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Date: June 02, 2023

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 Fourth Quarter and year ended March 31, 2023

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 fourth quarter and year ended March 31, 2023 held on May 30, 2023 for your information and records.

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

Thanking You.

Yours Faithfully,
For **Royal Orchid Hotels Limited**

Amit Jaiswal
Chief Financial Officer

"Royal Orchid Hotels Limited
Q4 FY'23 Earnings Conference Call"
May 30, 2023

MANAGEMENT: **MR. CHANDER K BALJEE – CHAIRMAN AND MANAGING DIRECTOR – ROYAL ORCHID HOTELS LIMITED**
MR. AMIT JAISWAL – CHIEF FINANCIAL OFFICER – ROYAL ORCHID HOTELS LIMITED

MODERATOR: **MR. AMIT AGARWAL – NUVAMA**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 FY '23 Earnings Conference Call to discuss operational and financial performance for Royal Orchid Hotels 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Agarwal from Nuvama. Thank you, and over to you, Mr. Agarwal.

Amit Agarwal: Thank you, moderator. On behalf of Nuvama Wealth, I would like to welcome you all to the fourth quarter FY '23 Earnings Call of Royal Orchid Hotels Limited. The management today is represented by Mr. Chander K Baljee, Chairman and Managing Director; and Mr. Amit Jaiswal, Chief Financial Officer. I would like now to hand the floor over to the management for the opening remarks, followed by the Q&A. Over to you, sir.

Chander Baljee: I'm Chander Baljee. Good evening, and warm welcome to everyone. Thank you for joining us for this Royal Orchid Hotels Limited Earnings Conference Call for the fourth quarter and financial year '22-'23. Please note that Q4 and financial year '23 results, press release and investor presentation are available on the Exchange. I hope you have had the opportunity to browse through the highlights of the performance.

In the current financial year, the industry bounced back very strongly after COVID. From April '22 onwards, we have done robust business, which was evident in the financial results of all the fourth quarters of this year. We continued the success story in the first quarter also. In fact, we have built on the success and this phenomenal business in the fourth quarter. The same is evident in the first quarter as well. The company has posted a robust growth because of the strong business model and effective risk mitigation strategy. We are aiming to post better margins than what our company has witnessed in the recent past.

The fourth quarter as well as the year-end result of '22, '23 has been one of the best in the last 10 years. Financial highlights of the company for the fourth quarter on a consolidated basis are as follows: consolidated revenue from operations for Q4 was INR72.55 crores as compared to INR39.53 crores the year before that, a growth of 84%. This was attributed to increase in ARR occupancy and also increase in F&B business.

Consolidated EBITDA for Q4 was INR25.8 crores as compared to INR14.24 crores in the previous year, an increase of 81%. Consolidated PAT before exceptional items for Q4 stood at INR12.98 crores as compared to INR5 crores the previous year, an increase of 159%. Financial highlights for the company for the 12 months ended 31st March on a consolidated basis are as follows. Consolidated revenue from operations was INR263 crores as compared to INR138 crores previous year, a growth of 90%. This was attributed increase in ARR and occupancy and also increase in F&B business. Consolidated EBITDA was INR98.3 crores as compared to INR40 crores in the previous year, an increase of 143%.

Consolidated PAT before exceptional items stood at INR49.98 crores as compared to profit of INR26.88 crores in previous year, an increase of 86%. During the quarter, we've been able to increase the average room rate for Q4. It stood at INR5,657 as compared to INR4,035 in the previous year, a growth of 40%. We are well in line with our vision to complete 100 hotels before the end of the calendar year to 2023. And we are looking forward to opening new hotels in different cities. Here as we talk, we are operating 90 hotels.

During the quarter, we witnessed RevPAR growth led by higher ARR. We believe that last year has seen a revival and we have bounced back with a better result in the current financial year.

Management has set out a strategy to diversify the product offering, provide unique customer experience and work towards a robust balance sheet. I would like to conclude my opening remarks by saying that we are witnessing major signs of growth for our industry as a whole, and which will show up in our overall earnings and quality over the next several quarters. Thank you. And now we can go the floor open for questions.

Moderator: Our first question is from the line of Rahul Bhangadia from Lucky Investment Managers.

Rahul Bhangadia: Congrats on a great set of numbers, sir. And -- just if you could just give us a sense how are the -- how is the growth plan on the managed in terms of number -- manages keys in terms of number of rooms and all shaping up for the next 1 to 2 years. What are we looking at in terms of overall numbers?

Chander Baljee: See we are looking at -- today, we are sitting at about totally all hotels combined, we are looking at 90, 90 hotels. Now we have got in the pipeline about 24 hotels. And I think by September, we should definitely cross 100 hotels. And looking forward, the way business has grown in the last 1 year or so, the number of hotel openings which are happening, I think we should be able to cross, next half-year, another at least 40 to 50 hotels. That means, we are looking at almost reaching 140, 150 hotels by the end of this financial year.

Rahul Bhangadia: So 140 to 150 hotels by the end of FY '24, we are talking about, sir?

Chander Baljee: Yes.

Moderator: Sir, could I ask you to please come near to the speaker phone. You are not audible, sir. Thank you.

Rahul Bhangadia: Okay. So we are talking 140 to 150 hotels. That would be what, roughly we're talking 8,000 to 9,000 rooms, we are at roughly about 5,400 rooms as on date. So what are we talking in terms of number of rooms?

Chander Baljee: By September, which I can give you as a definite kind of a figure, we will be able to add about almost 1,000 rooms towards 6,500. And I think another 6 to 8 months after that, we should be able to add another -- you're right, about another 1,500 to -- 1,000 to 1,500 rooms. Yes.

Rahul Bhangadia: Okay, okay. So we are looking at, let's say, 7,500 to 8,000 rooms by the end of FY '24.

Chander Baljee: Yes. Yes. We should be able to do that.

Rahul Bhangadia: Okay. Sir, the second one is actually not a question, but just a request which I made in the last call as well. Our presentation doesn't give any bifurcation of what has been our earnings through our asset-light model and our ownership model. It's left to the investors to kind of keep either speculating or ask you on the call repeatedly as to what have you earned from the respective segments?

And the other thing is that while we do give occupancy numbers for the various segments, I think it might just add a little more value to the investors if you could just give us a occupancy numbers for the properties, which are probably, let's say, 1 year old or 2 years old and the properties which have been recently added, which gives a sense to the -- which has given the sense to everybody as to how has the occupancy progressed for mature properties and the not-so-mature property, which have got linked to your network. So that was just a feedback and a suggestion.

Chander Baljee: If you see our slide number 35 in the presentation, we have classified our revenue to owned lease joint venture and managed hotel. We have bifurcated this time in the presentation. So from managed total what we have earned, we have given. And also, we are also giving the EBITDA what we are getting from managed total and owned hotel, leased hotel and JVs.

Rahul Bhangadia: Let me just confirm this. Which slide number are you talking about here?

Chander Baljee: If you see the slide number 35. That we have given the earnings bifurcation.

Moderator: Our next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: So apologies, I just joined the call a bit later in case of a repetitive question. So what I wanted to ask what kind of revenue growth and margin growth are we expecting in the next 1 or 2 years because we've been expanding our number of hotels. So what kind of ballpark range that we could have?

Chander Baljee: See, as far as the revenue growth is concerned, this year, we have almost touched INR300 crores, okay? Because one of our associate revenues do not get reflected in the consolidated financials. If you add that, we have almost INR300 crores. Our targeted revenue for next -- this current financial year will be INR400 crores and EBITDA of INR120 crores. That is what targeted. It looks like achievable.

Darshil Jhaveri: So sir, this INR400 crores would include revenue from the associated company?

Chander Baljee: Yes. It will obviously, it will -- around INR28 crores of revenue of associates has not been consolidated. So...

Moderator: Our next question is from the line of Navneet Bhaiya, who is an individual investor. Please go ahead.

Navneet Bhaiya: This is in addition to one of the previous questions. So you're looking to add about 3,000 keys in FY '24 from 5,000 to 8,000. So the question is, sir, are these mostly greenfield projects? Or are these more in tie-ups with hotels which are maybe unorganized right now -- in the unorganized segment right now?

Chander Baljee: It will be a combination of both. First of all, let me correct you, they're not 3,000 rooms being added? We'll be adding, as I mentioned to you about 1,500 to 2,000 rooms. And we are looking at adding -- this last year, we've added almost about 40 hotels. So this year also a similar number will get added. So that's what I said that we are today sitting at 90. And so we may be able to add about at least 40 hotels in this year.

So our target is, we can't tell you exactly how much is because that depend on opportunities which come our way. But there will be a combination of either some conversion hotels, which are already there, we convert it, that's the fastest way to do it. And some projects will be brownfield, where the structure is already up and interior is going on. So those are hotels that will come up within this year. If any greenfield budget is there, which we are also signing, that take at least 2 years to come up.

Amit Jaiswal: Right. Just to sum up on Mr. Baljee, let me tell you, around 24 hotels are already there in the pipeline, which are signed. And that will add another 1,100 rooms. So we'll reach 6,500 rooms very shortly. Then further, we are targeting another 1,500 rooms maybe in another 20, 25 hotels. So with that, we will touch 7,500 to 8,000 rooms.

Navneet Bhaiya: Understood, sir. So of these 40%, 45% growth that you're targeting in terms of either hotels or rooms, what is the broad bifurcation in terms of conversions of existing hotels versus brownfield or greenfield additions, new capacity?

Chander Baljee: We can't say right now because see the development teams are under discussions. Now we are -- we go and talk to somebody, and if it is a greenfield project, we'll sign that also because we have to keep our pipeline going for the years to come. And whereas if there's a conversion then they will sign a conversion.

So I can't really tell you which will really get converted, which will not get converted. But I can assure you there are large number of inquiries come into our chains to date, and we are working towards both conversion or brownfield and some greenfield projects also.

Navneet Bhaiya: Understood. And sir, even I missed your maybe initial couple of minutes of your commentary, any outlook that you can reshare if you've already shared on the overall industry in terms of supply, how much supply, fresh supply is coming in the industry, if you can share anything on that?

Chander Baljee: See, what happens in hotel industry when the demand is good. Now this year, the sector has done well. So this year, people have woken up, yes, we should set our hotel and this is a sector, which was earlier like a blacklisted sector, people won't touch it.

And I remember whenever we used to approach banks, particularly HDFC Bank, they used to say, no this sector is not in our list at all and this year, they themselves approached us, and we got the loan swapped, and we got very, very good terms from them. So as a sector looking positive, but the supply will start coming in from, say, 2 to 3 years from now. Supply will start to coming in.

So 2 to 3 years' time, if everything goes well, the way Indian economy is going, you can see all parameters that our business will grow. So demand will be -- will outstrip the supply at least in the next 3 years. So we can look forward to a good time in the next 3 years.

Amit Jaiswal: If you all go through the last budget, for the first time in the history of India, that the tourism sector has been given so much importance in the budget. And the government is very on-go on this. So we are looking forward to that and the growth in the industry will be robust in the next 2, 3 years. The demand is growing heavily, but supply may take some time for the supplies to come.

Navneet Bhaiya: Okay. So sir, just to maybe quantify to an extent, next 2, 3 years, you see supply addition being less than maybe in the single digits. Am I understanding this correctly?

Chander Baljee: As far as the newer hotel is concerned?

Navneet Bhaiya: Yes, new hotel, of course.

Chander Baljee: Yes. new hotel. Because the industry is such that once you plan to open a hotel, it takes 3, 4 years to start the operations. Even if you plan a hotel today, it will take minimum 4 years for the hotel to get operational.

Moderator: Our next question is from the line of Sakshee Chhabra from Svan Investment.

Sakshee Chhabra: I have two questions. One was I wanted to understand that what is the ARR trajectory going forward for the next 1 or 2 years? And my second question was that in the -- on the room addition that you spoke about, what percentage or how many rooms would be on the lease and revenue share model?

Chander Baljee: We are targeting whatever hotels we set out, about 15% of the hotels we're targeting for revenue share and balance 80%, 85% will be on management. I suppose we're targeting, say, 40 hotels, then I would say, about 5 or 6 hotels should be on revenue share and balance hotels will be on either franchise or management.

Amit Jaiswal: As far as the ARR growth is concerned, we have seen a growth of almost 40% from last year. And further, yes, there are scope because the kind of occupancy is going up. So we are looking forward to another 10%, 15%. 15% growth in the ARR in the current financial year.

Sakshee Chhabra: Okay. And you think that you can maintain the occupancies? Or you think that the occupancies would obviously increase going ahead?

Amit Jaiswal: So occupancy, I don't think so it is going to increase any further because we are already doing 77% occupancy. I don't see that it is possible.

Moderator: Our next question is from the line of Rahul Bhangadia from Lucky Investment Managers.

Rahul Bhangadia: Sir, just a follow-up question on one of the comments that you made regarding the revenue and the EBITDA number that you're expecting for FY '24. You said about INR400 crores of top line, INR120 crores of EBITDA. That seems reasonably lower than the EBITDA margin that you are reporting today. I just wanted to understand, is there some math here that I'm missing?

Amit Jaiswal: I'll explain it to you Rahul. As we said that now we are only growing in the revenue share model, okay? We are not going to own any asset. So if we increase in revenue share model, what happens is the return, the margins are lesser in revenue share models than the owned hotel. If you see our slide, we have given the margins of what we have done in owned and what in lease.

So in lease model, what happened, the margins are around not more than 15% of the growth. So even if the revenue grows and the maximum this growth in the revenue will come from the leased asset. So the margins will not be that much.

Moderator: Our next question is from the line of Raj Thakkar, Individual Investor. Please go ahead.

Raj Thakkar: Congratulations on a good set of numbers. Just a few questions from my side. The first one would be, can you share how do the modalities work in the managed properties model? And how does the accounting work in this case as well?

Chander Baljee: Yes. So in management business, what happens is we get a percentage of the top line and a percentage of the operating margins, which works out to around 5.5%, 6% of the total turnover. Whereas in leased asset, in revenue share, what happens, whatever the revenue comes, and out of our operating margins, we pay a percentage varying between 22% to 25% of the revenue to the hotel owner. And balance, we retain. So that's how it works.

Raj Thakkar: Okay. Okay. And what's the ROE and ROCE that you presently make in managed Moderator business versus the traditional owned hotel model. And can we assume that the ROE and ROCE will keep improving as the share keeps improving? And also will this...

Chander Baljee: Yes. That is why I have included 1 slide of our ROCE in my investor presentation in this time. And Slide #39. And we have the ROCE has increased -- I have given our statistics for the last 5 years, it has increased a lot, and it is going to further increase because the additional management fees which we get almost 80% or 75% of that will flow down to the bottom line of the additional fees that we'll get in the current financial year.

So our ROCE is going to definitely improve. And as far as the revenue share model is concerned, there, I may be getting a lesser margin as in comparison to the revenue. But my investments are not that much in that. So the return on the investment will be quite high.

Raj Thakkar: Right, right. Got it. Okay. And can you throw some light, sir, on the recent SEBI issue that has cropped up and where we are on that right now?

Amit Jaiswal: Yes. So I may not be able to elaborate too much on the issue because the matter is sub-judice. However, I would like to update that SEBI had passed an interim order against our company on 31st of March, stating us -- asking us to reinstate our financials for FY '22, treating one of our associated subsidiary. And they have sent and asked us to -- they had issued a show cause notice to Mr. Baljee, Keshav Baljee and myself.

However, we were confident about our stand on the issue as we have taken enough legal opinion as well as we had informed the market about the change in the structure of the subsidiary to associate way back in March '22. So we took legal opinion, and we moved SEBI Appellate Tribunal and on 9th of May, the Appellate Tribunal was pleased to put a stay on the interim award -- interim order passed by SEBI and also on the functionality of that order.

And now SEBI has -- SAT has asked SEBI to file their objections, and we will be given time to file our rejoinder, post which the matter will be heard on 30th Of June. This is the status of the case.

Raj Thakkar: Okay. Okay. Just a few more questions from my side. So the company seems to be opening up several hotels in North India with recent hotel openings in Ambala and Phagwara. So are we focusing on growth in North India aggressively? And which other states are we looking to build up in that region?

Chander Baljee: What we are doing is we have -- since we were a south-based company, we had a very healthy growth in the South. We went to West, we went to Rajasthan. And now we are going aggressively in the North India. But this year, we are also concentrating on East. So we have appointed a Vice President in the East in Kolkata. So he's looking at that.

We have appointed one vice president in international operations. So he is going to scout around and look for properties internationally. So we are planning to grow in the entire country now, okay? And wherever our weak pockets are, some states where we are not represented, we are aggressively looking for properties in those states because we want to be there in every single state in the country. Because there is -- today, the dynamics have changed. People are looking at going to hotel. Wedding business is improving a lot in hotels.

People don't want to go to -- a big headache to go to a marriage hall and conduct a wedding. When you go to a hotel, you end up nearly spending an equal amount of money only, but you have all the things with the press of a button. And on call everything is available. So I think we are -- today, we are a very diversified company. We have business hotel; we have leisure hotels. We are spread across most of the country.

Raj Thakkar: So sir, how are the ARRs in these new regions that we are opening up North and West compared to Northern East compared to South that we have already had...

Chander Baljee: The ARR depend on the particular -- See nowadays, there is no hard and fast rule. You will have ARRs depending on demand and supply on a daily basis. So if there's a hotel which is a budget hotel in the north, it's going to do less in a budget than a mid-market or superior hotel if not.

So it's not a question on north and south. I would say every city and there is a capacity of every city to absorb a certain amount of rate, like even government and companies have entitlement limit to go spending for their people who travel. If they travel to Tier 2 cities, they have a certain entitlement; If they travel to Tier 3 city, they have certain entitlement. So we have to position ourselves depending on what the demand is and what the market can take.

Raj Thakkar: Okay. Right. Okay. And just last question from my end. So now that we've reached an EBITDA of INR98 crores in FY '23, where do you see it for FY '24, sir?

Amit Jaiswal: See FY '24, as I said, we'll be crossing INR120 crores.

Moderator: Our next question is from the line of Rishith Shah from Nuvama Wealth.

Rishith Shah: First question from my end will be regarding any new hotels that you opened for example, all your new signings. So kind of what kind of time does it take for that hotel to mature in terms of occupancy, in terms of cost efficiency.

Chander Baljee: See, actually, what happens is when you open a hotel, it also depends on the timing of the opening. I'll give you -- for example, we opened a hotel in Gurgaon in April. So April to September is very hot and its business is low. Normally, in hotels, 40% of our business is done in that 6 months and 60% is down in the winter months. So whereas the second hotel which we opened was in December in Candolim, Goa.

So the first one itself did very good occupancy thereof. So it depends on what time the hotel opens because -- and that's not in our control entirely when we are managing the hotel. We can just push them to open at the right time. But then you can't delay the opening. If it is ready by the month on April, you can't tell them to open it in October, September, October. But -- so there's no hard and fast rule as far as this is concerned.

Rishith Shah: Okay. Okay. So trying to understand that if the average occupancy of our entire hotel booking is 77%, around 77%. So for the first year, maybe a new hotel would do somewhat, say, 60%, 65%, somewhere near that and then mature enough to get to the average occupancy, that is in the second year or the third year?

Chander Baljee: Yes. Correct. You're right. First year, obviously, it has to be less, maybe 50%, 55%, then grow to 60%, 65% and 70%, 75%. And certain markets, like the tourist destinations also, occupancy may not reach 75%, 80%; average occupancy will reach about 60%, which is also good for that particular location.

Rishith Shah: All right. Got it. And the second question is on the capex end. So basically, we said 80% of the hotels that we are going to open would be in management contracts and 20% would be revenue sharing leases. So what kind of capex would be involved for the plan to room addition for the next 2 years?

Amit Jaiswal: See, as far as the revenue share model is concerned, there are a little bit of capex are required. So it works out to roughly INR5 crores, INR6 crores per hotel, say hotels is of say 70 or 80 rooms. In that INR5 crores to INR6 crores of capex we do in the first year. And in management, definitely, there is no capex required.

However, in the current financial year, we are looking at renovating few of our properties where the utilization of the internal accruals -- we will use the internal accruals to do the renovation of some of the properties we have not done any capex in the last 4, 5 years. So this year, probably 2, 3 hotels of our -- they need, but the amount is not very high, around INR10 crores, INR15 crores will be doing in the internal renovations.

Rishith Shah: Okay. Okay. So basically, if we say maybe, say, around 40 to 50 hotels this year, another maybe so 40 in the next year, so 80 out of that, maybe say, 10-odd 10 to 15 hotels would be on revenue sharing. So that costs around INR70 crores, INR75 crores.

Amit Jaiswal: Around INR70 crores.

Rishith Shah: Yes. So basically, we would be generating a healthy amount of cash over this next 2 years, given the INR120 crores EBITDA. So what are the plans for the cash deployment that we are going to generate?

Amit Jaiswal: We are looking forward to trying to get rid of any partners in our like we have done in the industries of Goa hotels. We have maybe 100% hotel. Similarly, other 2 subsidiaries, also, we are looking forward to buying out our partners so that we can develop the hotel as per our standard without any hindrance from the partners. We may. It is just in discussion stage. And may be little bit of...

Moderator: Our next question is from the line of Rahul Bhangadia from Lucky Investment Managers.

Rahul Bhangadia: So just as an addition to the previous question, will increasing dividend pay-outs also be a part of management of cash flows?

Amit Jaiswal: Come again, Rahul?

Rahul Bhangadia: Sorry, I mean increasing the dividend pay-out will also be a part of the management cash flow is the question that was asked before?

Amit Jaiswal: Yes, yes. Yes, definitely.

Rahul Bhangadia: Is there a policy that we are looking out for. This year, we almost had a INR50 crores profit. So I can understand that the pay-out this year were lower, but sorry?

Amit Jaiswal: We have declared dividends this year for 20%.

Rahul Bhangadia: That's as a percentage of the face value, right? But I'm saying, let's say, out of INR50 crores, this number will probably come to about INR5 crores to INR6 crores. That's about a 10%, 12% pay-out?

Amit Jaiswal: Yes. So we will be keeping the internal cash accruals for different purposes for the growth as well as retiring some debts. So -- but next year, definitely, we'll be -- we'll try to give a higher dividend.

Moderator: Our next question is from the line of Amit Agarwal from Nuvama.

Amit Agarwal: Sir, a couple of questions from my side. Firstly, I just noticed that your manpower-to-room ratio has increased from 1 to about 1.27. So can I take that as a constant or can it increase further?

Amit Jaiswal: No, no, it will not increase further. So if you have seen last year. Last year, it was a second wave of the COVID was there in the first 3 months. I think the number was very, very low. And -- but we'll try to maintain this -- this started at the optimum level. See, in current year, we have been operating at 77% occupancy, and we have been able to manage at 1.27. So I think it will be the ideal number with which we'll be operating all our hotels.

Amit Agarwal: My second question is in the -- on the ratio of F&B to room rental, I noticed in FY '23. FY '22, of course, was impacted by COVID is about 66%. So is that an average going forward, which you'll be looking for in this F&B to room rental. Am I correct on that?

Amit Jaiswal: Yes, yes.

Amit Agarwal: And thirdly, on -- there's some amount of goodwill on your balance sheet. What does this goodwill refer to?

Amit Jaiswal: Yes. Goodwill is one-off in one of our assets in Jaipur, which we are depreciating over a period of time.

Amit Agarwal: Sure. Sure. And finally, if you can give some idea of -- you said you're moving into the international scenario also. So any particular locations you've identified whether it's going to be a management contract or any other revenue sharing or what kind of a status is that? If you can give us some idea on that?

Chander Baljee: Right now, as I said, it is a very exploratory stage. We are exploring Sri Lanka. We are exploring Thailand. We are exploring Nepal. So the neighbouring countries. And so we've just recently appointed a VP in charge of that. And we're actually working on it. And I think we should -- very soon, we can announce it.

Amit Agarwal: That is primarily -- would that be most likely be on the management contract?

Chander Baljee: Correct. We are looking at management contract, but we are not averse to revenue share or a lease in case some opportunity comes our way.

Moderator: Our next question is from the line of Rishith Shah from Nuvama Wealth.

Rishith Shah: One question on our kind of brand. So basically, what kind of exercise or investments or initiatives we are doing to kind of increase our brand recognition in the respective areas or places where we are?

Chander Baljee: See, what we have done is we have earlier, of course, 2 years was COVID. And before that also, the company was just expanding. And so now that we reached a critical mass, we have appointed social media agencies across the country. We have got about 8 agencies who are working on Instagram, Facebook and all sort of our direct mailers and things like that, they're working on that. And we are projecting our Regenta brand earlier because the company is also known as Royal Orchid Hotel.

So Royal Orchid was largely known but people didn't know what Regenta. So now they're getting to know about Regenta. And the fact that we have established some of the hotels, they are doing very well if there is certain market. So brand is developing. And of course, we are going to be hiring another agency who will look after the All-India branding. So we'll be spending a lot of money on that on branding, marketing. And I think we will go stronger year-by-year.

Moderator: That was the end of our question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Chander Baljee: Well, thank you very much for attending this conference call, particularly later in the -- our Board meeting got extended. So we were not able to send the details in advance. But I'm very happy that all of you have asked very, very relevant questions. And we will -- whatever we have indicated about our growth in this session, we will try to meet up to your expectations in the coming months. Thank you.

Moderator: Thank you. On behalf of Royal Orchid Hotels Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.