biggest hotel there, we are the second biggest and yet we have a lot of central government people who is who of anyone in UP government wants to showcase because our food is so much appreciated that people have been coming and staying with us. Mr. Gavaskar stayed with us. I mean, the list of luminaries are huge because, again, our food, our personal connect with most of them, and again, the overall team that is doing a great job in that location and it is just only, what, 2.5 kilometers from the temple. So, at least 10-15 minutes you are there. So, it's a perfect location, and the perfect things have all come together. Thank you, sir.

Moderator: Thank you, sir. Next question is from the line of Chandan Mishra from Finvestors. Please go ahead.

Chandan Mishra: My question related to Mahodadhi Palace, sir. It has seen a decrease in occupancy rate from last year and as well as it has seen average room rate also decrease from year-on-year and the QoQ. What is the reason for that, sir?

Vishal Kamat: Sir, unfortunately, that project behind, we are not able to command the kind of rates that we expect because the property right now, the 25 rooms which are on, that is on basically because behind there is a work going on. There is a project work going on because of which we are not able to necessarily command that kind of demand from it yet and we understand that because it's only 25 rooms. So, 25 rooms has no major consequence even if our occupancy over there is, even if the ARR is double, those 25 rooms are not going to give us any kind of return as compared to when the whole hotel of 160 rooms along with banquet and all that comes in. So, we are willing to sacrifice those 25 rooms. It is just that we do not want to shut it. Ideally, we may have shut it also, but we do not want to shut it. That is why those 25 rooms are on and we are doing the work. So, it is not exactly in the scheme of our things right now to focus on ARR or anything because we do not want guests to be unhappy. Those guests who are willing to compromise, then they are expecting a rate also of compromise which we are okay with because right now it is running in a very simplistic fashion. But once it is done and upscale, that time we'll shut these 25 rooms also and it will be upgraded into the luxury heritage hotel.

Moderator: Thank you. Next question is from the line of Gunit Singh from Counter Cyclical PMS. Please go ahead.

Gunit Singh: So, firstly, I would like to congratulate you for the great work that you've done which is also showing in the numbers. So, in the investor presentation, you mentioned that we would be looking at 24 hotels by FY'25. So, I just want to understand what is the growth strategy going forward? Are we targeting a certain number of addition of hotels every year as an internal growth strategy and what efforts are we putting in to sort of increase the average room rates for our hotels and how does the growth in our ARR compared with peers or the industry? If you can explain that.

Vishal Kamat: So, thank you, Gunit ji. I appreciate your wishes. Firstly, sir, the first strategy is basically to add number of hotels in the states that we are in and to use the fulcrum kind of situation. Like, for example, if I am in Dehradun, that's why I would look at a Rishikesh, that's why I would look at a Mussoorie, that is why I would look at a place around that because I am in that state because only hotels is not. You have to do localizing, you have to have local connect, you have to have a lot of... You have to be able to add value to the local society and make sure that any issues are there, they are resolvable. So, whenever we are now in Shimla, we are in Manali, so we are looking at other locations in Himachal. So, that is basically one of the strategies, somewhat like a hub-and-spoke style, though it is more about the social connect and other aspects. So, one is that. Secondly, sir, you said about increasing of ARR. We are spending a lot of money on technology. We spend a lot on social media. We spend a lot on tools of technology, which basically goes and tells you how to drive the traffic. Then, we also have a lot of investment in Google Analytics. We are spending quite a bit of money with our OTA partners to work with them to help drive traffic to us. Then, we are spending a lot of money on our Orchid Reward members who we regularly contact, give them schemes, offer them because of which it is very commendable that a Company of our size and hospitality in general has a comparatively very robust direct web page booking, which normally does not happen for even….because most people prefer to go to OTA. So, how to bring them to us? It's a constant effort. So, this all helps you systematically bring your ARR up also along with that because as your books build up, then you can start selling better and better on this thing. So, overall, this basically is the kind of tools that we use. So, we have a lot of technology at the backend for all this.

Gunit Singh: Alright, sir. Got it. So, sir, what percentage of the total bookings would be from direct website and also in this Quarter, our revenues went up drastically Q and Q and Y and Y as well but I observed that the expenses are still in that range about 67-65 CR. So, sir, I would like to understand that is this economies of scale coming in that expenses should not I mean would not go above with the current that we are above, say, 65-70 cr and anything we earn in the revenues would try to translate into EBITDA Is that a fair understanding?

Vishal Kamat: Sir, a lot. A lot of the basically boost has also come from the F&B you know. The F&B business, wedding business that has helped. I did not exactly get what you meant. What exactly, sir, apart from the rooms business and other you are asking the increase?

Gunit Singh: So, basically, our revenues this quarter went to 111 cr from about 85 cr last quarter but our expenses, operating expenses went up from this 63 cr to 67 cr which is an increase of 4 cr.

Vishal Kamat: Okay, sorry, I misunderstood. Sir, basically, when your lobby is your lobby, your lobby when you are doing a 50% occupancy, or a 100% occupancy will consume the same amount of electricity. So, when you end up doing more business, your basically metrics of these things come down. What will increase is your food cost. If your party is of 200 people and it becomes 300 people, max to max my food cost will increase which has increased but my light bills, my labor bill more or less be the same or not same but it will come in percentage terms down. When you are doing more business, your profitability and EBITDA that is why naturally will increase. That's why the EBITDA has gone up because the expenses remain almost same in most cases. The rent is going to be the same, sir. The light is going to be the same. The labor is going to be the same. Your elasticity of expenses becomes better as compared to when you are running the same show with a lesser occupancy or lesser banquet utility. So, that is basically how the profitability is enhanced and the costs have gone up incrementally not exponentially in line with the revenue. It is actually a good question, sir. Thank you for asking that. I am sure that will help a lot of other people on the call also. Thank you, sir.

Gunit Singh: Right, sir. Got it, so probably, 65% this year would be like a saturated, saturation of expenses, even if revenues go further. That's a correct understanding, right?

Vishal Kamat: Sir, expenses will basically, I will end it at this one with you that expenses, basically, sir, may, will go up, based on new hotel addition, also. As new hotels are added, there is an increase in the expenses, which affects the EBITDA of that time. But after a year, it pans out, because the EBITDA gets covered up in the profit that the hotel operates. So, a lot of the hotels in the starting last, last year, 3 of them, like, say, Jamnagar, Sambhaji Nagar, and others, which were new, those basically have taken a hit on EBITDA, at that quarter. But they get panned out, like, right now, you are seeing them adding positively to the EBITDA. So, this is quite natural, sir. Thank you.

Moderator: Thank you. Next question is from the line of Prashant Sethia, from Hastakshar. Please go ahead.

Prashant Sethia: I just had a question. Given the legacy that we have, and the brand loyalty, are there any plans to sort of get into high growth at adjacencies which is like standalone F&B, or cloud kitchen, etc. and secondly, what is the mix in terms of leased and owned property in the existing portfolio and the upcoming portfolio? Thank you.

Vishal Kamat: So, sir, we have no intentions to go into cloud kitchen, or into any segment like that. That segment, sir, is a different segment altogether, and it is not something suited for us. We are a brand. So, why would I want to hide my name in a cloud, where I am unknown? I would rather, in fact, come in front comfort and say, here is Orchid, here is IRA, here is my South of vindhyas restaurant, and take advantage of the fact that people want me. So, we do not have any interest in per se a cloud kitchen. Secondly, in terms of the, what you asked in terms of the standalone restaurants, we do have some standalone restaurants. We operate a standalone restaurant at Konark Sun Temple. We operate a standalone restaurant in Puri and near the beach. We operate a few standalone restaurants. We may look at certain standalone restaurants further, but there is no active plan to go after it. It has to be able to one, make financial sense to be extremely near us to be able to operate in an effective manner. The problem when you do a standalone is that the cost is okay. That is one side, but the quality management becomes a big issue. So, we would be basically the standalones we have right now are more or less where we have operational hotels. We can support it because we do not want someone to come and not get the same what we expect them to. So, standalone and that is how basically we are not looking at it actively, but few opportunities have come and we have taken those, like I said, of these 2 places. We also do, by the way, which is part of the hotel revenue. It is not a separate head. We do caterings. We do some level of caterings. We do some level of outdoor catering or some exclusive catering, but it is a very niche thing, not a very big revenue stream and we are not focused on it, but we do that just to tell you. So, that is how the banqueting helps that way.

Prashant Sethia: And the owned and leased properties, if you can just give.

Vishal Kamat: Owned and leased. What do you want to break up? The break up is in our chart. We have already in our thing, the owned and leased is there mentioned in our presentation. So, in interest of time, because almost one hour is over. So, in interest of time, I would request that you look at the chart. Thank you.

Moderator: We'll take our next question from the line of Ruzmik Oza from 9 Rays EquiResearch. Please go ahead.

Ruzmik Oza: Thanks for the opportunity. We are adding around 380 rooms next fiscal year. I just wanted color on what could be the occupancy in the first year, because these are all new destinations and 3 of them are orchid and 2 are era. Just blended what could be the occupancy in the first year of these properties? What could be the average room realization and since these are new properties, and as you said there will be a lot of expenses in terms of promoting these properties. What could be the first year EBITDA margins of these new properties that are coming up in next fiscal year? That's it.

Vishal Kamat: So, sir, I will give you just a thumb rule. Basically, broadly, they will have around 60 to 65 percent occupancy because the first-year stabilization takes some time. So, it will be fair enough to take 60 to 65 percent occupancy. EBITDA, you can take it around 30 percent. Okay and room revenues will be varying for each of the markets, okay, wherever they are opening based on whatever the market should be. So, that is the broad take on that.

Moderator: Thank you. Next question is from the line of Prakash Andilya, an individual investor. Please go ahead.

Prakash Andilya: First of all, I must congratulate you on setting a good set of numbers. My question is regarding from, sir, we are focusing on digital and strengthening the digital media, sales and online marketing.

Vishal Kamat: Yes.

Prakash Andilya: My question is from that, sir, what is the revenue share through digital media and media sales and what is the Company's target on that?

Vishal Kamat: From all digital put together, sir, all the digital what you are seeing, okay, it would be prudent for me to say that approximately 150 crore is the revenue that comes from the digital streams, which includes your website, your orchid reward program, your online marketing travel agents like MakeMyTrip, Booking.com, ClearTrip, Agoda, Yatra, all these people, they are put together would be basically the broad figure which I have given.

Moderator: Thank you. Next question is from the line of Trisha Kansara, an individual investor. Please go ahead.

Trisha Kansara: I had a doubt in the 100-crore guidance that the management gave. So, I am assuming that this 100-crore guidance is excluding the one-time provision reversal that we took in this quarter, which is around 8.8 crores. Just wanted to confirm that.

Vishal Kamat: Yes, madam.

Trisha Kansara: Okay. Thank you.

Moderator: Thank you. We will take our next question from the line of Chandan Mishra from Finvestors. Please go ahead.

Chandan Mishra: Sir, my follow-up question with respect to IRA occupancy rate, sir. Sir, IRA occupancy rate reported this quarter is 71 percent, which is decreased from 76 and yearly 77 percent. It is not a bad number, but is there some reason for this decrease, sir?

Vishal Kamat: Sir, basically some new hotels had also got this thing added up, Noida has been added in November, then that has basically impacted the overall drop of the brand IRA in terms of the occupancy. So, IRA by Orchid Noida is one of the reasons. But overall, sir, the occupancy has been very good in the other hotels. But we are showing a matrix, that is why, sir.

Chandan Mishra: Sure, sir. One more question. Revenues here from F&B segment, if you give some light on that.

Vishal Kamat: It is 40 percent, sir. Broadly, hotel-to-hotel, it fluctuates between 30 and 45 percent. We have also given it in our presentation. There is a matrix which is there, which is around 37-63 as a whole Company, whereas we have also given this revenue mix of the things. It is on page number 4 of the Company overview. You can please see that, sir. The other details also are there.

Chandan Mishra: Thank you, sir. Congratulations.

Vishal Kamat: I am grateful. Also, moderator, if we can take maybe the last one question and we can end because in the interest of time. Thank you.

Moderator: There are no further questions. You may give your closing comments. First, I think I am very grateful to all who have taken the time out today and midday and come to listen to us. Many good questions were asked. I am very happy that some of the people who are there are repeat people. They take so much personal interest and always they are there. So, I am grateful to all our well-wishers, all our supporters, and all you people who take the time out and follow us and guiding us to improve. Thank you with that and I hope that this year-ending will be again a happy time for all of us. Thank you. Namaskar.

Moderator: So, on behalf of Kamat Hotels India Limited that concludes this conference. Thank you for joining us and now you may disconnect your lines.