August 14, 2026

To,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

Code: 526668
ISIN: INE967C01018

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

Symbol: KAMATHOTEL

Sub.: Submission of Transcript of Q1-FY27 Earnings Conference Call held on August 12, 2026

Dear Sir / Madam,

In accordance with the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), please find enclosed herewith a transcript of Q1-FY27 Earnings Conference call of Kamat Hotels (India) Limited with various Investors and Analysts held on Wednesday, August 12, 2026, at 12:00 Noon (IST).

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

Kindly take the above on your record.

Thanking you,

Yours faithfully,
For Kamat Hotels (India) Limited

NIKHIL SINGH
Digitally signed by NIKHIL SINGH
Date: 2026.08.14 11:16:57 +05'30'

Nikhil Singh
Company Secretary & Compliance Officer

Encl a/a.

Kamat Hotels (India) Limited
Q1 FY'27 Earnings Conference Call
August 12, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Kamat Hotels (India) Ltd Q1 FY2027 Earnings Conference Call hosted by Valorem Advisors.

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 this conference, please signal an operator by pressing "*" then "0" on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you ma'am.

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

We represent the investor relations of Kamat Hotels (India) Ltd. 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 the Financial Year 2027.

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 risk and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's Earnings Call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

I would now like to introduce you to the Management team joining us on today's call. We have with us Mr. Vishal Vithal Kamat – Executive Director, Mr. Milind Wadekar – Chief Financial Officer and Mr. Nikhil Singh – Company Secretary and Compliance Officer.

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

Vishal Vithal Kamat: Thank you, Purvangi. Namaskar everyone and Namaskar and welcome to the earnings call to discuss the results of the 1st Quarter of the Financial Year 2027.

So, with that I would like to say, firstly before we begin, I would like to welcome our new Chief Finance Officer – Mr. Milind Wadekar, who has joined us this quarter. He has extensive experience of more than 30 years in finance and in that particularly 20 plus years in the hospitality field, right from the Leela Group to the Chalet Hotels where he was the CFO and last he was EVP Finance and Investment Relations at Ventive Hospitality. We are very happy that we have a person of his caliber and ethos joining our group. So, we are very excited on behalf of Dr. Kamat, myself and our entire board and team. We have already welcomed him. So, I am sure that he will add value to us all with his rich experience.

I am also pleased to share that Kamat Hotels has delivered a very exceptional start to the financial year, supported by robust growth in the top line and also a robust growth in our EBITDA with meaningful margins and meaningful expansion. In Q1 FY27, consolidated revenue grew over 10% to Rs. 91 crores. This is also which Mr. Milind will share in more detail that why it is even better than actually what it looks like when his turn comes.

Driven by again efficiency and I must appreciate our team for their pricing discipline and their operational efficiency, which translated into a phenomenal improvement in our EBITDA rising to 36% high, Rs. 25 crores from the previous quarter in the same year. So, our EBITDA margins have also expanded towards 27% compared to earlier year's same Q1, 22%.

So, that is good news for us and it's a good sign of the times to go ahead. This has of course strengthened our balance sheet and helped us while we are doing this reduce our loans further though that is not an issue. Our target which was and is to be absolutely zero and we are on the target to make net zero and eventually zero on our balance sheet towards that.

So, looking ahead to the rest of FY27, there is a clear momentum. There is a clear pathway in front and in this Mr. Milind Wadekar will add to our current vision, current growth plan. So, we look at even faster and a better and a more robust growth in the coming time ahead.

So, while we have a priority to leverage our brands across India and improve our performances of our existing hotels. So, we do intend to do that keeping in line with our ethos of being friendly, eco-friendly, adding value to society also while we are growing for ourselves. Turning to the industry overall, the industry has been resilient.

Generally, our colleagues in the industry have shown very good results. We are happy that we have done better than many of our colleagues. It's always healthy competition but the sector is booming.

The sector is growing well. In fact, a lot of growth is also coming in from alternative hospitality such as health economy like now recently one viral clip of a gentleman who has come to India for knee surgery replacement. Now then they come and they stay for long tenures.

They stay initially in a hospital. After that they move to hotels where they are supported. We have people like that staying in Orchid who would get treatment in Leelavati or Hinduja or in other such hospitals.

So, that's also a very good plus point that we have. There's also a rising travel aspiration. This global turmoil has been both a bane for our industry and a boon in terms of the LPG crisis and all which many people asked last time and overall have been discussing.

But that small problem turned out to be a big gain for the nation because tourism boomed. People did not travel outside India. People went again to remote and popular local destinations in tourism.

Even city tourism also grew. People traveling within India because on one hand because of global fuel shortages, airline cancellations were rampant not only in the Gulf where it was due to war but it is also in Southeast Asia where certain countries could not meet their requirement of fuel for aviation and hence many had curtailed which many of you must have read in the newspaper. On top of that, Europe, there's a heat wave, there's a migration crisis and there's hyperinflation due to the Ukraine war continuing over so many years.

So, the cost of living and the cost of enjoying have shot up so much that most Indians prefer to go to other locations and those other locations happen to be within their own country. America on the other hand with Donald Trump behaving exactly what the world needs because of which you know American overall popularity is decreasing and hence people have not gone for tourism as much to America, visa issues being another additional issue. Hence again who has benefited is our country and our vicinity.

That's why even tourism in Sri Lanka and all where again which is India friendly places like Sri Lanka and Thailand, they kind of benefited. But most of our population, as we have seen in Manali and our other hotels have traveled and this time the weather also gave well, a very good way. Last year you might recall there were floods, there were flash floods, there was damage, a lot of highways and roads got destroyed.

But the government has done a very good job, both central and states in each of these places because of which the roads have been made so well that this year we have not faced any issue and tourism in even remote places like Manali was excellent. So, we have benefited from all this and against this backdrop our focus on this quarter was on three priorities which were strengthening our performance, scaling up on our new properties which further Mr. Milind will take and enhancing our guest experience through a lot of technological things which we have

been doing. Some which the guest experiences, some which the guest does not experience, as in he experiences but he does not know.

A lot of in fact what improvement in services are there are from technology where, it affects the guest, but the guest does not realize it and I think that's a big credit to our IT team. So, we have made very good progress on our various properties, we have ramped up our operations in Orchid Panchgani which had opened last year in September, October. Orchid Rishikesh, Orchid Rishivan in Rishikesh which has also been doing good and will further grow.

Then Ira by Orchid Hyderabad in high tech city that last year did not do so well because it was new. This year it is doing much better and will further ramp up and our latest baby who has joined the family is Ira by Orchid Bhavnagar which has just opened but has got a very good response. It has one of the best banqueting halls in Bhavnagar in terms of size, in terms of grandeur and our food which has been greatly appreciated so we have been already getting a lot of traction from the social side especially for weddings and groups and once now the season of Bhavnagar will start post monsoon where a lot of NRIs and others come back to Bhavnagar and Saurashtra and other parts.

So, we will have that advantage to us. Apart from that, Dholera has been doing exceedingly well thanks to Tata's plant, thanks to other announced silicon and chips manufacturing, thanks to other industries. So, that effect is going to come tremendously on Bhavnagar and flights also have improved.

Navi Mumbai to Bhavnagar flights are there, flights to other places also come. So, we are very buoyant that once Bhavnagar stabilizes by next year particularly, its full year will add just as these others have added and that same cycle will continue and accordingly the growth will be there. So, that's also something really very good.

We also have expansion which we have signed for our second property in Dwarka. This is the Orchid Dwarka is a 63-room hotel, and which should be starting operations by latest December this year. So, I think that will further strengthen our presence both in the pilgrimage market and in the overall Gujarat market.

Previously we also guided that our hotels are there coming up in Gwalior, Dehradun, Nashik, Rishikesh and Mandvi. So, our Gwalior hotel also should start by Diwali. We are very buoyant.

The owners are doing a good job or a great job rather in terms of expediting and finishing. So, we should look at Gwalior opening this year. Dehradun is delayed.

There are challenges due to which they are delayed. That could be delayed by another six months. Nashik is going on.

Work is going on. The target is to open before the main Kumbh. Rishikesh, our expansion which is the hotel next to us, the second hotel that we have taken, work is going on.

That will go on as per expected. And also, Kachchh Mandvi also is on track and that is going on as expected. Apart from this, there are some others in pipeline.

But as we always tell on the call, till it is not signed, we do not talk about speculation. We only discuss and talk about what is signed so that there is a clear outline towards the future growth for all of us. So, as we have expanded our portfolio primarily under Orchid brand, we are also positioned to scale our existing infrastructure, our IT backbone, our distribution through brand.com and our loyalty program. Our brand.com which is orchidhotel.com and irahotels.com basically have been improving in its direct booking tractions due to various benefits being given additionally to our customers. So, that also has been showing very good traction in general. So, that is something we are going to further work on.

This integrated ecosystem which we have created is also helping us to drive the occupancy and also then the ARR. The occupancies of this quarter have been excellent and that detailing more Mr. Milind Wadekar will give.

So, with that, I think I will take it forward to Mr. Wadekar to take it forward and I would be more happy to answer the questions which many of my fellow participants and colleagues will have. Thank you. Namaskar.

Milind Wadekar: Thank you, sir. Good afternoon, ladies and gentlemen.

Before moving to our financial performance, I would like to express my sincere gratitude to the board of directors, promoters and the leadership of Kamat Hotels for their continued trust and confidence.

I truly believe Kamat Hotels is on a turnaround journey. The foundations the company has laid over the years will help us to scale up rapidly, strengthening operating performance and achieve structurally higher EBITDA as we grow.

The Indian hospitality sector is witnessing a robust recovery driven by rising travel aspirations, improved connectivity, air as well as road and higher discretionary spending. According to industry estimates, India's domestic tourism is expected to grow, with a CAGR of around 10-12% over the next 3-4 years, supported by growth in business travel. And Tier-2 and Tier-3 cities are emerging as key growth drivers where we are expanding, contributing to over 60% of new branded hotel supply in the coming years.

Against this backdrop, I am pleased to share that Kamat Hotels delivered a stellar operating performance in Q1 FY27.

Consolidated revenue for the quarter stood at INR 91 crore, a growth of 10% over INR 83 crore in Q1 FY26. Importantly, our focus on driving operating leverage has translated into 36% growth in consolidated EBITDA to INR 25 crore, compared to INR 18 crore same quarter last

year. EBITDA margins have expanded by a robust 530 points that is around 5.3% to 27% for the quarter compared to 22% in Q1 FY26.

If you look at flow through for the quarter, what is flow through is incremental EBITDA as a percentage of incremental revenue. It was more than 75% despite four new properties added in Q1 FY27. The properties were added there in last 2-3 quarters and properties were not there Q1 FY26 and these properties are scaling up, so there is some higher operating cost.

In spite of that, our flow through for the quarter is 75%. Now, if we dive deeper into operating performance on a same store basis, excluding Ira Mumbai which closed on 31st March 2026 and four new hotels which were added for financials in this quarter, the revenue grew by 17% year on year and EBITDA grew by 21%. The new properties Orchid Panchgani, Rishikesh, Ira by Orchid, Hyderabad and Bhavnagar are scaling up and are expected to contribute meaningfully in the coming quarters.

Our big box hotels in Mumbai and Pune which are business hotels delivered a strong growth. Orchid Mumbai revenue grew 35% year on year with EBITDA up 50% year on year. Orchid Pune revenue grew 27% year on year and we are rationalizing cost here to improve margins further.

More hotels are expected to generate cash to fund our own assets growth plan in near future. Now, if you look at RevPAR at portfolio level, RevPAR for our two brands that is Orchid and Lotus grew 18% and 17% respectively in Q1 FY27. This is high teen RevPAR growth which is much higher than hospitality industry which they have shown in the current quarter.

In our investor presentation, you will see negative RevPAR growth for Ira by Orchid brand but excluding Ira Mumbai, Ira by Orchid portfolio ARR was around INR 4,069 which is flattish as compared to previous and RevPAR was INR 2,466 which is around 3% growth. Favorable tailwinds in domestic business and leisure market helped us to ramp up occupancy at RevPAR across our portfolio. This combined with strong operating KPIs and stringent cost control drove a 126% growth impact to INR 9.7 crores against INR 4.3 crores last year. Our balance sheet is now very comfortable; our leverages are comfortable. The consolidated debt as of last quarter is INR 105 crores with cash, cash equivalent fixed deposits of INR 65 crores resulting in net debt of INR 38 crores.

With this now I conclude my opening remarks and I request to open the floor for questions and answers.

Moderator: Ladies and Gentlemen, we will now wait for a moment while the question queue assembles. Our first question comes from the line of Rohan Joshi, an Individual Investor. Please go ahead.

Rohan Joshi: Yes, hi sir. So, my question was just about the update on the properties that are going to be opened this quarter. So, are they according to the plan or has the LPG availability, construction and supply shortages affected the timeline for this year?

Vishal Vithal Kamat: No, actually we are talking about two hotels. One is the Orchid Hotel, Dwarka, which should open in this coming November-December. It is not in this quarter, but it will open in November-December, but we see its outlay.

And similarly Gwalior, we see it as end October-November. So, it is not in this quarter, but in the coming quarter. Dwarka has been opened faster than or on track rather because the owner has done accordingly.

And in Gwalior, it is opening now, but it could have opened a little earlier, but then based on whatever the owner, because the owner has to do the capex, the owner has to do the various certain things. So, we are dependent on the owner and that is why basically we could get delayed at times. But what is important is that even if it was delayed by now, whatever few months, important is that now we see it opening and we see its opening on the horizon.

So, that is more important. I mean, like Dehradun should have opened a long time back, at least a year back. Candidly, I can say that at least, but it's not our property, unfortunately, and we have to depend on our owners.

So, whatever, based on that we do, we do. Again, Mandvi, the owners are very proactive and, on the ball, so they are doing an excellent job. Rishikesh is going on as per currently the progress, so we know about that.

Nashik has been a little delayed due to certain technical points, which is beyond the scope of the owner, considering certain things which are there. So, we are understanding over there. So, that's basically the outlay.

Milind Wadekar: So, Rohan, if your question is supplying chain challenges on account of war, has that impacted? The answer is no.

I mean, the challenges are behind us now. I mean, the properties, what we are expected to open, there could be some delays. I mean, like Vishal ji mentioned, one property, there are delays from owners, but otherwise we are on time.

Rohan Joshi: Okay, sir. Thank you. Thank you so much, sir. And sir, my second question was about the occupancy rate. So, it has improved in Q1, as I know that it improved to 66% in Q1. So, what can we see the further trajectory of the occupancy rate going forward in Q2, Q3, if you can give me just a rough estimate, the ballpark idea.

Milind Wadekar: See, typically, hospitality industry, Q1 and Q2 are soft, and business picks up. It is business travel as well as leisure in second half of the year, right? So, Q1 occupancy growth has shown good trend, and we expect this trend to continue for the remaining three quarters. Typically, business hotels cross more than 75-80% occupancy. Leisure properties are seasonal, depending on the micro market, occupancy differs, but will show strong growth.

Rohan Joshi: Thank you, sir. That was from my end. Thank you.

Moderator: Thank you. Our next question comes from the line of Gunit Singh with Counter Cyclical Investments. Please go ahead.

Gunit Singh: Hi, sir. Thank you for this opportunity and congratulations on a great set of numbers. And I would also like to congratulate you for bringing in someone with the experience of our new CFO into the organization. So, that shows the intent of the company. So, I actually have a question for our new CFO. So, sir, is there any strategic pivot or something different that you plan to do, or how you plan to steer the company forward? I would like to hear your thoughts on that.

Milind Wadekar: So, we are evaluating various growth options. I mean, I don't want to say anything now. I mean, but yes, we are thinking or rather evaluating various growth options. And our balance sheet leverages are very comfortable. We are at INR 38-40 crore net debt position.

Even if I take three times multiple of my forward EBITDA, we can raise debt comfortably up to INR 300 crore on the balance sheet.

Gunit Singh: Got it. So, previously, we have been more towards leased and managed properties on an asset-light model. So, like you mentioned in the previous remark, that the profits from Pune and Mumbai, they might fund our expansions, our internal expansion. So, will we be looking at our owned self-owned phone hotels in the future? Is that something that we would be shifting towards?

Milind Wadekar: So, we will look at combination of both. I mean, asset-light model where we take properties on lease or revenue share. And we look at our own hotels as well.

I mean, we may look at some brownfield hotels, which can be refurbished and put into operations immediately. Or we will look at some land parcels in deep market and develop our own hotels. So, we will look at both.

And since both these our business hotels are expected to grow, it will generate sufficient cash to fund our expansion plans.

Gunit Singh: And sir, the hotels which are opened before FY26, are there any hotels which are loss-making? And the hotels which were opened in FY26, I mean, are most of them currently loss-making? And I want to understand, like we stopped our lease with IRA Mumbai, which wasn't profitable for us. So, are we planning something for the hotels which are loss-making and opened before FY26, something similar like that? Or what is the way forward?

Vishal Vithal Kamat: So, see, based on our accounting standard, which we've been, before also you must have heard this way, is that when we open a new hotel, we book all the expenses of that opening in the

P&L of that hotel of that year. But naturally, it looks as a loss. But eventually that loss in the coming year does not remain a loss and our hotels become a profitable running entity.

So, any hotel which is opened in, now for example, Bhavnagar, on its P&L today, on its standalone P&L is a loss. Why? Because we have travel expenses, we have mobilization expenses, certain things which are not in the owner's scope, which is in our own scope, or they may be our own additional proprietary certain software's and all which we have, which are our cost.

So, those are, but naturally in the initial, there is going to be a P&L loss on that front. But eventually afterwards, once the hotel stabilizes, as in after the first one year, they are in profit. This is a similar case of any, whether it's Sambhaji Nagar, whether it's whatever, those hotels, whichever have started first year, they always have, because very rarely can a hotel do that much, unless it's a large hotel, or there is an exception, like in the case of Ayodhya, it started off for first year, it was in profit, even though there also there was mobilization expenses.

So, that is one thing. That said, I think Mr. Milind can take it forward.

Milind Wadekar: See, any hotel, whether owned or taken on lease, I mean, it normally takes two to three years for them to scale up and stabilize. So, first year of operation, there could be losses at EBITDA level, but you have to look at long-term trade. And our hotels are scaling up, all hotels are scaling up and wherever we see any loss at operating level, we take corrective action there and there and try to control our cost or improve our revenues.

Gunit Singh: Got it. So, I mean, my question was regarding hotels opened before FY26, so FY25, FY24. Are any of them still loss-making?

Milind Wadekar: No, no, not really, not really. I mean, all are making profit after lease charges.

Gunit Singh: That's great. That's great. So, my final question would be regarding the ARR for Orchid Hotels. So, I mean, we have seen that the ARR has not been growing for Orchid Hotels. So, are we taking any initiatives or do we plan to take any price hikes this year? I mean, what are your thoughts on that?

Milind Wadekar: Ideally, hotel performance should be judged by REVPAR, that is revenue per available room. So, I mean, where we think there will be resistance to further improvement in ARR, we go through occupancy route. Now, as I already covered in my opening remarks, my Mumbai property occupancy went up to 91% and RevPAR went up to almost 40%.

So, at that point of time, that micro market was supporting us on occupancy level. So, we decided to keep rates flat and sell more and more rooms. In Pune, we are driving both.

So, depends case to case and depends on the particular month, depending on how is the demand for that hotel in that micro market. So, there is no thumb rule per se. But yes, now we are looking at both.

I mean, the intent is always to drive both, but depends on the competitive forces as well.

Gunit Singh: Got it, sir. Thank you very much and I wish you all the best.

Moderator: Thank you. Our next question comes from the line of Pranav Naik, an individual investor. Please go ahead.

Pranav Naik: Yes. So, basically my question stands on the EBITDA margins. So, EBITDA margins, as far as I know, is approximately 27%. So, what actually helped these margins? Was it temporary factors or it's a long-term scenario?

Milind Wadekar: Pranav, this is long-term. I mean, our target is to take EBITDA margins up to 30% and it comes from both. I mean, higher revenue as well as cost. So, we are looking at various options to control or to rationalize our costs. One of it is moving to renewable energy for some of the properties. So, this is a continuous process and I think this is not one of EBITDA margins. This will remain stable or improve further.

Pranav Naik: Okay, sir. So, this 30% EBITDA margin, when will you see those colors? Like, when will we be able to see, when will we reach that kind of 30% EBITDA margin?

Milind Wadekar: Not immediately. I mean, we have to walk that path. But our internal target is two to three years.

Pranav Naik: Okay, sir. Thank you. And another question that I have is on the…

Milind Wadekar: Pranav, please understand. I mean, as we scale up, I mean, my revenue will also go up, right? So, I have to hit that 30% margin on higher revenue. Right.

Pranav Naik: Correct. Right, Perfect. So, on the current demand environment, I have a question. So, basically, looking at the proper mix, like corporate lease, MICE, pilgrimage, what do you think will change meaningfully? Which segment will grow faster, which will be slower? And what are we targeting as a company in this product mix? Like, which exactly product mix you see that in future will have a meaningful change?

Milind Wadekar: So, Pranav, there are many business drivers. When economy grows, the business travel grows, right? Now, with rising aspiration, leisure travel, experiential travel is increasing. MICE business is improving. So, all these factors will drive business for hospitality. And we have seen this trend last three, four years. The trend is expected to continue. I mean, we feel India is structurally long-term uptrend as far as hospitality is concerned.

Pranav Naik: Okay, sir. Right, sir. So, that's it from my side. Good. Thank you.

Moderator: Our next question is from the line of Mahavir Jayant, an individual investor. Please go ahead.

Mahavir Jayant: Good afternoon. So, I just wanted to know, like with the company's debt position improving substantially, what are the current priorities with respect to the surplus cash, like new properties or further deleveraging or shareholder returns?

Milind Wadekar: So, this is growth-driven company and we would like to grow, right? And we will judiciously deploy this capital for growth, whether it is managed properties or our own property. So, we look at growth options.

Mahavir Jayant: Okay. And what is the expected timeline for the newer properties to reach mature occupancy rate and profitability?

Milind Wadekar: So, in two, three years, new property matures and it is EBITDA positive.

Moderator: Thank you. Our next question is from the line of Akshay Sawla, an individual investor. Please go ahead. Akshay, your line has been unmuted.

Akshay Sawla: So, I had two questions. First was regarding the current hotel pipeline that we have, like what properties, you know, we have already announced and what are we expecting further additions during FY27?

Milind Wadekar: So, we are looking at around 400 keys addition, maybe next one year or 15 months from now. That is Gwalior, Dehradun, Dwarka, Nashik, Rishikesh and Mandvi Kutch. Okay. So, I am saying 12 to 15 months from now. Assuming there will be some delays. It could be earlier also.

Akshay Sawla: And second thing I wanted to know that how do you see the balance between the Tier-1, Tier-2 markets or Tier-3 markets and how is the company looking to expand over the next few years in these markets?

Milind Wadekar: So, there is business for all segments in gateway cities, in Tier-1, Tier-2, leisure destinations, everywhere. I mean there are new growth drivers coming up like Bhavnagar. Now with Dholera, there is good demand, picking up in that market. So, as we see more investment in manufacturing, these new growth centers will come and leisure travel is booming.

Vishal Vithal Kamat: So, one thing is that Tier-1 markets particularly have a natural entry barrier in terms of cost. So, you will not find a huge amount of inventory coming in into any Tier-1 city. The Tier-2, Tier-3 is basically generally where the growth also is, but that's also that in the long run those markets they have to have like Bhubaneswar for example.

It used to be you can call it Tier-2 city, but Bhubaneswar initially had limited hotels, but had limited business. Today Bhubaneswar as a city has grown where there is a lot of business and a lot of hotels. So, the market though it expanded it also absorbed.

So, in the same way we have basically to see city to city. Bhavnagar we are very buoyant. Why?

Because Bhavnagar has a growth story apart from tourism in the 6 months where we have NRI movement and weddings and other things. There is also a base of industry. So, we need to balance industry, tourism and transient movement all put together which we see in the various markets particularly and this is there right now when we are looking at our Puri hotel, our Puri project.

Puri also has this kind of very good mix of movement. So, that's how every market needs to be seen. So, we can't just go blanket in terms of any Tier-2 or any Tier-3 city.

The city has to have a base and that's what we look at.

Milind Wadekar: Akshay, now if you look at Pune market, our hotel is upscale, can be upgraded to say upper upscale. Now, there is no new announced hotel project in Pune for upper upscale and you need at least 5 years to start a new hotel. Now, Pune demand is growing. Pune commercial office absorption is growing. So, there is great potential for that property to grow in terms of rates, in terms of occupancy, everything.

Akshay Sawla: Okay. Okay. Thank you so much. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, to ask a question, you may please press star and one. Our next question comes from the line of Ronak Agarwal with I Thought PMS. Please go ahead.

Ronak Agarwal: Yeah. Thanks for the opportunity. I am very new to the hospitality industry. So, can you help me understand about the ramp up of the new hospital? So, how much time does it take for a brand-new hospital to reach to the optimum occupancy level? And what's the optimum occupancy level of a mature hospital?

Vishal Vithal Kamat: You mean to say hotel or hospital? Hotel company. Being a hotel, ideally, whether it's a hospital or a hotel, your ideal occupancy is 100%.

Okay. But the truth is that 100% doesn't happen whether it's a hotel or a hospital. In both cases, the ideal occupancy is 100%.

But that does not happen. Secondly, the ideal ARR does not exist. Because each time you achieve a target, you have to break that target.

If tomorrow a hotel achieves a target of say its budget was say 7,000 based on market study, based on competition analysis, based on the product that it has been made into, and let's say

for hypothetically say the market is at 7,000. That's where your occupancy comes in. And if your occupancy reaches a certain threshold, then the owner or the general manager will say, since my threshold of occupancy reached a certain level, why should I stick to 7,000?

I will take this up to 8,000 or 9,000 or 8,500. Whatever it is, I will take it upwards. Why?

Because after a point, I don't want a full house. I want also ARR. So, it's a dynamic pricing, dynamic market based on your neighbors, based on your own product, based on what exactly is happening in general, and what is the occupancy.

Just by you putting a 10,000 and if your occupancy will be 20%, that also does not make sense. So, there is nothing like an ideal, but in general, if you are asking as a thumb rule, thumb rule workings are normally 60-65%, which again in a city hotel, Mr. Milind, you must have heard saying, for a city hotel, generally you should have 75-80% occupancy. But thumb rule is 60-65%, and ADR is a subject of the market, average rate.

Ronak Agarwal: So, what is the kind of occupancy, let's say you are starting a new hotel, so what is the kind of occupancy that you will have in your first year, second year and going forward.

Milind Wadekar: Yes. See, again, it depends in the micro market where that hotel is. Now, city business hotel, gateway cities, you will see occupancy going up to 75%. I mean, it is almost full on Monday to Friday and occupancy drops on weekend. If it is leisure property, occupancy is high on weekends, and you fill rooms with MICE, that is meetings, incentive conferences during weekdays.

So, everything depends on the micro market where you are in, the number of hotels or number of rooms available in that micro market. And rates, I mean, you will find Lonavala or Mahabaleshwar, hotels are full on weekends, right, and rates very high, but rates drop substantially on weekdays.

Ronak Agarwal: So, what's the kind of CAPEX are we doing in the new hotel which we are going to open?

Vishal Vithal Kamat: Case to case basis, there is CAPEX where it's required, upgradation, it is being done. Some upgradations are part of the budget, so they are part of the revenue that is generated and expense out of that, and that is there. Or some are basically major CAPEX, which may be outside the purview of the revenue expenditure and may come under capital expenditure. So, that is a case-to-case basis, sir.

Ronak Agarwal: Okay. So, what's the CAPEX which you will be doing?

Vishal Vithal Kamat: Sir, let us restrict to about a limited number of questions so we can take our next person also, and then once someone else has asked, you can please come back in line.

Ronak Agarwal: Thank you. Thank you, sir. Thank you.

Moderator: Thank you. Our next question is from the line of Gunit Singh with Countercyclical Investments. Please go ahead.

Gunit Singh: Thank you for the follow-up. So, historically, we used to give some guidance for the coming year. So, I would like to ask the management, I mean, what kind of a top line or EBITDA are we aspiring to reach conservatively this year, if you have some range in mind?

Milind Wadekar: So, Gunit, we don't want to give any guidance as such. But what we can tell you is the tailwinds or growth drivers are very strong, and we are expected to show growth on a quarter-on-quarter basis.

Gunit Singh: Got it. In Q1, the domestic travel was higher because Indian tourists were not traveling to Middle East, which used to account for I think 20-25% of outbound international travel for Indians. So, I mean, is that tailwind still going on? And according to you, I mean, was that one of the major reasons for higher occupancy? So, I would like to just get a take on that.

Milind Wadekar: So, yes, one of the reasons was outbound foreign travel was restricted or limited on account of war. But generally, with higher disposable income and improved connectivity, the leisure travel is increasing year-on-year basis. So, I mean, we feel the trend will continue.

Gunit Singh: Got it. So, for our hotels, do we have a breakdown of leisure versus business?

Milind Wadekar: So, normally, these are two distinct hotels. I mean, business hotels, we don't get leisure business. If you look at our Mumbai or Pune, mostly it is business travel. There is no leisure. And there are identified, I mean, Goa, it is leisure. In Rishikesh, it will be leisure.

Gunit Singh: Got it. Got it, sir. Wish you all the best.

Moderator: Thank you. Our next question comes from the line of Suhag Patel, an individual investor. Please go ahead. Suhag, your line has been unmuted. You may proceed with your question.

Suhag Patel: Hi, sir. My question is regarding, like, is the company seeing enough demand to support the planned increase in room inventory? And how is it going to affect our average room rate?

Milind Wadekar: Suhag, I did not get your question. Hello.

Vishal Vithal Kamat: We didn't understand your question, Sorry, we were not able to get it. Can you repeat it, please?

Suhag Patel: Yeah. My question is regarding, is the company seeing enough demand to support the planned increase in room inventory? And how is it going to affect our average room rent?

Milind Wadekar: So, the planned inventory is not in the cities where we operate, right? And when we look at new hotel project, we look at demand supply dynamics of that city or the expected growth in

demand in next few years. So, our new capacity, I mean, we are not adding any hotel in Mumbai per se today, right? Or in Pune, which will cannibalize my existing business. We are looking at new cities where we don't have presence. So, I don't think that will impact ARR. And when we look at new hotel project, we'll look at demand supply dynamics of that city.

Suhag Patel: Okay. Thank you for the opportunity. Yeah.

Moderator: Thank you. Our next question comes from the line of Ronak Agarwal with ithought PMS. Please go ahead.

Ronak Agarwal: Yeah. Hi, sir. Thanks for the follow-up question. What's the kind of CAPEX are we looking to do in FY27 and FY28? And what is the CAPEX which we have already done in Q1, FY27?

Vishal Vithal Kamat: Will you please repeat your question? He wants to know the CAPEX. What was in Q1? And what is our future CAPEX for the coming time?

Milind Wadekar: Okay. So, most of our properties are on lease where our component of CAPEX is very minimum. But at appropriate time, we'll look at renovation, refurbishment of our Mumbai, Pune Hotel.

So, plans are underway. We are finalizing design. So, we'll give guidance on that maybe next quarter or so.

And if any property, if we get, let's say, brownfield or a land parcel, as we speak, there is no such project on the book. So, there will be CAPEX for that. So, I mean, just to give you guidance, it will be normal repair and maintenance CAPEX for next two years.

Vishal Vithal Kamat: I think there's no questions further from what we can see. So, I think we can end the call. So, if there was anything, then it would be any questions.

So, there's no point in unnecessarily dragging it. I think our results are very self-explanatory. This time, the improved presentation in our PPT also is there.

And by the way, any participant who has any question or query further can directly reach out to Mr. Milind – our CFO or our CS – Mr. Nikhil. And we'd be happy to take up any questions and queries further. So, thank you, our moderator. And I think you can end the call after your closing.

Moderator: Thank you. On behalf of Kamat Hotels (India) Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.