



“Asia’s Pioneering Hospitality Chain of
Environmentally Sensitive 5 Star Hotels & Resorts”

14th August 2024

To,
Listing Department
Bombay Stock Exchange Limited
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra –KurlaComplex,
Bandra (E), Mumbai – 400 051

Code: 526668
ISIN: INE967C01018

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Sub: Submission of Transcript of Q1 FY’25 Earnings Conference Call held on 13th August 2024

Dear Sir / Madam,

In accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a transcript of Q1 FY’25 Earnings Conference call of Kamat Hotels (India) Limited with various Investors and Analysts held on Tuesday, 13th August, 2024 at 12:00 noon IST.

The aforesaid information is also available on the website of the Company at the weblink www.khil.com.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For Kamat Hotels (India) Limited

Nikhil Singh
Company Secretary & Compliance Officer

Encl a/a.

Kamat Hotels India Limited
Q1 FY25 Earnings Conference Call
August 13, 2024

Moderator: Ladies and gentlemen. Good day and welcome to Q1 FY25 Conference Call of Kamat Hotels India Limited.

As a reminder, all participant lines will be in the listen-only-mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then ‘0’ on your touchtone phone.

I now hand the conference over to Ms. Anuj Sonpal from Valorem Advisors.

Thank you, and over to you, sir.

Anuj Sonpal: Thank you. Good afternoon, everyone and a very warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. We represent the Investor Relations of Kamat Hotels India Limited.

On behalf of the Company and Valorem Advisors, I would like to thank you all for participating in the Company's Earnings Conference Call for the 1st Quarter of Financial Year 2025.

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. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on Management's beliefs as well as assumptions made by and the information currently available to 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 about the Company's fundamental business and Financial Quarter under review. Let me now introduce you to the Management participating with us in today's Earnings Call and hand it over to them for Opening Remarks.

We firstly have with us Mr. Vishal Vithal Kamat - Executive Director; Ms. Smita Nanda - Chief Financial Officer; and Mr. Nikhil Singh – Company Secretary and Compliance Officer.

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

Nikhil Singh: Vishal Kamat Sir is not with us in this Earning Call due to unavoidable circumstances. Mrs. Smita Nanda Chief Financial Officer; and I, Company Secretary and Compliance Officer, Mr. Nikhil Singh is presenting this Earning Call. So, over to Smita ma'am.

Smita Nanda: Hello. Namaskar, everyone. This is Smita Nanda – CFO Kamat Hotels India Limited. Thank you and good afternoon, everyone. Welcome to our Earnings Call to discuss Q1FY25 results. We appreciate your presence today and we present our financial results for the Quarter ending 30th June 2024. The result, along with the comprehensive presentation has already been made available for your review on the Stock Exchange.

I am pleased to share some key updates regarding our Company's recent quarter financial performance. The quarter witnessed declining financial performance year-on-year basis primarily due to lower occupancy rate across majority of our properties due to General Elections. We have one time event and opportunity should be raised in the coming quarters. Additionally, we are also undergoing the capital expenditures at our Orchid Pune and Lotus Goa, which impacted the margins. With the addition of various new properties as well as CAPEX funds, we believe we will observe gradual stabilization accompanied by the normalization of related revenues.

Regarding the CAPEX, Lotus Goa reached results. We are adding 10 more new rooms, bringing it to the 58 rooms from 46 room. The entire property will undergo the complete renovation. We are also planning a grand opening under the name of Orchid Goa by November 1, 2024. Along with this Orchid Pune also going under the renovation where we are adding poolside area substantially.

Secondly, the development of this property is our commitment of expanding and upgrading our offerings ensuring that we continue to provide exceptional expedients to our guests.

We are pleased to inform you that we have successfully redeemed the balance 10,000 outstanding convertible debentures of the face-value of Rs. 57,983 each. The redemption of the value was total 63.78 crores in which we have taken 20 crores loan from Axis Bank. Rest of the whole amount is paid from internal accruals. This redemption is 14% listed Secure Redeemable Entity as of today which will significantly reduce our finance cost from the coming quarter. Currently our debt stands approximately 130 crores from Axis Bank at the rate of interest 10.75% in our standalone books. Apart from that, there is no other borrowing as any of our subsidies or joint venture fund.

I am also excited to share that a SBIFM Special Situation Fund which was our previously NCD holder in KHIL will be entering as an Equity Holder consequent upon the conversion of the warrants into equity.

The board of directors has approved Mr. Kaushal Biyani as an Additional Director with effect from yesterday that is the 12th August 2024. Mr. Biyani will be joining us as a Non-Executive Non-Independent Director. We are looking forward to his contribution and insight on our board.

Regarding the proposed Scheme of Arrangement 23rd May 2023, the revised Valuation and Fairness Report of the Registered Valuer and Merchant Banker were approved by the Board Committees and the Board of Directors. Pursuant to the revision in the Valuation Report dated August 12, 2024, the share swap ratio has been changed from 124 to 120 and the shareholders of First Transferor Company i.e. Savarwadi Agro will now get 30,48,000 instead of 31,49,000.

Our strategy is centered around expanding our presence across India through lease agreement and joint ventures focusing on our premium segments and our brands. The brands like Orchid and IRA by Orchid. IRA by Orchid we got the tremendous support from Ayodhya as well as Mumbai. They are doing exceptionally well in the second quarter. Looking ahead we have a few new properties in our pipeline with two schedule setups.

Q2 FY25 Orchid Noida and Orchid Toyam we have commenced the operation followed by Orchid Chandigarh, Dehradun and Bhavanagar we are expecting to come with Q3 FY25.

Regarding our debt as we mentioned earlier also, we have successfully reduced from 298 to 130 now at the rate of 10.75%. This reduction was supported to proceed from the sales of IRA Mumbai, internal accrual as well as the support from the Axis Bank. With this I would like to emphasize some of the basic key points on our financials.

On a consolidated basis, revenue grew by 6% year-on-year basis at Rs. 74 crore and EBITDA stood for 16 crores and saw a dip on year-on-year basis. Largely due to lower occupancy rate combined ongoing CAPEX, Lotus Goa and Orchid Pune, the net profit reported as Rs. 13 crores with the growth of PAT year-on-year basis.

This concludes my remark, and I request the question moderators to open the floor for question-and-answer session. Thank you.

Moderator: Thank you very much. The first question is from the line of Gunit Singh from Counter Cyclical PMS. Please go ahead.

Gunit Singh: Firstly, I would like to understand the other expenses of 30 Cr in this quarter. So, they have gone up from 20 to Cr to 35-year Y-o-Y and as per our discussion in the last Concall you had

guided for a 10 crore reduction in other expenses for the rest of the year, so which would have been 20 Crores other expenses. So, I would just like to understand, I mean what constitutes these other expenses and by when can we actually expect other expenses to go down to 20 Crores which you have alluded in the last concall.

Smita Nanda: Mr. Gunit Singh, Namaskar. This is Smita Nanda, Mr. Vishal Kamat is not available due to some unavoidable circumstances. I would like to request you, this question which has been raised by you is a little detailed one. If you would like to send this as a detailed mail to us, we definitely would like to reply on the same because it will give you a complete answer. Just now, within a limitation of the time we cannot be able to answer this thing. So, kindly requesting you that please send us a detail mail, my CS team will definitely would like to answer this in complete 360 degree. Thank you.

Gunit Singh: Okay. Can you throw some light on the financial costs of about 10 CR that we incurred this quarter? Because last quarter you had mentioned that we would be incurring about 6 crores of interest cost per quarter but it is still around 10-12 crores.

Smita Nanda: Yeah. I will be telling you this. What happened, we have completely redeemed the NCDs of balance 57,000 odd amount at the rate of 20% and similarly Axis Bank loan was also going on 114 crores. The reason being that the 10 crore is increased in this quarter, but henceforth there is only 10.75% of the interest would be levied on the financials.

Gunit Singh: Next quarter onwards can we expect cost to be 6 crores as you mentioned in the last Concall?

Smita Nanda: No, it is not a 6 crore, it will be coming nearly Rs. 12 crores because 130 crores at the rate of 10.75%.

Gunit Singh: I am asking quarterly numbers.

Smita Nanda: I am talking about quarterly. So, it will come nearly Rs. 7 to 8 crores.

Gunit Singh: Alright and you have removed the guidance that you used to give a 400 crores revenue and 140 crore EBITDA for FY25 in the presentation. So, are we still having that guidance of 400 crore revenues and 140 crore EBITDA for FY25?

Smita Nanda: Sir I would like to mention over here we can confirm this after first half year that is after September Quarter ended. So, we will give you the exact picture about how much we are expecting for the EBITDA as well as revenue. Because due to the certain CAPEX and the 1st quarter was little low because of the election period and everything. So, we cannot commit just now that we will reach 400 crore or 375 or 350. But definitely we would like to give the complete picture after the 2nd Quarter. This is premature to commit anything about this.

Gunit Singh: Alright. That is just a bit very lousy from the end of promoters to mention confidently that they will attain 140 CR in the last quarter with so much confidence at 400 crores and now just.

Smita Nanda: We are not saying that it will not happen, but it is very premature to say at this 1st quarter whether after 4th Quarter we will do 300 crore, 400 crore or 140 crore EBITDA, or 110 or 150 crore EBITDA. According to me it is very premature to mention over here. So, let us wait for a second quarter Investor Call, we will definitely get a full picture on that, how we are achieving them because roadmap would be also there for achievement of the same.

Gunit Singh: Alright. I mean I am saying that if the confidence is not there then you should not mention such guidance like with so much confidence as it was mentioned in Q1 and that too it was mentioned that conservatively we will reach 140 CR EBITDA. But anyway, thank you very much, wish you all the best.

Moderator: Thank you. The next question is from the line of Ashav Patel from Molecule Ventures PMS. Please go ahead.

Ashav Patel: My question is our other expenses currently standing at 49% of sales, it has been highest ever since I have been tracking the company over past 5 years. So, I understand you might not have the specifics at this point in time but can you please roughly tell me what caused the increase by roughly almost 8 to 10 crores Q-o-Q or Y-o-Y? So, what exactly is the reason for the same?

Smita Nanda: Yes sir, basically sir, Rs. 6 crore is my lease rental which is in brief for Ira Mumbai one is there. Secondly, we have paid the pollution board, complete our fees and everything. So, that was the Rs. 1 crore we have paid. So, Rs. 8 crore is coming over here and the rest Rs. 2 crores the payroll cost has increased because my new property has come up and some of the little renovation which we have carried on OPEX instead of the CAPEX, the reason being that this Rs. 10 crore rupees is gone up. Sir, we would like to give you everything in detail. Kindly send us a mail so we will forward you everything.

Ashav Patel: Coming on to the second question, you announced merger couple of months back. My question is that the another merger entity which is Trio so at this point of time they only have the Land Bank whereas earlier we were planning to become a satellite company. So, what exactly is the thought process behind acquiring that promoter entity?

Smita Nanda: Sir just wanted to mention you over here. If I can sell that land, it will go just for the 20 to 25 crores. So, the land will grow and that is a very prime location of Mumbai-Ahmadabad Highway touch land. So, we have decided that instead of doing selling of this land, better do the JDA joint development agreement. We have already shortlisted 3 to 4 but former signing is still remaining. Once we do the formal signing with them we will definitely inform this to our stock exchanges. But till the time we are not registering any kind of agreement with them we are

unable to discuss anything on the same. But yes, we are taking advantage of our location and positioning of the land, and we are going ahead with this development of the hotel.

Moderator: Thank you. The next question is from the line of Mahesh Atal from Atal Investments. Please go ahead.

Mahesh Atal: I am fairly new to the company. So, pardon me if my questions are very basic. What I see is from your 20th slide in your presentation image. 66% of your revenues are coming from the Orchid chain, right? What happened is that the occupancy in Orchid is coming down drastically. If I could see 19 numbers, the pre-COVID numbers were 75% which now I think is 55%. But whereas most of the hotel chains now they have reached their pre-occupancy levels, which is pre-COVID levels. So, what has gone wrong there and I could also see that the ARR there have not increased even at the inflation rate also. So, could you please tell me what is stopping us? Is that there is no flow in this because you say that it is like 6500 is the average room rent of Orchid chain. So, is that what is stopping people to come and stay at our hotels? What exactly is happening?

Smita Nanda: When we are talking about this ARR. Sir, we are comparing last whole year along with this 1st Quarter. First thing means we have to do the apple to apple. Sir if we do apple to apple for the 1st Quarter for the hospitality, 1st Quarter is always a low season.

Mahesh Atal: I am talking about the presentation

Smita Nanda: I am just explaining you. So, now what happened, yes we are accepting that the 1st quarter was comparatively last quarter was very low. Reason being sir, there were election and because of election corporate movement seized. Basically, it includes two major hotels. One is Orchid Pune and Orchid Mumbai which contribute to whole revenue almost 70% to 75%. Due to the elections and all these things moment started gradually reducing. Because of this reduction our occupancy gone down and that is the reason my results are also showing little low. But this is not a continuation with the thing. Because 2nd Quarter, we are looking as normal as last year or little bit 5% more than that. So, according to me 2nd Quarter would be the correct position where we can say occupancy will be 65% or 70% for Orchid and whether the ARR will 6500 or 5000. Now this is a very premature statement from me to give my investors saying that this is only 55% or this is only 6500 ARR. So, I request all the investors to please wait for 2nd Quarter results. I am sure you will get your answer in my second quarter results.

Mahesh Atal: Fair enough. I understand that. One more question is that you are almost expanding by 38-40%. I am talking about the keys which will come by the end of Financial Year 25. It will be somewhere around 2200 keys which are currently 1600 keys, right?

Smita Nanda: Yes.

Mahesh Atal: This 38% to 40% increase. I just wanted to know in which chain you are getting this thing. If you can please throw some light whether this will be the owned asset or leased asset and whether this will be added to the Orchid chain or the IRA chain.

Smita Nanda: There is a combination of Orchid and IRA. We are coming with 130 rooms of Chandigarh which would be happening between 1st November to 1st of December.

Mahesh Atal: This is Orchid or IRA?

Smita Nanda: Sir Orchid and then we are coming with the Noida. That is the 68 room, but initially we are doing 34-35 rooms by October and gradually we will increase this. This is the second for IRA. So, almost all here 200 rooms are coming up. The rest of which is remaining, Hyderabad is there. Gwalior is there along with the Dehradun is there. But still we have not signed a confirmed agreement with them. It is very difficult to mention over here, or it could be possible that we may come up with some other opportunities also which may convert into the positive result immediately. But just now it is we do not have such things where we can be able to tell you because it is not informed to the BSE.

Mahesh Atal: It is like you are just having 160 signed agreements currently, right? Which is 138 Chandigarh and 35 is Noida.

Smita Nanda: I have already signed Noida agreement.

Mahesh Atal: I am saying that is the plan and that is being executed currently and if anything else comes that will add on and that is what you are trying to say, right?

Smita Nanda: No. Other than that Gwalior and Hyderabad has already been shortlisted. But unless I sign the agreement, I will not give the commitment.

Mahesh Atal: Gwalior and Hyderabad whether those will be Orchid chain or IRA Chain.

Smita Nanda: Hyderabad would be an IRA chain and Gwalior would be an Orchid chain.

Mahesh Atal: Okay and ma'am just wanted to know in all these properties, whether they are like only resident or like you also have restaurant attached to the particular property.

Smita Nanda: Yes, all the properties are having our restaurants attached as well as the banqueting also.

Mahesh Atal: Fine. So, is there anything that we are doing in that particular side also? Because the weddings are around and what are we doing to get people choose our hotel chain for small gatherings and all?

Smita Nanda: There are so many things we are implementing. One is our membership is also there. Along with this my chain is giving complete 360-degree services for everything. So, according to me sir, whatever your queries are there. I would like to ask to send mail to cs@khil.com, we will give you complete picture about this if you do not mind because other people might be having queries as well.

Mahesh Atal: No problem. I understand. That is okay. Fine. I will just mail it.

Smita Nanda: Just send all the queries, we definitely would love to give you all the answers.

Moderator: Thank you. The next question is from the line of Amey from Banyan Capital. Please go ahead.

Amey: When it comes to the interest cost. So, I just need a little bit of clarification. The 58 crores we had paid back, right, it was in Q2, right? So, if I just do the math in Q1, we would have had an interest cost of 58 crores on 14.5% and 114 crores on 10.75%. So, then the total comes to 5 odd crores.

Smita Nanda: You should that 20% on 57 crores because redemption premium was also there of 6%.

Amey: But ma'am redemption was in Q2.

Smita Nanda: No it was partially in Q4 and it was also in Q1. It was also in FY24 in Q4 partially was for 114 crores and now it is 57 crores.

Amey: How much was it in Q1?

Smita Nanda: I do not have the figure immediately of Q4, kindly send the mail. I can talk about FY25 the total redemption plus interest which we have paid almost all in Q1. Rs. 10 crore we have paid, sir.

Amey: Okay, I will take this offline. Because in the last Concall you had guided that the full year interest cost will be 25 crores. Only in the 1st quarter did it come to around 12 crores.

Smita Nanda: So, this is only for the NCD sir. Apart from that we have the 4 crores to 5 crores., Axis Bank loan. Almost all it will go up to 14 crores not more than that.

Amey: Okay. Couple of things, there has been a series of lack of execution on the guidance is that we have given. Firstly, when it comes to the hotel rooms, hotels starting date, they were supposed to open in September 2024 and now the presentation shows that it will open in April 2025 and same for Chandigarh and Noida also ma'am so what is causing the delay?

Smita Nanda: This is a complete lease and we are taking this lease and plug and play decision. What I do, we ask our owners to renovate it completely and handover to us then only we can do soft land. What happens when we spot any property or confirm it at that time, we see that 85% to 90%

construction is complete. So, then whatever rest of the 10 to 15% construction is pending, we can do any modification which we want to do. Unfortunately, in Chandigarh there was some family problem because the owner was very unwell, so it got postponed. So, anyhow we are now opening this in the month of most probably November. Our effort is to open on November 2024. We may come with the 15 October also or we may go up to 15 November also. That is the range of the timings or the timeline, but we will definitely not go beyond November, that is one thing. Secondly on soft landing sometimes we realize that this is stuck because of this problem, and we have to do changes in banqueting, lounge or any other places like corridors because of that. So, that is why these projects keep on postponing. Depending upon the control of the promoters also how much and how they are pushing. But here it is again we have taken one more initiative and we are supporting all the owners of those who are landlords. We are supporting them through our financial axiom, and we are now started helping them out. Earlier they were a bit hesitant to discuss it when we told them that this is not acceptable. Then they opened up and said that madam we do not have anyone to help financially with the bank then we have requested them why cannot you take our support for that? It would be a win-win situation for both of us. So, now most of the owners have started this practice and they have approached us to help them out. So, we are doing some more. Probably by this year end, we should open all. Along with this our expansion is also going on, sir.

Amey: But then ma'am, like for example in the last Concall sir has very confidently mentioned about the 400 crores revenue and 140 odd crores of EBITDA, right? So, in the last Concall he was confident and now in this Concall you are telling me that it is too premature to actually guide and looking at the hotel openings it does not feel that the revenue and EBITDA margins guidance will come through this year.

Smita Nanda: Yes sir, I agree for this last time, it was conveyed that there will be top line for 400 and 140 for EBITDA, we were not expecting that election will hamper so much for occupancy. Secondary because of constructions or you can say the renovations which we started; it was because of that. Every day is not the same. We are not saying that this will not happen. We are just saying in September we will confirm how much of it will happen. Because in September 6 months we have already done and then till September I do only 100 crores and further I say that I will do 400 crores then it is not a viable proposition, for me also and to explain to my investors also. So, that is why I am asking you some time, at least 3 months more where I will get confirmed my EBITDA as well as my GOP, because in 6 months we can achieve that. So, I cannot tell this is now whether it will be 400 or 100 or more than that.

Amey: So, one suggestion ma'am I think from the entire investing community is that we would advise you to be a little conservative with your guidance because very often than not it is the case that something or the other comes up and the guidance is not met ma'am.

Smita Nanda: Correct sir. Agree. Completely taken the point sir and we will keep this in our mind next time whenever this IR will be there. It will be very. What you are saying is right. Conservative is better than very optimistic.

Amey: So, this entity Savarwadi Rubber Agro. So, basically it is owned by the promoter and it has a land adjacent to the Ambaari Hotel.

Smita Nanda: It is lying to the Vile Parle Hotel.

Amey: Yes. Sorry. Parle Hotel. So, it just has a sewage treatment plant. Is it correct?

Smita Nanda: Yes. It is a sewage treatment plant.

Amey: So, I did not understand the rationale of merging this promoter entity because we are not getting any cash flow, any revenue from this entity. That is just probably 60 to 70 crore dilution in our shareholding. But I do not see the benefit of this because the earlier arrangement that probably we used to pay some amount to this entity for letting us use the plant. So, that arrangement would be fine. Why merge this entity?

Smita Nanda: So, there are two reasons. First of all I will keep this as small as it is. Because whatever the detail note needs to be given for you separately, kindly send us an email. But since you have asked this question let me explain you this thing. Why it is? why Savarwadi valuation gone up. Savarwadi is holding 14% shareholding in Parle Hotels Private Limited which is complete promoters holding company where all land banks are there. Correct sir? One thing is this in which there is a land of Orchid Mumbai which is a freehold land comes, it will come nominally not less than 300 crore, minimum, one thing. Secondly Savarwadi is holding 14% equity in Plaza. In Plaza, there are many land banks which is agriculture, non-agriculture. So, because of the whole thing the valuation has gone up. The second part of your question is for STP plants. Sir if we do not keep STP plant then Orchid Mumbai will shut down. Because STP plant is a BMC's primary condition, without STP plant you cannot run hotel. Forget about the hotel, any industry. Without STP plant you cannot run. Because your outgoing outlet should be there. It should not hamper your society as well as the area for environment problem. So, related to this if you have any queries, I request you to get in touch of our CS, Nikhil Singh, he will provide all the papers regarding this. Kindly send us an email. We will provide you all the details. Anyhow we have already uploaded everything on the BSE as well as NSE also. All valuation papers everything we have uploaded on the site. But still if you have any further queries kindly reach us, we will be helping you out by getting all this detail.

Moderator: Thank you. The next question is from the line of Aditya Sen from Robo Capital. Please go ahead.

Aditya Sen: Ma'am, can you please let us know the Pre-Ind AS EBITDA that we had in FY24 and Q1 FY25?

Smita Nanda: Q1 FY25 EBITDA as well as you are talking about Q1 FY24 EBITDA, correct?

Aditya Sen: No, the full year FY24 and Q1FY25.

Smita Nanda: Full year FY24 and FY25 Q1, correct?

Aditya Sen: Correct.

Smita Nanda: You want a console basis or you.

Aditya Sen: On the console basis, I want the Pre-Ind AS EBITDA. Because we have properties on lease, right?

Smita Nanda: We are a little bit confused with that Pre-Ind AS. So, kindly send us an E-mail, we will definitely give you the complete details.

Aditya Sen: I am asking this question because we have right to use properties. We have hotel on lease only. So, in that sense I am asking this question.

Smita Nanda: But I actually respect this thing and I fully agree with this. Just I am telling that just now in front of me I do not have the figures. Pre-Ind AS EBITDA figures I do not have. So, kindly can you please send us a mail, we will definitely.

Aditya Sen: I will mail this and one more clarity back on the interest cost. I got a little confused. How much interest cost will we have in Q2?

Smita Nanda: Yes. FY25 Q2. right?

Aditya Sen: Right.

Smita Nanda: Yeah. It would be coming interest for 5-6 crores. Exact figures I do not have but yes, it is between 5-6 crores in Q2.

Aditya Sen: Alright and last question. How much revenue share do we have from the managed properties? Like the one that we have in Pune.

Smita Nanda: Pune is our own property but in KHIL we are taking the Management fee on 3% and GOP on 7%. So, almost all it is coming nearly Rs. 5 crores.

Aditya Sen: Five crore. No, I did not get this. What percentage of revenue do we take from such managed properties?

Smita Nanda: It is completely different. We do not have uniformity everywhere. It is depending upon how we are dealing with the owners. Some of the owners are flexible and some of the owners are

not flexible. So, depending on that we keep standard minimum threshold for us, that 4% on revenue and 7% on GOP. We do not go below that. So, on the basis of that, my management fee is coming in PPL Rs. 5 crores per annum basis.

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

Abhinav Kukreja: I am just a bit confused about the interest cost because there have been 2-3 different numbers thrown around in the last call as well as in this call. Is it 5-6 crores for next quarter? Is it 7-8 crores? You also said 14 crores at one point. Could you please clarify? I want the total interest cost to include the Axis number.

Smita Nanda: Okay. So, in 1st Quarter Q1, there are two parts of the interest cost. One is the Axis interest cost, and one is the NCD which is 14% couponing plus 6% redemption. So, 1st Quarter we have taken almost all Rs. 15 crore rupees in Axis plus NCD holder. Correct, sir?

Abhinav Kukreja: Okay.

Smita Nanda: And 2nd Quarter onwards it would be after 1st Quarter. Now NCD is fully paid. So, now every Quarter it would be not more than 5.5 crores because it is only Axis loan at the rate of 10.74%.

Abhinav Kukreja: Thank you for the clarification. My next question is around our expected other expenses. Do you have any guidance around that?

Smita Nanda: For this whatever your specific questions are there regarding expenses, can you please send us a mail because just now it is very difficult to tell everything on the call. So, we will definitely come back to you on the mail on the same. What are your specific questions about the same?

Abhinav Kukreja: Because all the shareholders are here. Can you give us some sense of the cadence? Can we expect it to go down or go up? Can you let us know?

Smita Nanda: Absolutely. It is not going down. That is for sure. We will be matching, or we will be equal with last Q2 or maybe 5% up on that. This is one thing. Secondly, this 1st Quarter was the exceptional because of the 2-3 reasons. One is the election which I have already also mentioned in that. Secondly my 2 properties CAPEX is going on. The third one is because of the new properties also come up. But that is not the case. Basically, these two reasons that impacted on my GOP or EBITDA for this. But definitely 2nd Quarter on we will be doing as normal as last year or maybe 5% above on it. It is not going down.

Abhinav Kukreja: Okay, thank you and my final question is I have been a shareholder for 2-3 years. We have kind of cited many different reasons, like the Russia Ukraine war and what is going on in the Middle East as things that have materially impacted the quality of our business. Last quarter, obviously, we gave the 400 crores guidance going very well, that the first quarter of this year we are going

to have very big election in the country and how that is going to affect our business. Obviously, this is a very old company and this is not the first-time elections are happening. My question is for the next quarter, more largely for the entire year, are there any other events that you expect to impact the quality of your business that shareholders should know about?

Smita Nanda: At this moment how can I explain you this or give you a commitment that this will be impacted, or this will not be impacted? We do not know. But as on today's situation, I can only tell you one simple thing that, yes, we can do as compared to last year, say 5-10% above 100% and if we are going ahead with my team, then it will be. But definitely we will not see less than. We cannot commit sir, at this moment. We will come to know in 2nd quarter, what is the situation? I cannot say this that it will be 400, 425, or 375. For this, I am requesting all my esteemed investors to just bear with me for one more quarter where we can give your clarity on the same.

Abhinav Kukreja: Understood. Are there any specific things that you are looking forward to happening this quarter that will make the guidance better in the future that would really help shareholders out? Like, are there any particular events happening that will allow you to put you in a better position to kind of be in a position where shareholders and you are seeing eye to eye.

Smita Nanda: Two events are happening for sure in, within my group only. I cannot tell you about the economies. One thing is that we are opening brand new hotel in Goa which is under full renovation where we are adding up 10 more rooms extra that is coming with the Orchid brand and my ARR would go up to 6000-6500 also, this is one with additional 10 rooms. And secondly, we are taking Orchid Pune to pool level renovation where we can help to get MICE as well as events, all these things. So, it will help definitely. But that impact will come only on 4th quarter, sir, for this. But these are the events, which is lined up within my group.

Moderator: Thank you. The next question is from the line of Kaushal Biyani from Alpha Alternatives. Please go ahead.

Kaushal Biyani: Smita I think there is some bit of confusion everybody has been having on the interest cost number and I am just wanting to clarify with you so that is clear to everybody what the number is and I am going through the calculations Smita, so that we are clear.

Smita Nanda: Thank you, sir.

Kaushal Biyani: We are talking about now. Let us forget this quarter. Because there is some prepayment you have done in this, some redemption of NCDs that you have done in this quarter also of SBI and True North and to that extent, there is some element of debt there which was at 20% which got repaid in this quarter as well in the first month. But if I have to look at the 3rd Quarter, which is, let us say October to December. Okay and I am just being very careful around the calculations. Just correct me if I am wrong. But if I have to look at the October to December

quarter, your debt outstanding will only be Axis Finance, which is about 130 crores or 127 crores?

Smita Nanda: It would come up to 115 crores?

Kaushal Biyani: One month, right? Okay. So, let me take a number of, let us say 120 crores debt outstanding. That is the only debt on your balance sheet then?

Smita Nanda: Yes.

Kaushal Biyani: Okay. That debt, 120 crores, will be at 10.75%?

Smita Nanda: Yes.

Kaushal Biyani: So, that is an annual interest outflow of 13 crores which divided by 4 means about 3.25 crore should be your quarterly interest outflow from the 3rd Quarter of this year. Correct, that's right?

Smita Nanda: Yes. Completely.

Kaushal Biyani: Okay. Perfect. So, that I think is a question which has been going around and everybody has been confused what is the number and I think you have been coming from a space where, because there were interest payments happening to SBI, True North, those numbers were higher. But just to be clear from a clean. Forget about this quarter because the first month also had SBI and True North and I am not. I mean, if we have to calculate for them also, we can calculate, but from the 3rd Quarter of this year, the only debt on the balance sheet will be Axis. In fact, today also, there is only Axis on the balance sheet and the total debt will be about 120 tops at 10.75% and the quarterly interest outflow will be about 3.25 crores.

Smita Nanda: Correct.

Kaushal Biyani: Perfect. Okay. That's the only thing I wanted to clarify. Thanks, Smita.

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

Gunit Singh: So, you mentioned that we will be renovating 2 of our hotels. So, I would like to understand how much cost would we be incurring in these renovations? The CAPEX that you mentioned.

Smita Nanda: Sir for Goa approximately 12 crores. Because we are completely renovating this. We are adding 10 more rooms in that and that is the Orchid level, 5-Star level. Approximately 12 crores, 5% plus or minus. Regarding Orchid Pune same Rs. 12 to 13 crores. Because we are taking the huge

poolside renovation, and we are planning to see the rooms also. But rooms are not included in this poolside. So, we are expecting almost all both coming together would be Rs. 24-25 crore.

Gunit Singh: Alright. So, how much of these costs were incurred in Q1?

Smita Nanda: Q1 very low. It is not even 2 crores also, sir.

Gunit Singh: Two crores. Alright. So, 2 crores in Q1 and all these costs were included in the other expenses.

Smita Nanda: No. It is WIP sir.

Gunit Singh: Okay. Work in progress, alright. So, I would like to understand you mentioned that other expenses, and overall EBITDA has been impacted by these renovations. So, if this is not flowing in the P&L how is this likely to impact the EBITDA margins in Q1 that you mentioned previously. I am saying you mentioned earlier that our margins were impacted by the renovations and construction going on.

Smita Nanda: This is not because of the expenses sir. This is because of the sale. Because where we used to sell the property at the rate of 5000 or 4500 where we are selling low that is 3000. That is why my ARR got impacted on the same thing. This is one thing. Secondly my expense is related to the lease rental as well as some of the one-time events which happened like Pollution Board and everything. Because of that Rs. 7-8 crores increase. So, my all the renovation cost which is coming at this moment is a WIP. That is because a major innovation is going on. That is the reason. Otherwise painting and change of the carpet and everything we are keeping into OPEX only.

Gunit Singh: Got it. So, another question would be what the one-time expenses were we incurred in Q1, which we do not consider recurring which formed a part.

Smita Nanda: Due to the Pollution Board. That is a Maharashtra Pollution Board which they used to come and to raid the things. So, to avoid all these things we have voluntarily submitted our application. Application is approved by the Maharashtra Pollution Board, and they have almost Rs. 1.10 crores we have paid for the Pollution Board as one-time fees. So, till next year we have now complied with the Pollution Board also.

Gunit Singh: Alright. So, apart from this was there any other one-off item in the other expenses.

Smita Nanda: No apart from this there is no other one-time expense sir.

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

Mukul Jain: Namaskar madam. Q1 FY25 what will be the expenses in lease rentals?

Smita Nanda: Depending upon their some are the fixed and some are the on-revenue share basis. So, if you will mail this question, I will be able to answer it with property wise details.

Mukul Jain: So, madam please tell me for this year broadly for the whole year what lease payment we will get.

Smita Nanda: Some are the fixed renters, and some are the revenue share basis, so sir if you can mail me, I will tell you by seeing the projection.

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

Srinath Krishnan: Yeah good afternoon madam. Number of key additions you have been guiding for 2200 keys for FY25 and I think you had finished it 1600 by '24 and it was around 1500 in '23. Now considering the current environment realistically what is absolute key addition that you see in '25.

Smita Nanda: We are looking nearly 400 to 500 keys, but depending upon. Sir I'll explain you the simple thing. We are getting into the agreements. We are sampling, registration everything happens. But for such a small thing also like all licenses need to be taken by owner. Now for suppose liquor license it takes 3 to 6 months sometimes in some states. Because of that the whole project or whole property gets delayed. This is some simple examples which I am giving it to you. But along with that some others are also there. But I cannot say less than 300 keys in this financial year.

Moderator: Thank you. Ladies and gentlemen, we will take this as a last question, and I will hand the conference over to the Management from Kamat Hotels India Limited for closing comments.

Smita Nanda: We would like to thank you all for joining the call today and hope we were able to address all your queries. Yes, some of the queries were there like they were asking about the index as well as operational expenses. My humble request to all of them that kindly send us your queries to cs Nikhil, we will definitely revert you on the same as soon as possible. You can reach out to our external IR partners at Valorem Advisors also. We are on track to achieve our targets listed. In fact, we are ahead of schedule in certain aspects also. We have shared our growth plan for FY25 with the market in a broader way. Internally, we are having a long-term vision also and our objective is to achieve consistent growth even beyond FY25.

Thank you once again for participating in this call. Thank you all. Namaskar.

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