GRAND CONTINENT HOTELS LTD
[Formerly Known As Grand Continent Hotels Private Limited]

Date: 25.11.2025

To,
The Manager- Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, Block-G,
Bandra - Kurla Complex,
Bandra (E), Mumbai - 400051

SYMBOL: GCHOTELS
ISIN: INE12E301017

Dear Sir/Madam,

Subject: Transcript of Earnings conference call held on Thursday, November 20, 2025.

Pursuant to Regulations 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find attached transcript of earnings conference call held on Thursday, November 20, 2025, for investors with respect to un-audited Standalone and Consolidated Financial Year for the period ended September 30,2025.

This is for your information, record, and appropriate dissemination.

Thanking You,

FOR, GRAND CONTINENT HOTELS LIMITED
(Formerly Known as Grand Continent Hotels Private Limited)

UMA JHAWAR
Digitally signed by UMA JHAWAR Date: 2025.11.25 17:17:10 +05'30'

UMA JHAWAR
COMPANY SECRETARY AND COMPLIANCE OFFICER

"Grand Continent Hotels Limited
H1 FY26 Earnings Conference Call"
November 20, 2025

MANAGEMENT: **MR. RAMESH SHIVA – FOUNDER AND MANAGING DIRECTOR – GRAND CONTINENT HOTELS LIMITED**
MR. MITHUN JAYARAMAN – CHIEF FINANCIAL OFFICER – GRAND CONTINENT HOTELS LIMITED

Moderator: Ladies and gentlemen, good morning and welcome to the Grand Continent Hotels H1 FY26 Earnings Conference Call. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode. 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 touchstone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ramesh Shiva, Founder and Managing Director. Thank you and over to you Mr. Shiva.

Ramesh Shiva: Thank you. Good morning everyone and thank you for taking your time to join the Grand Continent Hotels Limited Earnings Call for the first half of year 2026. It is a pleasure to connect with you all and to share the progress we have made in what continues to be a transformative phase for our company.

H1 for the year 26 has been a period of strategic consolidation, operational strengthening and meaningful expansion for us. As many of you know, Grand Continent was founded with a very simple, but ambitious vision to redefine India's mid-market hospitality landscape with service that is uncomplicated, consistent and deeply guest-centric. Today that foundation strengthened by nearly 15 years of disciplined execution, which has positioned Grand Continent as one of the fastest growing mid-market hotels chains in the country.

We closed H1 26 with INR55.71 crores in income from operations and I am pleased to share that the momentum has carried forward into the first half of this year. Occupancies have remained strong at over 60%, which is particularly encouraging given the evolving travel pattern and the increasing competition in three micro markets.

What continues to differentiate Grand Continent is our ability to offer a seamless and value-rich guest experience, something that consistently drives repeat business across both corporate and leisure travelers. During the first half we made significant progress in expanding our footprint across high potential geographies.

After the successful openings in Chennai, Dwarka and Koramangala in Bangalore, we achieved an important milestone with the launch of our 25th property Grand Continent a luxury collection in Udaipur. This property is a strong validation of our ability to evolve the brand upward while still retaining the discipline and value proposition that define us.

The signing of the property in Udaipur further strengthens our presence in one of the India's most vibrant hospitality market giving us a strong base of premium leisure driven growth. One of the most important strategic developments this year has been the incorporation of our wholly owned subsidiary in Delaware US Grand Continent Hotels Corporation. This is the beginning of a new chapter for us.

While our core growth will coordinate to be India-led, this long-term international alignment enhances our brand standing and opens avenues for sustained value creation. On the operational front, H1 for the year 26 has been defined by enhanced cost focus, better manpower productivity, disciplined procurement and simplified processes. These efforts have helped us stabilize margins even as we continue to invest in digital enablement and guest experience upgrades.

We remain extremely focused on operational consistency, a crucial element in our segment and continue to strengthen governance, accountability and transparency across all our properties. Guest experience remains the central theme that drives our business. Our philosophy is clear, uncomplicated service and facilities, quick resolutions and a predictable value proposition.

This clarity of purpose is reflected in the culture we have built internally. One that emphasizes ownership, teamwork, integrity and excellence. With over 1,281 employees today, we remain deeply committed to the developing talent, ensuring accessibility of leadership and nurturing a culture with service excellence, instinct and not instructed.

From an industry standpoint, the outlook for mid-market segment remains highly encouraging. Corporate travel continues to recover steadily, domestic leisure demand is strong and India's rising consumption base continues to favor branded mid-scale accommodation. With our strategic presence in key urban and emerging markets, we believe we are well positioned to benefit from this and uptrend through higher occupancy, better pricing, power and improved operating leverage.

As we look forward, our focus for the remainder of year 2026 is clear, drive operational excellence, optimize our existing portfolio, scale with discipline and strength the brand through curated expansions. We remain committed to building a hospitality platform that balances growth with governance and ambitions with consistency. The system we have set for ourselves is one of the sustainable long-term value creation for all our stakeholders.

Thank you once again for your continued trust and partnership. We now look forward to addressing your questions. Now I'd like to hand over the floor to our Chief Financial Officer, Mr. Mithun Jayaraman, who will provide deeper insights into the company financial and operational performance. Thank you, all. Over to you, Mr. Mithun.

Mithun Jayaraman: Good morning to everyone. Thank you, Shiva. So I will just make a quick summary of the results and also inform of the key drivers that have impacted our growth and operations in this half year. So first with the result summary, we have done a top line of INR58 crores against INR41 crores in the last half year and we have a proximity of INR3.62 crores and a PAT of INR2.11 crores on consolidated level after minority interest.

So getting into what drove these numbers, we have as Shiva has mentioned been in a growth phase all along and from February last year to this year, we have added nearly 400 keys. So, 161 keys were operationalized during the end of H1 and about 223 keys came into operation in the last six months.

So these put together the 400 keys impacted our costs. As you know, in hotels, we have a upfront cost of launch and then a standing cost where till operations pick up, we take some time to achieve breakeven. Our portfolio hence experienced the impact of this ramp-up phase and it took from April where we were in the new launches, we had a 30% occupancy.

We have now stabilized and hit about 70% occupancy in this portfolio. These new launches were largely in Chennai and Ahmedabad and we have opened a 50-key property in Koramangala to add to our presence here and also a 40-key property in Dwarka. So we had almost a growth of 50% in number of keys if you take from Feb 25 to today and that is a large expansion which has resulted in a higher expense in the first half of this year.

Also to note is that in this period, we also launched a mid-tier or higher segment brand which is the Grand Continent Premier and we also launched hotels with larger inventory. So our opening costs also went up because earlier while we were sticking to 40-key properties, I think we are now looking at larger keys for better scale of operation and better growth in profit.

So that is also one impact which has come into the books at this year and these costs will normalize in H2 and we will in H2 right now we are as of now not having any new launches programmed from today September till March, though one or two hotels there is a possibility can launch in March and we are now looking to consolidate our earnings and the cash flows in the next six months. I now leave the floor open for any questions that may arise that investors may want to ask. Also we are now well positioned I may add in terms of cash to also take advantage of any new opportunities that we are able to sign. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Mann from Vivek Jain family office. Please go ahead.

Mann: Hi Ramesh sir. Hi Shiva sir. Hi CFO sir. Sir, I have a bit of a bookkeeping question. So, as you said that most of the costs were pre-opex and we need some stabilization phase to make sure that we are basically taking the revenue out of this inventory. So, could you break down the cost which were for new properties and which was the cost for the older stabilized property by any chance?

Ramesh Shiva: Yes, I think Mithun would be giving you a picture on that.

Mithun Jayaraman: So, I think we have published also the breakup of mature and new properties. So, if you see that our revenue from the new properties which was roughly 381 keys. It was about INR11.6 crores and our EBITDA is 24 lakhs. So, we have just broken even which means the costs remain the same.

If you look at our mature business, our business hotels are very stable with a almost a 31% EBITDA margin which we have maintained at the unit level. We have been impacted due to seasonality in leisure hotels bringing down the overall EBITDA level to 20%. We have also put out as you can see the occupancy chart by the segment of hotels which also evidences this.

Mann: Got it. Sir, one question that is basically a bit bugging me is that we are basically going international. We have started operations in Dubai. We have started basically we have started one new company in USA where we are seeing such a good tailwinds in India itself. What would be the need of going outside of India funding this new subsidiaries and scaling them up? So, what is the plan there if you can help me with any of your plans on that front?

Ramesh Shiva: Okay, I would take that question Mr. Vivek. As far as the outside India properties are concerned as of now we have just one property which we have taken and that's a property in Dubai and 123 room key property. From that Grand Continent Hotels India has not invested anything in the property.

We are taking the property and a franchisee model where we are going to give them only our SOPs and our expertise in operating the hotel. And as of now we don't have any other new properties in Dubai right now because we would like to understand this hotel much better, take a five or a six month break, understand the market well before we go into major expansions in Dubai. And other thing in US, nothing has been confirmed as such.

We have just started the 100% subsidiary right now. If we get any opportunities coming our way, much economical and much better than what we get in India, then we'll look into it. Otherwise, as I had already mentioned you in the speech, our thought process, everything is going to be more India driven company and we are going to have more hotels opening up in India.

But yes, we are not going to say no outside, but until and unless we get some hotels which are very, very, very profitable and good for us, then we might get into it. But as of now, the subsidiary company in US has just been set up if there are any opportunities coming in the future. And in Dubai, we just have a hotel that we haven't done any investments. It's on a franchisee model and that's one hotel for a sample we have taken and we are going to test that for the next six months. So that's it as far as we are, foreign hotels are concerned.

Mann: Got it. So my last question would be as we go into H2, we don't have any new properties that are coming online, right? And by that logic, can we expect the margins to revert back at least in FY25 where the margins were or we expect them to take some time to stabilize it?

Ramesh Shiva: I think you will see better results in the H2 because leisure hotels have started picking up from October. They are very good signs for me. And as far as new hotels are concerned, yes, I will not say that we are not going to open any hotels in H2. Yes, we are still, we have two properties coming up. One in Gurgaon we are opening up and one in Vellore we have signed up which will go in the by February, March of 2026.

We might not step into bigger like seven, eight hotels in H2, but yes, two, three hotels will come up. The results what you are going to see in H2 is going to be far better than what you're seeing in H1 because all the hotels which have started in H1 and in the late H2 of last year are going to show us good results now.

Mann: Got it. So over a period of time, probably not right now, but over a period of next two years, do we expect where we were in FY25 or FY24 per se, our margins are going back to where they were?

Ramesh Shiva: Yes, Mithun, please.

Mithun Jayaraman: So Vivek, the objective is we are trying to balance growth and also our cash flows and profitability at the same time. I think the right way to look at it is and that is why we have given you the maturity wise breakup. So we are both conscious, Shiva and I that growth should not come or lead to a situation where the company is put in danger.

So we will plan this growth out. And if you see the right way, probably to look at it is whether we are able to mature our portfolio and achieve those occupancies. So as you see the new hotels, they have come online, let us say in six months they have stabilized. And we want them to reach the same level of margins as our existing metro hotels. So we'll do that on one side and we will grow on the other side.

Mann: Makes sense. Thank you so much, Shiva sir. It's a pleasure talking with you. All the very best.

Ramesh Shiva: Thank you for getting connected. Thank you.

Moderator: Thank you. The next question is from the line of Dr. Amit Vora from the Homoeopathic Clinic. Please go ahead.

Amit Vora: Hello. Good morning, Mr. Shiva. Good morning, Mr. CFO. I'm sorry, I don't remember your name.

Mithun Jayaraman: Mithun. Morning.

Amit Vora: My question is regarding – sir our forte was mid-sized hotels. And as I told you in the last meeting also, I personally used your hotels. So the point what I find is in our forte was mid-sized hotels with bigger rooms and better prices. So price was the most important thing for our company, which is to bring more consumers.

So the entry into luxury hotels that are already, this is my end, I might be wrong, totally wrong. There are a lot of hotels in luxury. So we are entering into luxury hotels. We are around 9,000 or 10,000 per day rooms. So why should our consumer come to our hotel? In the mid-size, we had bigger rooms at a better price. So what is our forte in the luxury hotels?

Ramesh Shiva: Okay. Thank you for your question, sir. It's a very, very valuable question what you've asked. The base of Grand Continent is never going to change. The base of the Grand Continent is going to be mid-market, budgeted hotels and we are going to concentrate more into the corporate segment, which is our strength and which we are going to follow the same. Out of the 25 hotels what we had, we just wanted to have one as a luxury collection.

And that too, when we had an opportunity and we got that at a very good price, we thought why don't we take that across? And luxury collection, for example, if there is any other brand which is opening it, the key per cost per room will go not less than 30, 40 lakhs per key. But I have got a hotel which is at 6 lakhs per key for that luxury collection where I can charge more.

The entry cost was at a very good price. So when we get good proposals at a particular time, we never know it, sometimes knocks on our door, we took it. And today, we are very proud that we got that entered into a luxury collection within our own budget, but we have a higher cost, that is we are talking about higher ARR, which we are going to achieve there.

Going forward, we are not looking out for luxury collections. We are not looking out for premier, as it's going to be a budget segment, which is going to dominate 75% to 80% of our hotels are going to be only into the affordable market and 10% to 15% will be premier collections, or maximum 5% of the entire portfolio would have luxury collections, like 1 in 25 or 2 in 50, that's how we are planning to do. And that too, we are not going, looking out for these luxury collection hotels, our concentration is going to be looking out only for budgeted properties, which gives us a very strong bottom line.

Amit Vora: Okay, that was really good to hear. And there's one more point, sir, our budget hotels, we had a cost of around 7.5 lakhs to 8 lakhs per room to develop the renovation of that room. Am I correct, sir? Is it right?

Ramesh Shiva: You're right, you're perfectly right.

Amit Vora: So for luxury hotels, what would be that cost go?

Ramesh Shiva: Actually, what happened is a luxury collection hotel, which we had taken in Udaipur has cost us only 6.5 lakhs per room key. So that's what it was just luck for us.

Amit Vora: That is 6.5 lakh you have said?

Ramesh Shiva: That is something which was a God send gift for us like we never expected these people to get us into that level. Though bigger brands were approaching that like Marriott and bigger brands were approaching that hotel. But I had just one conversation with the owner, I went down through down to Udaipur, spoke to the owner for one hour, he was totally convinced of our brand and the way we operate hotels.

He said, let's let Grand Continent take this, we are ready to give that to you. So that was a gift. But going forward, we are not very sure on what the luxury brand will cost. Because if it is going to cost me anything more than 9-10 lakhs per room key, I'm going to be not going to go in for it as of now, we are not, we will not get into that venture as of now.

Amit Vora: That's great, sir. Excellent. And just last question target of INR550 crores, you said in by 2029 or 30. Does it still seem achievable?

Ramesh Shiva: By the blessings of God and by all the support of my investors, I think our dreams will ensure that we go and reach the target what we have committed.

Amit Vora: Thank you so much, sir. We wish you all the best.

Ramesh Shiva: Thank you. Thank you for your support, sir. Good day.

Amit Vora: Good day to you, sir.

Moderator: Thank you. We will take the next question from the line of Muskan from Niveshaay. Please go ahead.

Muskan: Hi, am I audible?

Ramesh Shiva: Yes, very audible, ma'am. Good morning to you.

Muskan: Good morning. So I was asking that you have guided 27% of revenue as a recall last time. So the limit has reached now and it is the highest you can go or how this trend will be going forward?

Mithun Jayaraman: I am sorry, ma'am, I did not hear the first part of the question. There was a break in the line.

Muskan: So you have mentioned in your last call that around 27% of your revenue would be your least cost?

Mithun Jayaraman: Yes.

Muskan: Yes. So the limit has reached in this first half of the year. So how will be the trend going forward?

Mithun Jayaraman: No. So, ma'am, because the way we operate, we have a least cost percentage target for our portfolio, which we maintain and we are looking to maintain that cost. Right now, the cost seems on higher side because the revenues, as I have mentioned earlier on call for new hotels, they have not come up to the full level in H1. They started coming up to the full level only towards the end of H1. So you will see that as the portfolio stabilizes, the percentages will improve or in our favor and the cost will keep going.

Muskan: So can you quantify the amount of lease that can be accounted to that hotel?

Mithun Jayaraman: Lease as respect to?

Muskan: That hotel which occupancy is lower, the revenue has not picked up, but the lease cost has increased?

Mithun Jayaraman: In these hotels, let us say that when we are having low occupancy, the lease cost can go in the first one or two months to 35% or 40%. Okay. And then from there, we drop the cost drop to about 25% as the revenue picks up.

Muskan: Okay. And what would be the stabilized revenue at this lease expense?

Mithun Jayaraman: So we look for a stabilized revenue of about 1 lakh per key. That is what we aim for in our hotels.

Muskan: Okay.

Moderator: Thank you The next question is from the line of Subhanu from Three Head Capital. Please go ahead.

Subhanu: Hello. Hope I am audible. Good morning, sir.

Ramesh Shiva: Good morning.

Subhanu: Sir, if I remember right, last Q4, you have guided around a 2,000 key addition by next two years. But in your PPT or press releaseyou said around the next 3,000 keys target by next three years. Are you revising your guidance?

Ramesh Shiva: Yes.

Mithun Jayaraman: So our guidance also takes, as we review the market and opportunity and that is why you would find a change in numbers also. I think we are now being well-recognized because we are listed also as a good brand to work with and I think the opportunities are also coming our way.

Ramesh Shiva: I would like to stress upon the other point here, along with Mr. Mithun is yes, we have a lot of opportunities coming across our way, but we are very, very particular in choosing the right property at the right location at the right trend. Yes, we have a target of 3,000 or 1,000 keys every year and all these things are there behind our mind.

But looking at that, we don't want to take any wrong decisions by rushing up and adding up hotels, which many of the other brands do, but we don't do it. As Grand Continent, we stick on to our basics. We understand what can be done, what will be the profitability. Will we be able to do that in a 24-month breakeven or 30-month breakeven? We do a lot of analysis and research before we even invest one rupee in a property. That's the strength for us.

Yes, even today, I'm traveling to Vadodara to identify a new property there. Vadodara, sorry, is the new name for it. Next week, we are going to Varanasi to have another property. We are looking out for good properties in India, but the rate also should come down and match the business plan, what we have in our mind.

Today, as the industry is booming, what we are trying to earn, even the landowners have started understanding that there is a huge demand for buildings and they also started raising their rentals. So, we should be very careful in choosing it because that plays a very important role in the bottom line of the company.

Yes, keeping the bottom line of whatever we are committed of 1,000 keys every year is still behind our mind. We are trying to achieve the maximum out of it. But at the same time, I would also underline my statement that we are not in a hurry. We would like to go steadily, but we are not slow. We would be aggressive, but steadily we would be growing our future.

Subhanu: Okay, that means we can target 3,000 keys but by FY28?

Ramesh Shiva: Yes, 28, we are looking at 3,000 keys. You're very right, sir.

Subhanu: Okay. Sir, my next question is in our luxury portfolio in Udaipur, how much ARR we are targeting?

Ramesh Shiva: ARR, we are targeting around about the average of ARR would be Mithun how much approx 3,000.

Mithun Jayaraman: Yes, 3,700.

Ramesh Shiva: Approximately 3,750 to 3800 as of now, sir.

Subhanu: In Udaipur new portfolio, how much ARR we are targeting?

Ramesh Shiva: Yes, that will be around the same. It will be 10% more than, close to around about 4,000 bucks.

Subhanu: Close to around 4,000 bucks?

Ramesh Shiva: Yes.

Subhanu: Okay. My last question is what is our FY26 guidance and what is our long-term target in terms of revenue?

Mithun Jayaraman: So, sir, I'm afraid I cannot put specific numbers to that question, but we have mentioned that the next H2 is to concentrate on the portfolio of hotels we have already launched and to maximize our revenues from the portfolio and profitability from the portfolio.

Subhanu: But when we can expect margin?

Ramesh Shiva: We can see a considerable increase in H2 also, sir. Going forward, that's why the entire team is set up across right now to get into it and we are working on to it to give a better result for the H2.

Subhanu: In H2, we can expect close to 20% EBITDA margin?

Ramesh Shiva: That is where, again, we are not supposed to commit anything, but I'm sure that will live up to your standards.

Subhanu: Okay. Thank you. Best of luck, sir.

Ramesh Shiva: Thank you. Good day, sir.

Moderator: Thank you. The next question is from the line of Sushant Jha, an individual investor. Please go ahead.

Sushant Jha: Sir, my only question is that like in next 2.5 years, we are going to add around 1,900 Keys as told. So it will be coming around 400 approximately for a half-yearly. So how are we going to maintain our margin like, suppose we maintain our margin in H2, it will likely to fall again in next year H1. So any take on that, sir?

Mithun Jayaraman: So as you know, you can see there will be impacts from time to time as hotels open. But what will happen, sir, is that today we are doing our impact is we have had a 50% addition to inventory. As we grow in size, the impact of new hotel openings will also fall to some extent. And that will then as we grow to say 75 hotels or 100 hotels, you will see the impact of that also coming down. But in this business, it is a growing always, it is you have to look for growth opportunities. And there is -- you see that we are on a very stable base of mature hotels. My mature hotels are doing well. And our new business plan in respect of new hotels is also working as we are able to achieve the scale-up of occupancy.

Sushant Jha: Okay. By how many keys we expect that the margin will stabilize like after 2,000 keys, 2,500 keys, on a yearly basis, not on a half-yearly basis, sir?

Mithun Jayaraman: So, sir, it is difficult to put out numbers at this point because the openings and signings are also dynamic. But you can say that -- yes our effort is also to balance the growth and the cash flow and revenue, because that is a very important aspect of any business.

Sushant Jha: Okay. Just a normal thing for a ticketing margin, sorry, hotel in margin. The hotel is awesome, sir like after being shareholder, only I came to know about this particular company. And I can see that you are offering is the best one and people will prefer it, sir? Thank you.

Ramesh Shiva: Thank you so much. These types of positive remarks on us makes us more confident on what we are doing and that will enable us to grow faster and stable, sir. Thank you for your positive remarks.

Sushant Jha: Yes, same thing was told by my wife also, sir that's it's awesome.

Ramesh Shiva: Oh, fantastic. Convey my regards to her also. Thank you so much.

Sushant Jha: Thank you, sir.

Moderator: Thank you. The next follow-up question is from the line of Dr. Amit Vora from the Homeopathic Clinic. Please go ahead.

Amit Vora: Thank you so much for giving me a second chance. So, my question is regarding your strategies to attract more consumer. If you can discuss your strategies, various strategies that you are using or you are planning?

Ramesh Shiva: Okay. So, right now we have started putting in a lot of things onto the service aspect of it. The most important basic thing what Grand Continent has concentrated till now and will also concentrate is on the guest satisfactions. We ensure that the guest who comes inside goes back with 100% satisfaction because we promise and we deliver what we promise.

Here, what has happened is today when you see the bookings what we get from the OTM market, that is from the travel agents or from any of the booking.com or any of the other portals, we try to convert them to come back to us on a direct booking. The reason is we try to save cost and then there is a lot of profitability for us if there is a direct customer coming inside.

How do we make that? This can be done only with the experience what the guest has got during the time of their stay with us. We ensure that we have this very, very, very strong and stable throughout. That is one. Going forward, we are also looking next year, 2026 post-March, we are looking out to launch Grand Continent privilege cards to all the customers where people who are coming down to stay with us are going to get loyalty programs, which we are going to start very shortly.

And then, we are going to give it to all our customers where they can use it across any hotels where they stay with us. So, this card we don't want to do it in a hurry like how other people do. We would like to understand and give these cards across, ensure that we deliver it to the right people and we get the right crowd back into the hotel. So, we are trying to have that done.

We don't want to do it in a hurry, but we would like to study the market, get this positioned well and then launch this privilege card. Once we have this privilege card, then what happens is there is a connect for me for all the hotels throughout India and that will empower me to have more repeated customers coming inside.

So, that's the second thing as far as the individual guest is concerned. Now, going forward, we have started our regional sales offices in Mumbai and we have started our regional sales in New

Delhi, in Gurgaon also today. And very shortly, we are going to have regional sales person in Ahmedabad today. So, having these three pairs, we never had these regional sales now.

We just had the unit sales which was doing the sales for us. As now we are getting into a bigger pan India company, we wanted to have more support from the regional sales office where they have strong connects with the best of the travel agents all over India and we are trying to get them attracted. So, all these steps what we have taken right now is going to impact a very big thing for us in the next few months or in the years to come. This will have a lot of new guests coming inside which will give us a better new look for this company, sir.

Amit Vora: Okay. Thank you, sir. Thank you that was great to hear. Sir, my second question was regarding the other expenses of INR17.23 crores. If I can get a breakup of what are those other expenses in this quarter, this half year?

Moderator: Ladies and gentlemen, the line for the management has been disconnected. Please stay connected while we join them back. Ladies and gentlemen, the line for the management has been connected. Thank you and over to you, sir.

Mithun Jayaraman: I think I was replying to Mr. Vora's question. So, as we mentioned at the beginning of the call, the base of the expenses are not comparable because effectively 500 more keys cost has come into this H1 and we have incurred hotel opening costs like costs of linen, ropes, operating supplies, commissions which have come in the other expenses line and hence the cost for this H1 looks elevated because these new hotels had lower occupancy also for the first, say, four months of operation.

Amit Vora: Okay. So, you say, sir, the other expenses cost was to because of all these expenses that you said?

Mithun Jayaraman: Yes. We have had almost 500, 400 keys extra cost coming into operation costs coming in effect this year and hence the base of the last year expenses is not like online.

Amit Vora: So, that last half year, the second half of the last year was it was INR10.64 crores and this time it is INR17.23 crores. So, you mean to say this is because of the additional 400 keys that we have added?

Mithun Jayaraman: **Yes,** But these ratios will normalize in H2 as the occupancy is stabilized.

Amit Vora: Actually, these ratios will be normalized in H2?

Mithun Jayaraman: Yes.

Amit Vora: Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Neel Bahl from Negen Capital. Please go ahead.

Neel Bahl: Hi, Mr. Shiva. How are you doing?

Ramesh Shiva: I'm doing very good. Thank you, sir. Thanks for getting connected.

Neel Bahl: Yes. Nice. Nice to connect with you. Had we been a startup being unlisted, revenue growth typically would be celebrating, we'd be having a toast together right now. But being a listed company, concerns are very real that profitability is a key metric now for us. So, like all the other investors have mentioned, I mean, I think we'll have to strike a balance between growth?

Ramesh Shiva: You're right, sir. That's also -- that's the point which we have taken it very clearly. Yes, we know that we have also had a very, very strong and a tremendous growth right now. The cost which has got an impact on that is not only on opening of a new hotel, but I also would like to emphasize on another important point, which has taken a bit of an expense, is on the corporate governance.

Now, we have recruited a COO in place. We have a President Operation in place. We have the full HR team in place today. We have a procurement department which has been set. We have started -- we have recruited an IT in place. Whatever we have done today is not to handle the 25 hotels what we have today. We are looking at operating 50 to 75 hotels with the same team what we have today.

So, to handle 50 or 75 hotels in India, we should have a strong corporate governance, which is utmost important for us to give you better results and stabilized results in the future. So, all these things have, all these systems, all the new systems or all the new recruits which has been happened today is for the future, but the costs have come back to us for these 25 hotels.

That is why you could see that impact on that bottom line just today, but as we keep opening hotels and as we keep maturing, as the properties keep maturing every month, as the old hotels are becoming matured and the new hotels started stabilizing, things will fall into place and whatever the percentage which is had today will automatically reduce on the bottom and will start increasing.

But all this will happen as the day goes on, as we keep expanding every month with one new hotel. Yes, there will be an impact, but these corporate governance on the investment we have done is a one-time investment for us, which is going to give us a stabilized result in the future. I think as far as the PAT is concerned, I don't think I want the investors to worry about because I'm sure you will have -- you will see better results in H2 and going forward also you will have much better results, but again, I would like to emphasize one point very clearly.

If we are not going to stick on 1,500 or 1,700 keys, we are looking at 3,000 keys. As there is a growth, there also is going to be an expenses for the growth. This will have both the sides, the one positive side of it is the growth, the negative side of it is the PAT, which is going to be affected, but stay assured once we stabilize on one number of 3,000 keys or 3,500 keys by 2027-28, I'm sure this you'll all feel that we have done the best out of it and I'm sure I give you an assurance that we are not going to let our investors down. We are going to deliver what we have promised and whatever is your expectations. So, this is the message I would like to make it very strong, sound and clear.

Neel Bahl: No, well said. So, personally, we have a very large startup book. So, we understand how startups work and all of these things. So, for us, it's not a concern. I'm just saying the markets would expect you now to focus on profitability. Having said that, I would like to know a couple of key metrics. One was around, the question I was going to ask was about float income. And I think you spoke about this, about your loyalty program to the previous investor. When do you plan to start this loyalty program?

Ramesh Shiva: By March or by April, we are trying to launch it by April 2026. We are speaking to a couple of firms who have already done for different hotels. We also would like to do it. It's just not, we open up a card and say there is a privilege card existing and there are no users to it. We would like to make it, get it stronger and put it on the right place and the right system. So, it will take some time for us, four, five months.

We are getting it done. So, we have now the new COO who has joined with us, has started putting all these new things in place. I think he is also required. He just joined with us from 1st of October. So, I think we also should give him some time to stabilize. I am behind him, supporting him in every aspect of it. I think by 1st of April, I think we should go live with the privilege cards.

Neel Bahl: Absolutely. Because once you do this, once you have the app, you have the customer's data, you can start giving offers. And more important than all of that also is the float income. So, all kind of -- once you start getting a decent amount of float in your card system, loyalty program, you can do a lot of capex from that instead of relying on debt. And so, it becomes very important. Most large global companies around this space rely on float income. So, I am sure you are on it. So, that will be one area of focus. Second thing I wanted to ask you, I know H1, I saw the presentation and everything. Could you tell me how August and September went in terms of occupancy rates, overall occupancy rates?

Ramesh Shiva: Occupancy was good in August. But in September, it was slightly low because the festivity season had started. The Dassara and other things started by the end of September. October also was good. The top numbers were good. Because though we had Diwali and Dassara in the same month, still the occupancy didn't fall down very badly, but to tell you one more thing, November is rocking for us. It's doing really good.

The numbers till date are also showing very, very positive on the top line. It's been one of the best months of this year for me. I'm looking forward for the next 4-5 months. It looks very strong. The base looks very good. Pray God, things go on as we expect and we are putting all our efforts to get into it, sir.

Neel Bahl: Well, yes, of course. We think the future, obviously, hopefully is good. But can you give me the exact percentage in overall occupancy rates of all our properties?

Mithun Jayaraman: So if you see the chart which we have put up breaking up the leisure, mature and new occupancy, we increased average occupancy over previous months because in new hotels, the occupancy percentage went up from say 30% in August to 70%. So we had average occupancy of about 70% in those two months as compared to the first four months. So I think that was your question.

And today we are hitting also about 75% occupancy because it's a good business period at this point in time. So we are hitting 75% to 80% levels on today. So I think the question is more that is our business plan working? And I think that the answer is in the occupancy figures that you see which are climbing in the new hotels or new portfolio.

Neel Bahl: Correct. Correct. So I just wanted to know on that. Okay. One more question I would have is on the religious tourism that we focus on. How many keys we currently have under religious tourism because this is compared to leisure. I think this is far better as a business model?

Ramesh Shiva: Now we have only two pilgrimage hotels which is totaling up to 128 keys. That is we have 88 rooms in Tirupati and we have 40 rooms in Dwarka. Now going forward, we are planning to take up one 72-room property in Varanasi which we are going to sign the MOU next week. And then we have identified a property in Somnath which is again a 40-room hotel which is also a very good destination because Dwarka and Somnath is a combination for us.

So people who come to Dwarka do visit Somnath. So we would like to have a package given to the guest who comes down there. So these two hotels are being signed up right now. And yes, we are also in talks with a hotel in Rameswaram, which is a 48-room hotel because people who visit Varanasi always goes and ends up visiting Rameswaram. So we are also looking at another 48 to 50-room hotel there which we have just started the talks. So if you ask me, we have another 150 keys lined up for the pilgrimage center in this coming year, in this coming 2026.

Neel Bahl: So we go from 112, if I got that number correct plus another 150?

Ramesh Shiva: 128 plus another 150 so we will go up to around about 275 keys.

Neel Bahl: Because I saw the presentation again and the numbers on occupancy, margins, everything on these spiritual hotels are far higher than the average. So definitely should be a focus area going forward?

Ramesh Shiva: You are right, sir. Pilgrimage centers are our portion. After the corporate hotels, the next level is going to be pilgrimage. Leisure hotels, we are not going to get into it much of it. Leisure hotels are going to be very, very minimal as we have already told. Our ratio of 70%, 65% to 70% corporate, 20% to 25% is going to be pilgrimage and 10% is going to be leisure. Leisure, yes, we are not going to say no to it, but we are not going to concentrate more on it because it takes more time. And the seasonal business, because of the seasonal business, we have an effect on the H1 every year. So we are trying to get that also slowly rectified.

Neel Bahl: Yes, let me add to the margins you are in the conference right now so we can do a sum check.

Moderator: Sorry to interrupt, Mr. Neel, I would request you to kindly rejoin the queue again.

Neel Bahl: No, I'm done. Thank you so much. Thank you, Mr. Shiva. Best of luck for the future.

Ramesh Shiva: Thank you so much. Thank you for connecting. Good day.

Moderator: Thank you. The next question is from the line of Dhruv Joglekar from Vasuki. Please go ahead.

Dhruv Joglekar: Thanks for taking my question. So I just wanted to understand typically what is the process of identifying these properties? So typically do owners approach Grand Continent or do we have kind of a markets team that continuously keeps approaching different owners in different geographies? Maybe if you can give some understanding on this part?

Ramesh Shiva: Yes, sir. Okay. Grand Continent, first what we do is we first identify which are the locations we are interested in. Like our last previous call with our investor, pilgrimage centers, yes, we wanted to have a hotel in Varanasi. We wanted to have a hotel in Dwarka or Somnath. Yes, we identified a few places.

We have a list of these locations. For corporate hotels, yes, we are approaching next week. I'm going and speaking to a hotel owner in Pune where we wanted to identify the property in Pune. Pune is very, very important to us because there is a lot of connect business between Bangalore, Pune, and Hyderabad. All these IT segments, they work together. So they require that.

So first, Grand Continent as a team, we identify the places where we want to have. Once we identify the places, we have a lot of hotel consultants who work with us. We give them the areas that we are looking at and the number of keys and all those things. So they start approaching different owners.

And then these owners, once they identify the building which is to our standards and the owners and everything, then first we have a conference call with the owners, find out whether they are really interested in and everything. Then I go and personally meet them. And that's the strength of Grand Continent.

We ensure that I personally go meet the landowners, ensure that all the specifications, everything, locations, everything is there as per our standards. And then we finalize the hotel on. So as far as the hotels are concerned, even if we require in a particular location, we require a hotel, we study the most important thing is the demand and supply of hotels in that particular location, whether there is a demand.

If there is a demand, then what is the supply, what is the present ARR going on in that particular area will be matched. And in case, if I'm able to give it in three months, if it's going to be a corporate hotel in three, four months, can I do a breakeven into it? And then, yes, if you're assured and if all the boxes are ticked, yes, then we go ahead with that. The resources that we get is only from the consultant. And the second resources, what we get is by references.

A person, for example, the person who we have taken a hotel in Dwarka has this relative in Somnath. He refers that Grand Continent is a good brand. They're doing good here. So why don't we give you a property? So we have got the property in Somnath. Now the same owners are looking out for a property in other parts of Gujarat also.

So this all works only on connectivity and your performance in the particular hotel, not only on the revenue aspect, but also on maintenance of the building because the landowners invest a huge amount of money in building a hotel and giving it to us. The most important bottom line would be whether the brand is maintaining the building and giving us the rentals on time.

So we ensure that we do everything. So that's the reason people refer us. Now the references have gone a little higher because many people have started referring us. And thanks to all the investors who have made us sit here today, since our brand has also grown to a good extent. Now it is not that we approach them. A lot of owners do call me directly and say that we have a hotel here. Are you interested? So that's the level we are today growing. Thank you all for making us come to this level.

Dhruv Joglekar: Thanks.

Moderator: Thank you. The next question comes from the line of Yogansh Jeswani from Mittal Analytics. Please go ahead.

Yogansh Jeswani: Thanks for the opportunity. Firstly, congratulations Ramesh ji to you and your team on achieving the milestone of 25 hotels Pan India.

Ramesh Shiva: Thank you, Mr. Yogansh. Thank you.

Yogansh Jeswani: And secondly, I think I'll appreciate the growth that the company has delivered. Having said that, I'll agree with what Neel ji from Negen has said that profitability is also very important. And I'm sure in your answer, we have covered a lot of it. And we look forward to the delivery of that.

Ramesh Shiva: Yes.

Yogansh Jeswani: On the numbers side, two quick questions from mine. In the presentation, we have mentioned a number of leisure properties, the mature ones. Can you provide a breakup of which are these three properties or four properties?

Ramesh Shiva: Leisure properties, we have two in Goa. We have one in Mahabalipuram. We have one in Mysore. And we can say, I don't say Udaipur as a leisure hotel today because today Udaipur has become a nice destination where lots of conferences, marriages do happen. So if you take Udaipur also, then it's the fifth hotel of us.

Yogansh Jeswani: Okay. So the 164 in mature is Goa, Mahabalipuram and Mysore?

Ramesh Shiva: You're right. And all these four hotels have not really done good in the first half. We are expecting that to do extremely well to give us an uplift in H2. Yes, Goa has Mahabalipuram has picked up very, very good in the month of October also. And November is showing good signs. Goa, yes, we have started doing good. No, we have started doing a break even and showing a little bit of profitability in the month of October. November also seems to be good. Lots of inquiries are coming for the month of December and January. Yes, this H2 should be good for these leisure properties.

Yogansh Jeswani: Fair enough, sir. Secondly, in the presentation, the ARR and the RevPAR that we have mentioned have been down year-on-year, 5% to 10%. The ARRs are down from 3,800 to 3,650 or even from the previous year, from 3,400, sorry, from the revenue bar from 2,500 to 2,100 or so. So why is this trending downwards when we have higher number of leisure properties, which are typically higher ARR?

Ramesh Shiva: Mr. Mithun, can you just give that?

Mithun Jayaraman: So, see, now if you compare it, the ARR increase comes in H2 for leisure properties. So you will see that H1 is always muted as compared to H2. In business properties, I don't think we have a drop in ARR. I think we have maintained our ARR. RevPAR as a whole will come down because you have new hotels opening and which impacts the occupancy, as we have given in the chart, since that is a factor in RevPAR. It will increase in H2 as we are not, or we are not planning to add too many keys, these hotels have achieved occupancy. You will see that ARR is increasing in H2.

Yogansh Jeswani: Got it. And, sir, from what you are seeing in terms of the growth of your…

Moderator: Sorry to interrupt, Mr. Yogansh. I would request you to kindly rejoin the queue again for the follow-up question.

Yogansh Jeswani: Yes. Just a clarity on this question.

Moderator: I am so sorry, sir. Please rejoin the queue again.

Yogansh Jeswani: Sure.

Moderator: Thank you. The next question is from the line of Mithilesh Sahani an Individual Investor. Please go ahead.

Mithilesh Sahani: Hi, morning. Am I audible?

Ramesh Shiva: Yes, you are very audible, sir. Please go ahead, sir.

Mithilesh Sahani: Hi. Congratulations again for achieving the 25th hotel milestone Mr. Shiva and how is the Udaipur property shaping up? Have we launched commercially on the 1st of November, as we had planned for?

Ramesh Shiva: Yes, sir. We have officially launched the hotel from 3rd of November, if I'm not mistaken. Yes and good the first month of November itself has been very, very positive for us. The day you are having this call today, I would proudly say that we are sold out today. We have all the 103 rooms occupied today. We have a wedding group in the hotel.

And the first wedding group which has checked in, which has taken the hotel for three days, which we have sold out, that is today, tomorrow, day after tomorrow. Yes, we have got that business. October seems to be slowly picking up. Sorry, December seems to be slowly picking up.

And going forward, yes, we have strengthened our RSOs in all the three places where usually the business comes from, to Udaipur. That's from Mumbai, from Ahmedabad, Mumbai and from Delhi. So, all these three RSOs have been set up and they have given a portfolio to get this concentrated more on Udaipur now.

Yes, we have got a lot of enquiries coming in. The property looks amazing. So, lots of people who go to 5-star hotels feel that we are getting a better rate at Grand Continent Luxury Collection and they do come here. So, they have a look at the property. We also have a huge banqueting hall there, which can accommodate 500, 400, 500 people there for weddings and other things. So, yes, positive sign and starting this month itself, I'm sure that we will be able to do a break-even in that particular place. Going forward, if you are able to maintain that, I think it's strong enough for us.

Mithilesh Sahani: Excellent. That's good. And whilst you very kindly explain the entire process of short listing of properties, including referrals and how you go about in terms of the entire pipeline bids, as far as our funding plan is concerned for the next 1,500, 1,600 keys, assuming that we close FY26 with, let's say, around 1,400 keys. We are at 1,300 now.

Another two hotels contributing another 100 to 150 keys. So, if we take another 1,600-odd keys in the next three years at an average of 7 to 8 lakhs, that works out to around INR100 crores. So, what's the plan to fund this kind of a growth from internal accruals or we'll have to take a debt or how are we geared up for that?

Ramesh Shiva: Mr. Mithun will answer this question.

Mithun Jayaraman: So, we feel we can do it from a mix of internal accruals and debt. We look at it like, let us say, a tranche-wise or a wave-wise of growth. We are ready and now with enough funds for the next set of keys that we have to launch. And I think by then we will have internal accruals also to fund the third phase of growth. So, we are prepared for that and our bankers are also backing us. They see that I think as long as we are delivering the numbers, we will have no problems with being able to fund the growth.

Mithilesh Sahani: Yes. No, true. That's right. I think it's very important that we all are aligned, that as far as any growth is concerned, more than the growth is the quality of growth, which is important. So, say quality both in terms of bottom line, cash flows, debt-to-equity ratio, it's far, far more acceptable to wait and maybe delay our rollout plan. Instead of two years, we can achieve the same in four years. Rather than in the endeavor to rush through, we end up in taking some positions which are difficult to then unwind. So, I leave it with that point. You all are very, very experienced.

Ramesh Shiva: I accept what you are saying, sir. That's what when I had told you earlier also. We wanted to grow aggressively, but we wanted to go steadily. We are not here to sign every alternative hotels which come into our way and then show the numbers to we have grown this number, we have grown that number. No, we are not into it. We would like to ensure that whichever property we touch upon, we grow and we do the best out of it and try to get the best results from these properties. So, we are very, very specific on choosing a property, sir.

Mithilesh Sahani: Very, very true. We have an excellent long runway till for the next 15 years, 20 years. India is growing. We have very, very strong tailwinds, but we'll be only able to take real quality advantage of these tailwinds once we are rightly positioned to give for the long run. So, to finish first, we must first finish. So, that's important. So, okay. Thank you so much.

Ramesh Shiva: Yes, appreciate and well taken.

Mithilesh Sahani: Thank you.

Ramesh Shiva: Thank you, sir.

Moderator: Thank you very much. Ladies and gentlemen, due to time constraint, that was the last question for today. I now hand the conference over to Mr. Ramesh Shiva for closing comment. Thank you and over to you, sir.

Ramesh Shiva: Yes, thank you so much. I thank the entire team of Grand Continent Hotels for their untiring efforts, hard work and dedication, which drives the company forward through various market conditions. Also, I appreciate all of you for participating in our conference call. Please do get in touch with our investor relation team for any other questions. Thank you once again to all the investors, but not for you all. We are not what we are today.

And I strongly assure you all that, yes, we are going to do the best and ensure that we will make all of you proud for investing in our company. Thank you so much again for spending your valuable time in the morning today and understanding what we are doing. Thank you and Jai Hind.

Mithun Jayaraman: Thank you, everyone.

Moderator: Thank you very much, sir. On behalf of Grand Continent Hotels, that concludes this conference. Thank you for joining us today and you may now disconnect your lines.