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Ladies and gentlemen, good day and welcome to Q2 and H1 F526 conference call of Kamath Hotels India. 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 a touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Purwangi Jain from VLVM advisors. Thank you and over to you ma'am.

00:31

Good afternoon everyone and a warm welcome to you all. My name is Purwangi Jain from Valorim Advisors. We represent the investor relations of Kamath Hotels, India Limited. On behalf of the company and Valorim Advisors, I would like to thank you all for participating in the company's earnings conference call for the second quarter and first half of the financial year, 2026. Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature.

01:02

Such forward-looking statements are subject to risk uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief 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 call is purely to educate and bring awareness

01:29

about the company's fundamental business and financial quarter under review. Now let me introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Vishal Vithal Kamal, Executive Director, Ms. Smith Ananda, Chief Financial Officer, and Mr. Nikhil Singh, Company Secretary and Compliance Officer. Without any delay, I request Mr. Vishal Kamal to start with his opening remarks.

02:00

Thank you and over to you,

02:03

Thank you, Turgangili. Namaskar, everyone. Welcome to our earnings call to discuss the results of the second quarter and the first half of the financial year. I'm sure many of you have already gone through it, as it has already been made available on the Stock Exchange also. So this month, while Q2 has been generally a leaner uh period, this time our results have not been very uh supportive or encouraging.

02:31

because of various factors which we will get into further in terms of monsoon and other aspects. That said, we also have opened five hotels in this Situ, which are out of which, within Panchgani, Dwarka, Drishikesh, then we've Porvorem in Goa, and also Hyderabad. So this is added approximately to 80 rooms more. And now we are standing at today 24 operational properties, along with 2100 rooms across the country, not including the...

03:01

additional hotels to come and additional rooms in pipeline. These are just active. So that has been what we've done. Havnagar which was to open has been rescheduled for April due to some of the things to be done by the owners. So as for them, so it's got delayed. So overall our ARR has been better than last time's quarter. The occupancy levels have mainly fallen because of which we see the drip in the revenue and overall

03:30

With this, I'd to hand over the call to Smitaji so that we can elaborate more on all the questions that each one of you will have. Smitaji, please take everyone through the financial performance and then accordingly we can discuss. Thank you. Namaskar sir, thank you. Thank you everyone and good afternoon. Let's begin upon the key performance highlights for the quarter and first stop of the financial year 2026. On consolidated basis,

03:59

The revenue for second quarter stood INR 75 CR representing a decline of approximately 12 % year on year basis. EBITDA for the quarter was INR 8 crore lower by around 63 % year on year basis and EBITDA margin of 10.43%. At the profit after tax level, the company reported a loss of rupees 30 lakhs compared to profit of INR 40

04:28

in the corresponding quarter of the previous year. For the first time of the financial year 2026, consolidated revenue stood INR 158 crores, which was broadly flat year-on-year basis. EBITDA for the first half INR 26 crores reflecting a decline of 28 % year-on-year basis. an EBITDA margin 16.41 % for the period stood for 2

04:57

translating to a net margin of 1.39%. With this, I conclude my remarks and request the moderator to open the floor for the question and answer session. Thank you. Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and

one on the touchstone telephone. If you wish to remove yourself from the question queue, may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen.

05:27

We'll wait for a moment while the question queue assembles.

05:35

first question is from the line of Surya Beda from Beda family office. Please go ahead. Yeah, sir. Good afternoon. And just I will congratulate on the good investor presentation which you have been presenting quarter after quarter. But sir, my question is why you have given lot of information, but the information which shareholder wants is why the quarter was so bad. So that is none of the in the none of the slide it is given.

06:03

the reasons and all factors which led to this kind of performance. So I was very disappointed. So I decided to attend the call. So what are the factors that led to this kind of revenue decline? So, Sureshji, firstly, thank you very much for taking the trouble to come on the call. I will share with you all the reasons that basically we've had that this quarter has not been very good.

06:30

on a consult level, particularly our subsidiary companies. One is EnVotel, which has the Shimla and Manali hotels. That basically due to the road washing away and the delayed time that because the devastation was very high, so the delayed time that it took for the roads to be made, our full quarter got washed out in the case of our EnVotel hotel, where it affected both revenue and expenses because expenses we could not reduce, though we have got afterwards subsequently a two month waiver from our Manali owners.

06:58

in which rent was waived for two months. that's basically, but still, it is still having a cost which we've had and that is one of the reasons. The second other reason is that even Chandigarh, our subsidy which is there, since it's a new hotel and the expenses which are there, it is in loss, which basically will get turned in the coming year. It's the starting May as a general practice, which we've mentioned before also. All new hotels which we book, we book the expenses, we don't capitalize the expenses.

07:28

Because the comparative to our operation, the expenses are not so high. So we might as well book the expenses and have it in our MIS so that it puts some more pressure on our team to perform. This I've shared in the past also. And this is true with the hotels which have opened up new also. And this is the case of Chandigarh and these five new hotels which we have opened. But considering that in Q3 and Q4, Chandigarh already started doing well.

07:55

We will have a turn in our new hotels also which will be there. They will also offset their opening expenses and the Chandigarh also in the same manner. So one is our subsidies, our subsidies was a challenge. Secondly, the new hotel openings, that also has a burden of cost on us, know, staff and marketing and other expenses which are there, which has been Q2. And third also sir is basically we've had in general a weak Q2 in terms of revenue.

08:23

So today, even if my expenses would have been managed, had I been able to have a better revenue, unfortunately, this year the drop in monsoon has affected us, in Mumbai being a lot of large part of our business. Coming from Mumbai, it has particularly affected us in Mumbai and Maharashtra, Pune and Mumbai both. That there has been a drop in revenue. And because of the drop in revenue, in proportion, obviously, the expenses are not elastic, because our staff and other things that is going to still remain. So the cost...

08:52

is kind of in line with what we should have done in terms of revenue. So that is also another reason that we've had that overall the revenue has fallen in this last quarter. But Q3, again, like I mentioned, it looks excellent in terms of its performance. And I think we'll be having a good Q3. One more other reason basically is that we had a drop is also in Pune Orchid, particularly, which is a subsidiary of ours, OHPPL. As we speak, a renovation work has been going on in that quarter.

09:21

and that is ending now on 15th of November, the first phase will get over and the one part of that first phase will get over on first week of December. So that is one small hall, it's not small, sorry, it's the 7,000 square feet hall that will come by first week of December, but the rest, all the spaces will be completed by 15th of November. And because of that, we've not taken our major mice groups, events, which we have compared to before have taken.

09:48

We have not taken all that because our main all things were renovating. Now we are obviously stopping the renovation means not stopping. The right one would be pausing our renovation once this done and we will again take up the renovation in April again in part because so that the hotel

operations does not get affected and revenue and cash flow keeps coming. The good news of this is that while there has been a dip in the revenue

10:16

The good news is that all this renovation and up-gradation which we doing has been to internal accruals and the effect of this renovation and it seems already being seen in terms of an improved ARR in the coming quarter. Our ARR for Pune-Orkin is already based on the people come and they see the renovation was going on. We have been able to close business as a better ADR for the future booking already. So as we had planned that the renovation should pay off.

10:45

that innovation will definitely pay off in terms of a much better superior product. It will definitely be one of the top quarters in Pune, not only in terms of its size and volume of business, but even in terms of its class standard. Keeping this in mind, Pune Orchard also has dip and that's how the thing has been. So this quarter, unfortunately, has been the perfect storm of a dip in revenue. Subsidiaries not supporting each other. And again, this is primarily why.

11:11

Kamath group wants to expand beyond Maharashtra and particularly Mumbai and Pune so that you can deleverage its risk just as a national hotel chain should. So that's why we doing our portfolio and we have all these other properties coming about. Fair enough, I think that explains well. So in essence, think as you mentioned,

11:33

one Chandigarh and then five other hotels that expenses are incurred in the Q2 which was not operational, right? Yes sir, yes sir. So all our, in fact one more thing I can mention to you why our Q3 will be better than last time apart from the improved performance or as per normal that the wedding season and all that starts or the Kaya date starts the main one other thing is that last year hotels which did not perform very well

12:02

because they were new like Jamnagar, like um Sambhaji Nagar, ERA by Octid Sambhaji Nagar because of the expenses booked as I mentioned before on a performance basis they did good but on MIS basis they were in negative but this year they have now started obviously paying themselves back in terms of their MIS performance coming in in sync with what it should be because of the expense dollars so that now will also add value and compound to our uh

12:29

That is completely fair enough. think the only thing was it was not explained in the initial presentation. Yes. Of course, then I would like to meet you in person. Yes, sir. Definitely. And sir, one more question. In future strategy, that is you have mentioned in the slide, KHIL 3.0, where you you have projected revenue of, say, 400 crores. But look at the H1, will you...

12:58

revise your guidance down or the 400 crore remains intact? No sir, based on what we see, based on what we have in hand and based on what we see, we will stick to our guidance of 400 crores. Great, great. That is our music to hear here. So thank you sir for giving me the opportunity to ask the question and would like to meet you in person also. Thank you very much and all the best. Thank you sir, thank you.

13:27

Thank you. The next question is from the line of Kanisha Kansara from Molecule Ventures. Please go ahead.

13:40

Excuse me, Krisha. Yes, you're audible. Please go ahead. oh But I have a question similar to the earlier participant. So you mentioned two, three reasons for this quarter's poor performance, monsoons and then OHPPL renovation, and then, of course, the expenses related to new properties. But if we look at the past quarters also, we already had this sector's play out in those quarters as well.

14:09

So reporting of degrowth, even when we had new properties which were open few quarters back, oh it is slightly disappointing both on the top line degrowth part as well as the impact on the margins part. So in this quarter, the employee cost also has seen a sharp increase. So could you please pinpoint on the primary reason for this degrowth? Of course, there are multiple sectors. But if you could pinpoint on

14:35

one primary reason for this kind of degrowth and one another question related to this is as earlier participants asked about the guidance revision. So we reported close to 160 crores of top lining H1. So do you think that we will be able to know, meet that 400 crore guidance in the H2? That is my question. Thank you. Sure.

15:02

Krishnaji, will again uh based on if you look at it, our overall uh quarter on quarter, the employee cost has basically gone up by one and a half year. Primarily in this cost which is there is this is one of the examples of the reason that I'm saying that why the employee cost has gone up is because the pre-opening of a hotel is where the expenses does go up. It does go up. But you have to take our general manager will join.

15:30

anywhere between four to six months before a hotel opens, sometimes even much before that, because he then is your operational and administrative in charge to set the hotel up. Excuse me. Of course, along with him, he's not alone. He needs a team. There will be a housekeeper. There will be a FNB person. There will be a chef. There will be various others who will all join as HODs. Along with them, there will be a pre-opening team who will come in.

15:57

there will be an extra number of people as the pre-opening because there is a training element involved, there is a set-up cost involved, then let's not forget that all these people need to travel. So another large cost is travel. Today, airfare is sky-high. Each time we have to set up a hotel, like example in Hyderabad, the number of visits that were required, it's not... Now, the catch-22 situation which we will appreciate is that neither are these employees who we are sending are so...

16:26

lower in cost that they can afford to be sent by train. If someone's one day working is costlier than the airfare, then you will probably obviously calculate and say go by aeroplane. If somebody whose cost of salary is lower than a train, then you are lower than airfare, you will send him by train. So there is always a thing. So today, a lot of people are more and more traveling by air because the cost of their two day, three day in a train is more than the...

16:55

that if he catches a flight and reaches in one and half hours and starts working from the same day or whatever. So there are a lot of travel costs, there is a lot of employee costs, then there's a lot of marketing costs, there's a lot of digital expenses, all this which is required very much in advance for a hotel in particular. And that is basically why we see this kind of expenses in a reopening of a hotel. So one of the examples of cost which I mentioned to Vedaji is basically that this

17:24

expenses one. Secondly, the subsidiaries like I mentioned Sandigarh or like I mentioned Enrotel, these have had losses which normally would not have happened because also good time, in a good time when a season kind of is there in Manali and other places, this road got washed away and we

basically had a double hit. So revenue also disappeared and expenses also high. So that also impact we had. Then, so that was one like I mentioned.

17:53

And then overall performance has been a dip, which I agree with you, that we have not performed as well as we should have, even considering the monsoon and other parts. There has been a challenge in terms of our overall performance in this Q2. But all that said, I am very confident and I'm very sure of Q3 and Q4 achieving our target of 400, like we have already given. Otherwise, we would not put it.

18:18

because we know that you will always hold us accountable to what statement we make. And that is why I reminded our listeners who have been, many of them, including your firm, following us over the last many, many years, that our strategy or our other practice, not strategy, our practice has been to always book the expenses of every pre-opening, not capitalize it, so that we book all the expenses so we get a clear picture of performance and cash flow rather than anything else. And that is why basically we have a, you know...

18:48

transparent strategy rather than capitalize it, which is not wrong. Both are correct. It's just that we have chosen to take this as our methodology of expansion. I hope this answers your query, madam. uh

19:09

So you're confident of clocking like 240 crores in this H2? So if I may say, last time in consolidated, we had 163 crores rupees in 2024. And we had 100, this year we had 161.5. So we are not very far enough in general from our last time's, what you call last time performance. And last time we told that 360,

19:38

we closed at 365, 364.79. So if we look, correct, Ms. Smita? Yes, yes, sir. So if we look at our current 364 of YTD and when we look at that we are not far off in our H1, H2 compared to, H1 compared to last time, then definitely if you extrapolate, madam, you will find that with all these new hotels coming, Hyderabad,

20:04

I mean Hyderabad, unlike other hotels, Hyderabad is such a vibrant market that unlike other places where our hotels take time to stabilize and to come into a general operating breakeven, Hyderabad



in the second month itself will do it. That weren't a market. So why will that not add to our top line and help our bottom line? So this is basically where I'm very confident of having 400 uh crossing and the YTD.

20:33

Also, madam, just for your own calculation, you can take out the hotels which have done last time have opened mid-year and contributed to 364. So when you take them now for the full year, you will definitely see the value in the statement which I made of coming to 400 crores. Thank you. Thank you, sir. Thank you, madam. Thank you.

20:57

Thank you. The next question is from the line of Adi Verma from Synergy Finance. Please go ahead. Yeah. Good morning, sir. Am I audible? Yes, sir. Yes, you are audible. Please go ahead. Yeah. Good morning again, sir. My question is, first of all, in the last phone call, there was a question regarding, you know, that the valuation of the company is less than the other peers. And you said that we are giving a very conservative outlook and we will try to work.

21:27

on our goals in achieving further numbers. So clearly that has not happened this quarter and I heard your explanation which was quite satisfying. So just want to confirm that sir, going further, do we see any surprises like this? And I'll take my second question also. uh Sir, in compared to your peers, like you know, I somehow feel the popularity is not as it should be. Like, you know, if you give an option to a tourist,

21:56

like you know which hotels they would like to go. Karma hotels name does not appear very frequently. So are we working somewhere to improve our brand presence, the advertising, the popularity? Thank you, sir.

22:11

was very good. The second one was an even better question. I'll come to the first part. If there is any surprise which we can see, then it won't be a surprise. So the whole point of a surprise is we will not know. But we can anticipate multiple challenges and we should work on that. For example, know, rain nobody expected that it will continue till November. Nobody ever would have thought that, you know, normally it is said that, rain goes with till 15th, 20th, 25th September. And then October is considered a very hot month.

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very very hot month but this time it was raining like cats and dogs in Mumbai, in Goa, in various places. you know, we cannot foresee but we can anticipate and keep planning. For that what we can do, we can one is have cash reserves so that if tomorrow some tragedy comes or some challenge comes we should be able to continue smooth functioning. We should be able to have transparent HR policies so that our people don't jump ship on a small whimsical thing. Today that is one of our strengths which is there.

23:09

So definitely we are scanning always to see what can be always as a threat for us. Now when Donald Trump does certain nonsense, then automatically we also have to see from our own perspective. Nobody expected Operation Sindhu to happen. But once it happened, what all did we do? How did we support our industry or how did we support our nation? So these are like what we did in Kamath Group was we said that if any particularly Chandigarh and various locations where our hotels were there,

23:36

You know, we had already floated that if any time any problem is there and if you need a shelter, you please come to our hotel which is nearby. And we had kept arrangement if anyone comes, that time there is a place for them to sit and all that. And we have some basic necessities as emergency would require, including first aid kit. So these are all things which we can max to max do. So surprise wise, we are scanning, if it's a surprise I know, then it's not a surprise. Coming to the second part of popularity, sir, this is a constant endeavor and a struggle of every organization.

24:06

even a big brand, global brand, Indian global brand will struggle in a foreign country to establish itself. And we also, depending on our different brands, struggle in different places. Okay? Even if just because we are Kamath and we are famous for our food, it doesn't mean we should take anything for granted. So we do constant marketing. We do constant this thing. What do you call it? There's marketing is there, then our auction rewards program is there, which has more than 10 lakh members. Members come through that. Then we have a sales team of our own.

24:36

We rely very limitedly on online travel agents. Very candidly I must tell you that they are our partners. But you should never allow your partner to become dominant in your thing. Even a good husband wife has to be in balance. I cannot dominate my wife, my wife should not dominate me. We have to be friends and partners. Means equal. And that's why in our case also generally we keep our OTA business around.

25:02

anywhere between 30 to 45 percent. In some cases, in smaller hotels, it may go up to 40. But the rest of the 60 has to be filled up by our sales team. We have a sales network across India of our own. We have a sales team of 45 people of our own, not just outsourced or as in terms of OTA, and they basically go to travel agents, they go to this thing. So we have a strong network where we should be.

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getting the sales from a network of is our own allied network. So keeping this whole thing in mind, growth and visibility is a constant thing. That's why we also do various other marketing activities. We do, by the way, a lot of social activities. This also adds to our image. So in newer markets, we definitely are known but not well known. So for that, in every market, nobody knew us 20 years back in Orissa. They just knew,

25:56

But today we are an integral part of Odia society, Bhubaneshwar and excuse me, in Bhubaneshwar, in various other parts of Odisha, Konar, Puri and even others, not just that. Today we are known as a brand and we are known. So every place we go, we will exactly have to struggle like you have suggested Adi ji and we have to make our mark. Thank you sir. We are long time with the Samath Hotel and wish you all the best. I hope you progress.

26:23

Thank you sir. No, no sir. I really respect your patience and I'm sure your patience will be rewarded. I'm working towards that.

26:32

Thank you,

26:35

Thank you. The next question is from the line of Amish Kanani from Nowise Investment Managers. Please go ahead.

26:48

Hello?

26:51

Excuse me, Amin. Yes, you are audible. Yes, sorry. So, you explained the increase in expense and the hotels in Manali and Shimla being the reason for lower margins. If you can split between the two,

sir, I can see the expenses have increased by 5 crore and the top line has decreased by about 10 crores on a YOY basis. So, this fair to assume that this entire 10 crore fall

27:20

is largely coming from declining revenue from these Shimla and Manali and that explains the 15 crore change in Abidjan? No, no sir. They are just one of the reasons amongst many other reasons. They are one of the subsidy. EnVotel Hotel is one of the subsidy of Kamas Hotels. As I mentioned, and I'll just repeat for the sake of your thing, is EnVotel, NDI Hospitality, OHPPL, all of them together and Kamas Hotels itself.

27:48

All of them this quarter have not performed in terms of either top line or in terms of their EBITDA. That is basically the main thing. So it's not fair to blame only one hotel. It has been a collective overall dip of ours of UGAMS. Okay. Okay. So say Manali and Shimla put together what was the revenue loss for this quarter, if at all it's quantifiable.

28:17

Sorry sir, go ahead. Yeah, I'm saying Manali and Shimla put together. What is the quantum of loss? it more than 5 crore? Maybe you can calculate the rooms and know IRR and can calculate it but just in case, you know, we have a ready number so that we understand the sensitivity of these property to that overall numbers. Sumita ji? Yeah, it is coming. Shimla Manali contributes 3 crore rupees. 3 crores. Okay sir, we got it.

28:46

balance is spread across maybe few properties. So sir, in general, know, second, third quarter is very, very high for us. And you know, there actually last year I saw our margins were as high as 40%. So one is it that, you know, if we end up surpassing last year's number, the margins also would be similar or more.

29:13

So sir basically in terms of trading on a YOY basis it would be somewhat fair to take the same assumption of the thing but considering that Q2 has had this 10 crore dip we must factor that in also in all fairness. so while factoring that 10 crore fairness based on last year's you can calculate. Sure sir. uh

29:40

And sir, we have withdrawn the merger proposal that you know that property that you know we were intending to merge and you know you were mentioning in the past that that was a good

property. What was the reason for this withdrawal of this proposal? And I think there is some one time income there. So if you can explain that transaction and why could we not merge this property with this company? Yes, Ajit. Yes. So basically sir, this merger has been withdrawn on three reasons.

30:10

One is there is uncertainty about when the statutory authorities are going to give us the approval on that. Because SEBI itself has taken more than 13 months for the approval, apart from that BAC, NHC and MCLT was there. So it was prolonged and delayed procedure. That's why we have taken a call that in the interest of everyone, we should have to withdraw the things.

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Sir, in the past we have seen companies not getting approval maybe one and a half, two years, but still they end up merging if that is in the interest of company and the minority shareholder also. So it is a bit surprising that just within the 13 month period, is expected, in reality sometimes take quite a bit of long time. So it's a bit surprising that we are withdrawing this so early, relatively I'm just saying.

31:10

But yeah, that's an observation, sir. And so that was not, you know, kind of, uh you know, it was the progress was not updated on time. But maybe, you know, the board has their own reasons to not do this. yeah, sir. So thanks a lot. Thanks.

31:31

Thank you. The next question is from the line of Sanchit Adarwal from Ratnabali Equity Private Limited. Please go ahead.

31:39

Hello, am I audible? Yes, you're audible. Please go ahead. Hello. Yes, please go ahead. My question is that currently we have 2100 operational rooms and given that the FI-26 target is 2500 rooms and your presentation shows that in the...

32:05

rooms.

32:09

2,500

32:13

Thank you sir. So basically one of the things is that some of our properties have got delayed, which were in our pipeline of 2500 rooms. uh We also have to work with our owners who are developing since we are the plus and the minus of an asset like model is that in the downside is that you are dependent on the owners. Sometimes their cashflow, their operational challenges or sometimes it is just bad luck. Like in the case of Bhavnagar,

32:41

It's just bad luck that there was a fire in Rajkot which was a tragedy. And that basically clamped down on many of you who may be aware. must have, you must have heard this before in other calls also. Not only related to hospitality, but real estate, hospitality, many. That for 10 or 11 months, the government of Gujarat did not pass a single approval because they were revising the entire DCR rules for development of buildings in Gujarat.

33:08

So 11 months, literally everything came to a standstill for many, many, many people. Now that's why I cannot hold it against my owner because for 11 months, he also being a noted builder and a real estate person of Gujarat, he could do nothing. So 11 months it got delayed and when it started, that time again you have to start from scratch in terms of deploy, do everything, then many things have changed. Now some improvements came about which we gave further modifications. So what we were expecting to start.

33:37

unfortunately has got delayed. Similarly, the case of Dehradun, Dehradun should have opened seven months, six months from the, well, it should have been opened by now, but it's got delayed and it has gone into March, April, broadly. Similarly, Nashik, Nashik, our owner is there, it's the management, Okhid Hotel Nashik. By the way, Dehradun is approximately 90 odd rooms, Nashik is 50 odd rooms, 60, 60, 60, yeah, 60 approximately rooms. That has also got delayed. We are trying to push.

34:07

past because of Kumbh Mela coming over there, that's a management property. So that got delayed. know, Bhavnagar is a 60-odd-room hotel. is all. So if you can see, you can see the 200-odd rooms I have mentioned just now, only 200-odd in this three people. So this 2,500 coming to, apart from obviously what is mentioned to you, we are also having discussions because there's a lot of months left.

34:31

And new other hotels are coming in. We had never mentioned about Orchid opening, Kamar Gupta opening, ERA by Orchid in Porvoreng, which is a beautiful, nice business hotel at Porvoreng junction. And it's the ERA by Orchid. And that suddenly came about and that added to our target of, you 2500. So like this, there are certain things in pipeline. It will be more appropriate for me to care once the signing is happened rather than to share any speculation. But there are in multiple places more such...

35:00

things going on. Some will be operational, some will be to be operational and that's how we are expanding our portfolio. So we are quite confident that this target of 2500, we should basically, if not across it, we should come close to it considering we have five months more and various discussions in pipeline are happening.

35:21

Okay, thank you for the detailed answer. So my next question is regarding the wedding demand that across Kamath hotels that we have potentially received. So in terms of in comparison to Kaskia, what is the wedding demand that we have received and also you could just also elaborate on the wedding demand on some of the newer hotels that you also inaugurated.

35:52

You are absolutely right. uh weddings are pre-planned ideally. And because of that, there is a lag of at least anywhere between six months, nine months, five months, whereby someone decides to, as a family, join together and then they scout for places. Now, since we opened in the season, some of our hotels like Panchgani, the Orchid at Panchgani, it has got some wedding. It has not got a lot of wedding.

36:22

like our other hotels like Orchid Pune or like our Orchid Mumbai have got a lot of planned back to back. So this is another reason why next year particularly many of these will have a bigger kicker in terms of their performance because those also BOBs as in business or books will build up. So wedding demand while it has been buoyant for the industry, hotel to hotel it is differing in its impact. So Rishikesh also has a limited number uh of weddings.

36:51

frozen in Rishikesh because like I said we just opened now and that's the, excuse me, and that's why basically the weddings mainly are more coming on our books from the month of February, March, that way. So weddings as a demand in the industry is still buoyant as in terms of our hotels it is new hotels are having slower demand, new older hotels are having higher demand.

37:17

uh Sir, for the older hotels as compared to last year, would you say there is the

37:29

the Sorry? I'm saying it's only for the already established hotels. For those hotels, is there a higher...

37:46

is a number of inquiries particularly are not important. What is important is qualitative inquiries. There are many people who call us saying, kya shaadi karna hai. But does he have the mental, if we may have the actual money, but does he have the mental ability to say, no, this ARR ability to spend, this is the kind of budget I have. So it's not about how many queries we generate, it's very important in terms of how many we do as a closure.

38:15

And not all queries can be entertained. Most people call for very funny rates. I mean, you know, and we cannot entertain them. I'd rather be empty than to do cheap Charlie business because that's not my profile. again, hotel to hotel in some other hotel, we will compromise and we'll give, you know, so it depends on which was the hotel is, what type of hotel it is and the season also some like there have been hotels like in uh off season, which is not a wedding season, but somebody getting married in a non wedding.

38:43

and says, but mere ko yeh rate chahiye. That time we also say, khaali unni se achha, we must have that traction with us and then indirect income bhi aajayi. So I think the number of queries is not an ideal way to look at, number of closures would be and within that I can say that our FAYA dates, which are the main dates, our FAYA dates for our older hotels are full.

39:04

Okay, that's very good to hear. Thank you so much sir, that's all from me.

39:14

Thank you. The next question is from the line of Gurvinder Zuneja from Fortuna PMS. Please go ahead.

39:25

Excuse me Gurvindu, you there?



39:30

Gurvinder? Excuse me?

39:35

Thank

39:37

Please rejoin the queue. Hello, you there? Yes, yes, I'm there. you sir for allowing me this opportunity. My question was on the merger scheme Joel as well, which has already been asked. I just wanted to clarify, has the withdrawal been at the instance of the two... Sorry to interrupt, Gurvinder, your voice is coming low. Can you... Yes, yes, you're right. I was going to ask him the same thing.

40:07

uh Sorry sir, uh I'll try again. Hopefully this is better. Yes, it is better now. Please go ahead. Sir, my question was about the Marjit scheme withdrawal. Has it been at the instance of the two Marjit companies or at the instance of Kamath hotels?

40:25

It is mutually discussed and decided based on many other aspects which we had discussed. One of the things is basically as Mitaji said, we didn't want that overhang because from two years and that overhang also causes uncertainty because of which we did not want, you know, we basically, a lot of people had questions when it's happening, when it happens, what's the effect, what will be the shareholding, how it is happening, what is happening. So it was basically a mutual thing based on not having visibility in terms of the timeline.

40:56

Correct, Mehta? Yes, sir. Correct.

41:02

Thank you very much. Thank you very So just to answer your question, one part of question which may be, which you not asked but I thought I'd mention is that now Smita ji, our shareholding and other things of Kamath Hotels as of now, as of now means because now is withdrawn will remain what it is only, right? Right sir. uh So that clarity I would like to give you Gurvinder ji that now there is no uncertainty or any doubt under what it is, it is right now. Thank you. Okay sir. Thank you very much.

41:35

Thank you. The next question is from the line of Ronit Kapoor from Investire Investment. Please go ahead. Hi. uh Thanks for the optionality. So I had a question. The company has a few land parcels. That's in the annual report. We have some in Badi, in Korthayam, and there's a thing adjacent parcel to a Pune hotel. And I think the promoter entity also has a structure in Nagpur, the Plaza hotels. Does the company plan to exploit these to make hotels? And what is the timeline for this?

42:05

Good question, sir. Let me start with the Naspur property. The Naspur property was sold long back as part of in 2022. Correct, Swethaji? Yes, 2021-22 when we did our entire restructuring, that time to raise funds and to have internal accrual, to put up our side and to bring down the debt, we had already sold Naspur. So, Naspur is no more there, sir. And if it is in our current balance sheet, then, Swethaji, please look at this point.

42:34

Okay, it might be one of the oldest thing about the promoter entity has right? No, no, it's all sold. It is all sold, sir. It is all sold because that time we went 21, 22 to come out. The promoter has sold a lot of things to reduce the financial burden on the company. So it has been sold and it was part of the structuring which happened and that's why today we are out of the problems of the past. So the promoter had to sacrifice all those things and he was willing to happily doing it.

43:03

coming to Sir, your Kota Yam which is owned by Kamath Hotel India Limited. So it is a nice property but the company currently does not have any plans to put capex on Kota Yam. We oh will see what to do with it but as of now it has not having any plans to develop that hotel. Right now there's a lot of much much better opportunity in hand in you know in terms of what it's already doing. Orchid Pune is there.

43:32

various other properties are there expanding from internal accrual with where we already have revenue rather than start a green field and look at it. So we aren't developing that particular property. And regarding the Pune land which you mentioned, yes, there is a Pune land which is there. For that, the company is already in discussions and taking the ideas and the discussions from various people who have already shown interest. And soon there will be some conclusion that we will share. Once rather when there is a conclusion.

44:01

then we will share accordingly. But yes, we would like to monetize whatever assets we have so that it helps us further. And what about Badi one? Where is Badi sir? In March. March or in March? Okay, Baddi. Sorry, sorry sir. Baddi. Baddi one. No, no, no sir. Not your thing. Baddi also, because it's sold, no? Yes sir. It has been sold. Yeah, that was the Kamath Hotel and it has been also sold as part of the need at that time. Okay.

44:31

And one more thing was like this is Lotus Konaar, the lease I think has expired as per the disclosure. So any update on that like extension and what would be the new lease like with the same price or the... So sir, it's the government of Orissa property and the lease which has expired that, you know, have due to various reasons. They have supported and extended because there was a cyclone and then that that that fourth major time we could not use. Orissa keeps getting cyclones and also there are various things.

45:00

At the appropriate time, the proper thing is done, then we will update accordingly. As of now, it is as it is. So extension is expected or like... Yes, extension is definitely expected. We definitely, because we have very good, we have performed exceedingly well for the government. We have performed not only in terms of reputation, but even in terms of revenue for them. So also we have more than stuck to our ethos. The whole idea behind giving this property

45:29

was to a person who is from an environmental hospitality background because it's in an environmentally sensitive zone. And today it is one of the Odisha government's most prime uh poster for showing the kind of sustainable tourism. Every single guest, in fact you'll be very pleasantly surprised to know, even the Rashtrapati himself was very keen to come and stay here. And while he could not, when he had come to Konark and...

45:57

Unfortunately, due to certain reasons, there's a bridge over there. The bridge is not allowed as per protocol for the Rastafari to travel off. Because of which, because it's an eco-sensitive zone, there's a wooden bridge. While that wooden bridge is very safe and even a tempo can go on it, there are government protocols for the first citizens. And that is why, you know, he could not disingue. But that's the kind of such word popularity that Orissa government is proud of and we are very grateful to their support. And this will remain, like I said, a renewal process which happens. will.

46:26

do. Okay, and last question is like on this era of get Mumbai. So now the company's financial condition has improved a lot. So I want to say like we had got the lease at a quite expensive like 21

crores you're paying annually and it's getting 50 crore turnover. So given that now doesn't like it's I think it's also affecting our EBITDA margins if I see on a overall basis.

46:52

Does that make sense to convert it on a management and pay 20 crores for a higher revenue hotel like 100, 120 crores in some other city? It's a very pertinent point, sir. On these lines, we are already working. We are waiting for our thing to finish, which will finish now. And then based on that, discussions are on with our owners. Let us see how it's rectified. We are, touch wood, having very good relations with our owners. And that is why basically we are waiting for this thing. So once the discussions happen,

47:22

that time we will have a but your point is taken actually it's not just taken I'm glad that it's came from you because we also have some similar thoughts let us see sir how that pans out in the time to come okay thank you and lastly with like all the future expansion like I feel like Kamath hotel like over the years has a hundred plus room hotels but your current patch delivery is like six fifty sixty rooms so that's not

47:48

letting the company utilize the optimal EBITDA margins and even the brand image are not being enhanced because of that. So the hotels get lost in oblivion because of that fact. I think if you, in the future the company takes larger 100, 120 rooms, it would have the brand as well as the EBITDA margin expansion. So I'm with you. Right now, basically the company has many a times taken the opportunities that, you know, it got presence in front of it.

48:15

For an example, I would be more than happy to have a 100-150-room hotel in Sambhaji Nagar, but unfortunately, we have not got that opportunity. But what we got was basically 33-room era, which is doing exceedingly well and is extremely well-known, one of the top in terms of its segment performers in Sambhaji Nagar. So what you said is definitely something which I subscribe to your thought. But whatever opportunities based on we get, rather than reject or not do,

48:44

If it makes sense in terms of a larger network, then we are doing. Otherwise, we are rejecting. In all fairness to my team, many a times their performance is affected because I say no. Exactly on the lines of what you said, I tell my team no because either it has to add value in my network or it has to add value in my bottom line. So this way, we have been working and so the team gets us many more opportunities than what actually we close. But I want either to give me revenue, like you mentioned, or...

49:13

it has to enhance in terms of our value. Those have not plans that we don't take. But Sambhaji Nagar, for example, was something which helped tremendously our sales in Maharashtra in general, because a lot of people have factory in Sambhaji Nagar and their offices in Pune. For example, Skoda. Skoda head office is in Pune, not in Mumbai. But the factory is in Sambhaji Nagar. Because of that, business of ours has gone up. Because now that we have this small property in Sambhaji Nagar,

49:40

the connectivity with Koda team and the other aspects have gone up. So this is a small example I can give. There are many other companies who we have benefited from our small tie-up of this. But if I get my God's grace a hotel over there with more keys, I'm ready for it. Okay, thank you. That's all the best for the future. Thank you, sir. Thank you.

50:05

Thank you. The next question is from the line of Abhijit Singh as an individual investor. Please go ahead.

50:12

Hello, am I audible sir? Yes sir. So sir my first question is, the numbers are way off the mark. If you look at the monsoon and other things, our peers have grown decently well and we have approximately 250 rooms additional compared to H1 of the last year. Like we have Tundigard, have Noida, we have Goa property. So the number doesn't look good on the year on year basis comparison.

50:42

because it's additional we have approximately 20-30 % more rooms but in the revenue terms we have declined 15-20%. So first question is this and the second question is that you have and the publicly you have many times you have reiterated that the land parcel that you have you want to merge have appreciated in the price significantly but in the end time when you are saying that we are not merging that so it doesn't look good.

51:11

it raises a question on the corporate governance. So that's my second question. if you can answer. I will take a second question, sir, because the first question I've answered multiple times. So I think that you may have joined in late. But I will answer the second question, which is very much more important, because I understand this is also one of the things that we did discuss, that the optics, as you mentioned, it looks like that. But it is not the case. ah

51:38

what you have asked about basically in terms of the value or the appreciation or the other things. The value and appreciation basically is all notional. Ultimately, oh whatever would be would be based on the actuality. We have not done any land to sell or to this thing where suddenly the great value would be. It is basically that whatever the merger scheme was there from last two years and this is not something new. Everyone was well aware from long time that whatever is happening and whatever is coming, you know. So...

52:06

It's not that we did not know Vatwan will come someday. Everybody knew. But unfortunately, point is that the length of the thing is so long that today our share price, okay, based on our performance, let's talk about the performance part again now to come to the first part. Many of my previous colleagues or rather your previous colleagues have asked, will you do 400? Even if I do 400, it is affecting our overall shares and other things in terms of that.

52:35

Okay, after merger, what the merger? If my investors don't have clarity in terms of what is forward, then that overhang of two years, I don't think is fair to them also. How much can I also test anyone's patience? Because many a times people would ask, what happening after So better we thought is that when we discussed it, that this is taking too long and it is not because of us, it is because of all the statutory body. Better is that we just do that needful in terms of and that time whatever, you know.

53:03

the thing is there, we'll see. Overall, your point is very, very valid. We just also discussed that it might look bad with the optics, but I have to ultimately do whatever best can be for everyone. And that basically includes us having no overhang and all this kind of thing which has been going on for two years. That's basically it. Okay, sir. But with all due respect, sir, I want to make a point that if you say something in the public forum and

53:32

you don't implement that then it doesn't look good because we uh don't have a kind of reputation from the experiences that we had. We had gone to NCLT now we are doing this so it doesn't look good. No, no sir. Let me clarify to you. We have never gone to NCLT sir. Let me clarify to you. We have never gone to NCLT. So our reputation in terms of NCLT, yes, we were defaulted but we were never NCLT. So that misguidance, whoever has given you.

54:01

And secondly, sir, let me tell you that our reputation in terms of today, the same banks who once upon a time have put us as defaulters are today waiting with one foot, when we will do business again with them. It is that we are loyal and we have not moved from Axis Bank because they supported us and they've done it. Otherwise, sir, today many people are more than keen to tie up the Kamath Group because of, you know, a saying.

54:29

When it rains, the takes it away. When it doesn't rain, the umbrella comes back. Now, who umbrella, that is a different thing. But it is important that it is The point is that let me share with you our reputation in terms of how we have dealt. We have done exceedingly well with every single lender of ours and today we have a stellar reputation and a stellar faith from them and they are many of them would be more than keen to take us back.

54:58

It's just that we basically from our entire settlement have now come down to today 90 or crore rupees, 90 something. And by this year ending, we should be more or less at 88 crore rupees. And we are with Axis Bank because they have supported us and we are grateful to them. Okay, okay sir. you. Thank you, sir.

55:21

Thank you. The next question is on the line of Virat Shah from Tata Digital Analytics. Please go ahead. Yeah, thank you for opportunity. Sir, my question is regarding the occupancy rate. So if we see in this quarter, the occupancy for Orchid and ERA both has fallen drastically from the historically what we have seen in last two years.

55:45

So my question is, apart from the reasons that you mentioned for the Simla Hotel and for the Chandigarh and Pune Hotel, are there any other structural reasons that you are seeing in your other hotels because of which the occupancy rate has fallen to 47 % in orchids, specifically, from 66 % in last year's quarter? And anything that you can foresee in terms of...

56:13

if this will continue or if you can see any substantial improvement in November and October. So sir, the whole thing, that's why sir, what you saw, said about 46 % this is brand wide as shared with you and this highlights what my point was.

56:37

Himachal orchid or Shimla orchid is 98 rooms and our Manali orchid is 48 rooms. 45 or 48 rooms. In fact, Manali was zero for more than Shimla.

57:05

Manali was zero occupancy for three months, two and a half, three months, and Shimla was for 40 odd days. Now, sir, when the occupancy is zero mathematically, you calculate and you see that even though Orchid Mumbai is 372 rooms, and against that, and at 90 % Pakadlo, suppose they are 70 % Pakadlo, you do any math ratio. The minute the opposite side, 150, as a brand when we are given the thing, has dropped the whole on one side, you find this drastic drop.

57:33

which is exactly why our revenue also and our this thing also shows that drop. So brand wise what you have seen is correct and it is exactly that because of certain hotels drastic having a drop like Shimla Manali and a sizable 150 in considering that the total base of orchid number of rooms which is there would be I think around almost thousand. When you have thousand may say 150 rooms suddenly you will find this massive issue. So definitely that's why you see this 47.

58:04

Got it sir, understood, very clear. basically we can keep in mind that the occupancy rate for the other hotels apart from this three hotels, Simla, Manali and Pune as you said, we can assume that the occupancy was near or more or less in line with our previous quarters. No, there was a dip, that's by the revenue, there was a dip in the quarter also.

58:32

in our hotels like Orchid Mumbai and ERA Mumbai. oh So there was a difference in our overall opportunities also. That is why cumulatively we've had this whole challenge in the... So it's not only in terms of your... That has been the major reason. The major reason has been that. But even if they would have been normal and if the hotels would have performed the way they have performed, let's assume that whatever they have performed, they performed.

59:00

But if today Manali and Shimla would not have example been so drastic, we would have still had a much better quarter. So that is basically the point. Understood, And sir, do you see any improvement in oh October and this 10 days of November in terms of opportunities? Definitely. Definitely. All right. All right. Yeah. That was from my side. Thank you. Thank you very much. Thank you. Thank you.