ROYAL ORCHID HOTELS LTD.,

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HAL Airport Road, Kodihalli, Bangalore - 560 008, India.
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CIN : L55101KA1986PLC007392
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Date: August 20, 2026

To,
The Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited
Floor 25, P. J. Towers,
Dalal Street,
Mumbai – 400 001
BSE Scrip Code: 532699

To,
The Manager,
Department of Corporate Services,
National Stock Exchange of India Limited,
Exchange Plaza, Plot no. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Scrip Symbol: ROHLTD

Dear Sir/Madam,

Re: Transcript of the Earnings Conference Call for the First Quarter ended June 30, 2026

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the transcript of the Earnings Conference Call for the First Quarter ended June 30, 2026 held on August 14, 2026.

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

This is for your kind information and records.

Thanking You.

Yours Faithfully,

For Royal Orchid Hotels Limited

Padmini V Krupanidhi
Digitally signed by Padmini V Krupanidhi
Date: 2026.08.20 10:21:18 +05'30'

Padmini V Krupanidhi
Company Secretary & Compliance Officer
M. No. A52709

AMIT JAISWAL
Digitally signed by AMIT JAISWAL
Date: 2026.08.20 10:22:18 +05'30'

Amit Jaiswal
Chief Financial Officer

Encl. as above

Royal Orchid Hotels Ltd.

Q1 FY27

POST EARNINGS CONFERENCE CALL

August 14, 2026 5:00 PM IST

Management Team

Mr. Chander K. Baljee - Chairman and Managing Director

Mr. Arjun Baljee - President

Mr. Keshav Baljee – Whole Time Director

Mr. Amit Jaiswal - Chief Financial Officer

Call Coordinator

KAPTIFY®

Strategy & Investor Relations Consulting

Presentation

Moderator: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q1 FY27 Post Conference Call of Royal Orchid Hotels Limited.

Today on the call from the management, we have with us Mr. Chander Baljee, Chairman and Managing Director, Mr. Arjun Baljee, President, Mr. Keshav Baljee, Whole Time Director; and Mr. Amit Jaiswal, Chief Financial Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also this is a reminder that this call is being recorded.

I would now request the management to detail us about the business performance highlights for the period ended June 2026, the growth perspective and the vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Chander K. Baljee: Good evening, ladies and gentlemen. On behalf of the board and the entire leadership team at Royal Orchid Hotels Limited, I extend a warm welcome to all of you to this investor presentation on the financial results of the first quarter ended 30 June, 2026. We appreciate your continued interest and support and we share the performance highlights and progress that we are making on our growth agenda.

Key performance snapshot, Q1 delivered strong top line momentum. Consolidated revenue rose 36% year-on-year to about INR 107 crores from INR 79 crores in the corresponding quarter last year. Total revenue stood higher at INR 115 crores. This growth is attributable to our new hotel, ICONIQA which had become operational last financial year. EBITDA grew faster than revenue, rising 39% year-on-year to approximately INR modestly to approximately 33 cr which is Ebitda margin expanding modestly to approximately 30.7% from 30%. However, the net profit declined to around INR 6.4 crore versus INR 10.9 crores last year. The diversion between robust operating performance and lower reported PAT reflects higher financial costs, depreciation including IndAS impacts and ongoing ramp-up of newer properties, particularly our larger-leased assets.

We view the underlying operating trends as healthy and consistent with our expansion phase. Strategic progress, we continue to grow our high -- asset light growth model. The portfolio has expanded further with additional hotels and keys added during the quarter. We added five hotels with 237 keys during this quarter. We have 50-plus hotels signed which we will be opening in the next 18 to 24 months. We are working hard and remain focused on Vision 2030 targets of scaling to a significantly larger network of hotels and keys across India and select neighbouring markets, driven primarily by management contracts, franchising and selective revenue share arrangements. Occupancy and average room rates in our key operating hotel and managed properties have held up, supported by domestic leisure and corporate demand. New openings and pipeline conversion are progressing as planned.

Looking ahead, we remain confident in the medium term outlook. India's hospitality sector continues to benefit from rising domestic travel, improving infrastructure and growing demand in both leisure and business segments. Our emphasis on operational excellence, brands stretching across the agenda and related portfolio. We are also looking at disciplined capital allocation position as well to convert the current growth investments into stronger profitability and better ROCE in the coming quarters. The detailed financial statement, segment-wise performance and operational metrics are available on the investor presentation and results filing. Hope you all had a chance to go through the same in detail.

We are happy to take your questions now. Thank you once again for joining us today. We look forward to a constructive discussion.

Question-and-Answer

Moderator: Thank you. [Operator Instructions] We will take the first question from Anubhav Jain. Anubhav, you can go ahead.

Anubhav Jain: Yeah. Hello, sir. Am I audible?

Arjun Baljee: Yes, Anubhav. Please go ahead. Yes.

Anubhav Jain: Thank you for the opportunity, sir. So my question is that premiumization of ROHL with ICONIQA, what's the plan and how will that over the time improve the yield?

Arjun Baljee: Let me take that question. So if you look at what we've tried to do with ICONIQA as a separate brand in the premium upper upscale segment, the intention was very clear that how do you create a family of brands starting from the value priced at Z by Regenta going all the way up, as with every other hotel company. What we propose to do going forward is we're signing hotels in the upper upscale category by using ICONIQA as the growth driver there.

We also have the opportunity of premiumization where within our own Royal Orchid hotels, if you look at it, we've got about a thousand keys in the five star category between owned, leased and joint ventured. Those two are, as you know, are being upgraded and have been upgraded to yield better ADRs in the time to come.

Anubhav Jain: Okay. Thank you, sir. I'll get back in the queue.

Moderator: Thank you. We'll take the next question from Surbhi Mishra. Surbhi, you can go ahead.

Surbhi Mishra: Hello. Am I audible?

Arjun Baljee: Yes, Surbhi.

Surbhi Mishra: I wanted to know, your consolidated revenue grew 38.5% and EBITDA approximately 39.1% in Q1. How much of this growth came from the 237 new key added during the quarter and what was it like for revenue and EBITDA growth of existing profile?

Amit Jaiswal: I'll take this question, Surbhi. See, in the quarter, we have opened 237 rooms, five hotels, and they all are in managed and franchisee model. So the number to that would be very, very negligible. Okay. So because we only get the management fees or the franchisee fees from these hotels, the major number comes from our JLO hotels, that is, owned, leased and joint venture hotels. So the number from these five hotels is very, very negligible.

Surbhi Mishra: Okay. And can you tell me, what is the revenue par growth occupancy and ARR moment for Q1?

Amit Jaiswal: See, as far as the occupancies are concerned, we are at 70% in our JLO hotels and at 60% odd, 60.8% at our -- all the managed and franchisee portfolio. And as far as the ADR is concerned, last year we were at an ADR of 5,488. This year, we are at an ADR of 6,233 in our JLO hotels. And in managed hotel, our last year ADR in the same quarter was 4,031. And this year it is 4,300.

Surbhi Mishra: Okay. One last question, with the current pipeline of signed and operational hotels, what should investors realistically think about as the sustainable revenue growth rate for the next two to three years? Will it be closer to 25% or 30%?

Amit Jaiswal: Keshav, sir, would you like to take or should I go ahead?

Keshav Baljee: You can go ahead.

Amit Jaiswal: Okay. So as far as the growth from these numbers are concerned, okay, see we are at 7,000 odd rooms and we have signed 11,000 odd rooms with 50 hotels coming up in next 12 to 24 months. Most of these hotels, barring few, three to four hotels which are coming under the revenue share model, most of these hotels are under managed and franchisee model wherein we have not invested anything. So the growth from there will be in the managed segment, I have shown separately in my presentation that what we earn from the managed segment. So there will be a substantial growth in the managed segment, but we get a management fees from these hotels. So the revenue will grow definitely there.

And as far as the JLO hotel is concerned, in next two to three years, once ICONIQA established itself, because it's just fairly a new hotel. So then you will see a substantial growth. But at this point of time, for three years down the line, giving a number will be a little difficult, but there will be definitely a growth in the company.

Surbhi Mishra: Thank you, sir.

Moderator: Thank you. We'll take the next question from Rahul Bangadia. Rahul, you can go ahead.

Rahul Bangadia: Am I audible, sir?

Amit Jaiswal: Yes, yes.

Rahul Bangadia: Thank you for taking my question. It's not about this -- my question is not about this quarter, sir, just a generally broad, this thing, I've asked this question in different forms before as well. Broadly you have laid out your long term plans very well. That has been explained the asset-light model, all of that is good. But when does the, when do we move our profitability line, when do you see it moving? Because three years back, we were also at INR 50 cr. PAT, this year also, we may end up somewhere there and thereabouts, we've moved from 4,000, 5,000 rooms to 8,000, 10,000 rooms.

So when do we see the needle moving, sir, on the underlying front, because the valuation or anything else that the company can come under the function of the bottom line in it? I'm sure you guys are putting up so much effort in adding so many rooms, new brands working so hard, I'm sure you look to that as well. So just a broad timeline on when do you see it reflecting in the bottom lines?

Amit Jaiswal: See, Rahul, I just put up this thing, then probably I will request Mr. Arjun sir and Keshav sir to add to my reply. See, Rahul, please understand one thing, we are at an ROCE of around 17%, 18%. Okay, because you are seeing flattish, because we are in a churning stage the company is going to take a big leap, but we are in a churning stage. Of course, you have a concern and we also have a concern that how do we increase our profit and the profit looks flattish. But once things are stabilized, definitely you will see a good growth in the company that much I am very sure about. And if you really look at the ROCE, the deployment of the capital is done very, very intelligently and ROCE of 17%, 18% is actually not bad.

Of course, we are targeting an ROCE of 20% plus, okay, and which will happen in next couple of one year or so, once we have established -- once ICONIQA gets stabilized itself, because we have done funding there also. So definitely, you will see this thing and probably I request Arjun sir or Keshav sir to add to it.

Keshav Baljee: I can add to that. I think if you take the last couple of years, coming out of the pandemic, etc., we kind of took a a point of view that while we were asset light for a long time, we'd also like to be somewhat asset light, right? So we are also putting in capital to use in towards revenue sharing these properties and occasionally in the last, I mean, some years back or so, we purchased a partner state, etc.

So, while we take these, while we do a ramp up and you've seen a ramp up in our revenue this year, right? It's a pretty large revenue ramp up compared to some years back, primarily because now we are doing revenue sharing properties as well. Now when these properties get added there obviously is an IndAS effect, there's an initial ramp up effect, there are costs associated, all that stuff.

So I think this will be a definite time for some investors who have been patient with us for some time. But I think the reason we are doing this is because we understand that not only should the number of keys grow, but so should the top line. And also the bottom line, the cash profits, which are the most critical things to us.

I believe all of these things will start to show in the numbers soon. But yes, there is one additional business model that has been added, investors should be aware about it. Earlier when we added management contracts, it was a costless way of growing to some extent because there's very limited maintenance capex associated with adding new keys.

But now when we add keys in the revenue share and lease model, there is a cost associated. And with IndAS there was a slightly larger upfront loaded cost, which of course we have explained in our investor relations as well, investor presentation as well. So that is just something that we do want to highlight to all investors that there is a slight change in the way when we go from asset light to asset light, there is a slight change in our P&L as well.

But you know, as more hotels come on stream, you start to see a much higher growth in the bottom line as well, just like how you've seen a good growth this year in the top line.

Amit Jaiswal: And Rahul one more thing I would like to add to Keshav sir's reply, please understand last two quarters we have been hit by one particular factor, the change in the GST module. See earlier we used to charge above, below 7500 rates, we used to charge 12% GST and we used to get the input credit and we used to set it off against our GST output. But now with the change in the regulation, definitely the GST output is 5% without input.

So we are getting an input loss. Let me substantiate this, that in this one quarter, there was a GST input loss for the entire company by two and a half crore, which is a substantial number. We are trying to find out ways to mitigate this particular process and this particular cost which has come and all of a sudden due to the change in the regulation has come.

We're trying to find it out the ways how do we mitigate this particular thing and probably we'll come up with better solutions in time to come.

Arjun Baljee: So I just want to add one quick thing to all of them. You know, 20% of our rooms contribute to 80% of the revenue. OK, and until that was, until very recently, the Royal Orchid hadn't really made a large investment in any asset to get to to the heft of the top line.

ICONIQA was the first such investment and the hotel really came on stream in November. So we usually give it, say, a year of gestation, as do you. And you've been kind enough to say that in the past, that about a year is what a hotel usually takes for it to to turn the corner.

And so we're hopeful on that. The other flip to add is that how does one obviously add assets to the company that are be it Brownfield or any assets which are revenue and profit accretive to us. And that is something that we're doing very, very actively in our development pipeline.

And how do you add hotels that today starting from the get go, one can start seeing some form of traction, right? There's no real six, eight months of development cycle and then setting up the hotel cycle so you want to try and shrink that so ROCE goes up. So I think it's a question of time where you will a short time.

Right. And I thank you for your patience for, I think, a decade. But it's just a short while longer and I think the corner is about to be turned.

Rahul Bangaria: So, sir, the point is well taken and ICONIQA actually gets the benefit of doubt for another two, three quarters. Benefit of doubt in the sense it gets the time to turn it around and actually show some numbers. So the ICONIQA point is well taken.

But even let's say Ex-ICONIQA and X of IndAS, would you think that you are happy with the performance that has happened Ex-ICONIQA, Ex-IndAS? I'm saying even those numbers haven't moved much. So any thoughts there?

Amit Jaiswal: Yes, Rahul, I agree with your statement. I would not say that we are very happy. We are trying to find out ways to move.

See, our top line has grown. OK, there's no doubt about that. We are our operating margins have grown.

I have no concern. We are looking or finding or we are looking at the ways. How do we improve it further so that our PAT grows?

You know, we are we are in a little bad situation as far as the taxation also is concerned. Our if you really look at it, the cost of the tax is quite high. So we are trying to find out that way also so that our PAT improves. But your concern is also our concern and we are definitely trying to work towards it.

Arjun Baljee: So just to add one more thing, Rahul, to help you and to add to Mr. Jaiswal's point, you see, when you look at the average hotel size that was signed up to say about a year and a half to two years ago, right, with sub 50 keys. Now, today you look at the hotels that we are signing, right, there are plus sub 80 going up to 100, 120 key management contracts as well. Now, all of that helps.

The second piece of the puzzle is, I mean, obviously one is larger hotel inventory or larger key inventory per hotel is something that there's an active focus on. And the second component that we're actively focused on is the premiumization and increasing the average yield per hotel that comes with larger hotels, more facilities, so on and so forth. So all of that is a very, very active plan that is I guess it's about a year, year and a half ago we set this in motion and we're seeing the results with developers coming forward to us to to sign interesting hotels that will add to a premiumization and be a better yield per asset.

Rahul Bangadia: Great, sir. Thank you for those answers. Jaiswalji, just one more thing, just to follow up on your GST thing.

So is it a fair thing to say that two and a half CR that you just mentioned is an additional cost that you bore in the quarter, which otherwise would have been reflected in the bottom line. And is that sitting in the ITC column right now?

Amit Jaiswal: Yes, ITC. And we have to write it off. I can't, I can't help it.

I can't carry it forward. You know what, ITC is not allowed. I will have to write it off because my output does not permit me to take the ITC input because we are at 5% in the output tax. My output tax is below 7500 rate. Is that that? So we have been taken by surprise.
We have done some representation to the government also. And we are also trying to find out ways how do we mitigate this particular cost.

Rahul Bangadia: Right. Great, sir. Thank you for answering those questions and all the best.

Moderator: Thank you. We'll take the next question from Harleen Kaur. Harleen, you can go ahead.

Harleen Kaur: Hello, am I audible?

Amit Jaiswal: Yes.

Harleen Kaur: Sir, my first question is EBITDA grew 39%, yet PAT declined 39%. While the IndAS accounting impact explains part of this. Should investors now think of EBITDA or cash profit as the better measure of underlying economics of the business?

Amit Jaiswal: No, I think the investors should look at the non-IndAS numbers. That is why we present our numbers, IndAS and without IndAS. So I think investors would look at non-IndAS number because that shows the true picture of our business.

Harleen Kaur: Okay, sir. So what would Q1 FY27 PAT have been approximately without this accounting impact?

Amit Jaiswal: 11.7 crores. Oh, no, no. I'm sorry I'm sorry. I'll just tell you 11.7 crores is the one second.

Amit Jaiswal: So our, as far as our PAT for the Q1 in FY26 without IndAS is concerned, it is 12 crores.

Harleen Kaur: Then what about Q1 FY27?

Amit Jaiswal: It is 9.8 crores.

Harleen Kaur: OK, sir. So what is the ROCE difference between an owned hotel and a managed hotel for Royal Orchid, and where do you see the optimal mix?

Amit Jaiswal: See, managed hotel, we don't invest anything. OK, and we get a percentage of the top line and the operating margins. So without investment, we are getting some fees.

But of course, we have to spend some money for running those hotels. OK, so we do that sales and marketing and all. Whereas owned hotel, you invest heavily and then you get a return from that operating margin from that hotel.

So this is both a different kind of business, rather I'll say.

Harleen Kaur: Okay , sir. So one last question. We are seeing the opportunity for premiumization of ROHL with ICONIQA. What's the plan and how will that over the time improve yield?

Amit Jaiswal: So as Mr. Arjun Baljee has said earlier that ICONIQA is in the stage of streamlining the whole thing and it takes little time. The hotel is new and all. That is why, for better understanding, we are publishing our result with ICONIQA and without ICONIQA so that the investors and the analysts can understand the numbers better. So and once we grow that brand more, so the numbers will definitely change.

Arjun Baljee: I just want to add to one thing. I think just to clarify what Mr. Jaiswal was saying and Harleen to add to your question. You know, we just opened a hotel in Baroda in Vadodara called the Lakshminarayan Palace. Now, it was intentionally branded with the ICONIQA collection. It's not an ICONIQA hotel, but it's not a Regenta hotel either. It has to be something else. And we have a collection brand sitting there. The logic was to tell the customer that it is a palace hotel, but it is in the upper upscale segment. OK, and that the connection between Bombay and the other hotels, the logic was so that the customer feels, OK, hang on. You've got an upper upscale hotel in Bombay. This is of a similar vintage. And therefore, you can afford to charge a premium rate. You can afford to charge or do better services and all of that. So in time, we will use the ICONIQA name selectively, but to try and get a better yield on assets that we otherwise would not have been able to.

Harleen Kaur: OK, so thank you so much, sir.

Moderator: Thank you. We'll take the next question from Renuka. Renuka, you can go ahead.

Renuka Sivasankar: Yes. Hello. Thank you for the opportunity. I had a couple of queries with regards to ICONIQA. So what has led to the decline in top line for ICONIQA this quarter? The reason I'm asking is because in Q4, the occupancy was cited at roughly 60%-odd and April-May run rate was given as 80%. So what has led to that sequential decline then from 2024?

Arjun Baljee: Yes, so two things, Renuka. The Q3, Q4 in a business hotel environment is always the best as far as the industry is concerned. You will see across the board that Q1 for business hotels especially is the lowest and then it picks up over the year.

That's reason number one. Reason number two, the entire market in that inbound, near the airport, domestic, international travel market in April and May took a huge hit because of all the flight cancellations that happened because of the war. And we don't realize that 50% of inbound into India come through three Middle Eastern carriers. That went to zero. OK, so you add the two factors. One is the reality that Q1 is always the lowest in a business hotel environment. And add to the fact that you did have a global issue in April that still persists.

Renuka Sivasankar: OK, so the in Q4 concall, you had mentioned it was at 80% occupancy rate. So for the month of April and May. So I just wanted to clarify that number. What was the occupancy for ICONIQA then in the month of April, May, June?

Arjun Baljee: Oh, give me one second. I'll just give it to you. Mr. Jaiswal, you have that offhand. I'll just. Yeah.

Amit Jaiswal: See, Renuka, see the numbers what we have given in February, March, we did 80% occupancy. The occupancy did get hit a little bit in the first quarter because of the war, all the business hotel across India has got hit. However, the leisure destination did well.

OK, that is why you are seeing the change in the numbers from quarter four to quarter one. And the ADR of quarter one and two is different from the ADR of quarter three and four. OK, the quarter three and four is almost 60% and quarter one and two will be 35, 40%.

That's how the entire business hotel works. And as far as the occupancy is concerned, let me tell you, in April, we did an occupancy of 79%. It dropped a bit in May. May dropped to around 60 odd percent. And then in June also, we did around 70. 70%.That's all.

Renuka Sivasankar: OK, but on an average, it would have been higher compared to Q4, right?

Arjun Baljee: No, no, no. No, not at all.

Amit Jaiswal: Q4 is the best, always.

Renuka Sivasankar: OK, so can you just give me the number for Q4 for ICONIQA?

Amit Jaiswal: So Q4, we were at in 80% around.

Renuka Sivasankar: OK, OK. And currently in the month of August, what would be the rate like?

Amit Jaiswal: Rain. It has rained heavily in Bombay in July and August. It has rained havoc. So definitely it has hit the occupancy a little bit, but post-October it will grow.

Renuka Sivasankar: OK, OK. Yeah, I'll join back in the queue. Thank you.

Moderator: Thank you. We'll take the follow up question from Rahul. Rahul, you can go ahead.

Rahul Bangadia: So just a question on ICONIQA, given the numbers that you've reported, let's say IndAS impact if we remove what annualized top line of 85 crores is broadly 80-85 crores broadly is where we break even without IndAS, if I'm saying. Once you pay the lead as well.

Amit Jaiswal: Yes, yes, yes, you are right, Rahul. 85 crores, we will definitely break even.

Rahul Bangadia: That's a that's a PBT break-even. EBITDA should not be a big number. Depreciation should not be a big number anyways.

Amit Jaiswal: No, no, EBITDA. Yes.

Rahul Bangadia: OK. And anything you make above 85, whatever that number is, incrementally?

Amit Jaiswal: 50% of anything above 85, 50% will go down to the bottom line.

Rahul Bangadia: 50% should be higher, sir. I'm just trying to understand because...

Amit Jaiswal: A little more, you can take a little more. Fixed costs are covered, right? Fixed costs are already covered. Fixed costs are mostly there. So roughly around 60-65% will definitely go down. We are targeting 100 crores, to be very frank, Rahul, let me tell you, we are targeting 100 crores. But let's see how the business moves in the third and fourth quarter.

Rahul Bangadia: And how do you see the, see, your lease rentals are tied up for the next, for all the time that you have the property on lease, right? Absolutely.

Amit Jaiswal: Yes.

Rahul Bangadia: How do you see your ADRs over the next two, three, four years? Do you see a scope of increasing them over time? Does that 100 crores, can you touch 120, 130 in a, whatever?

Arjun Baljee: Rahul, let me take that quickly. See, we opened in November. We missed the entire RFP season. OK, where you have corporate contracting that goes on. We missed that entire season. Now, so when you opened, you're effectively scrambling for guests on the online travel portals, you're scrambling from existing relationships. And while we say, listen we've opened there, so did three other hotels at the same time. Fairmont for 50 keys, Hilton Garden Inn opened with 170, and Roswin opened soon after that with 110. So you add about a thousand keys addition within walking distance of our hotel. Right. That was, look at it from that context. We don't come with a legacy international pipe so we have to go and fight for every business that we get. And we've seen a huge amount of acceptance of the product and the service, right, from the customers who've used the hotel. We are now seeing repeat business. And therefore, we are seeing people coming in and signing up long term or as I say, the contracts with the hotel for the season ahead. Please also remember that we are seven, eight months old. OK, so year one will be settling in. Year two will see increase in ADRs. Absolutely. Right. And year three, obviously, the ADRs will keep going up. You know, and that is that is obvious. Right. Or rather, that's expected. But so to give you some hope, can we increase ADRs? Absolutely. And I think year one was about trying to find a place for the hotel in the market, which is actually quite a cluttered market.

Rahul Bangadia: Right. Thank you. Thank you for answering.

Moderator: Thank you. We'll take a follow up question from Surbhi. Surbhi, you can go ahead.

Surbhi Mishra: Yeah. Hi, sir. I had one more question. I wanted to know, employee cost has increased substantially over the last eight quarters in standalone business from 19-20% levels to 23% levels. What is the, why is the employee cost rising so sharply while revenue continues to be where it was seven to eight quarters back?

Keshav Baljee: Yeah, look, this year, also, there was a new wage code. So there was a slight increase due to the new wage code, which we have taken. And there has also been annual increments, which are part of part and parcel of the hospitality industry. Some increases in costs are due to the new leases we have taken. Some are due to the strengthening of the management team. But I think, like I said across the group, we are going to see some optimization of the costs as the revenues start to kick in based on all the expansions that we're doing based on the asset rate program.

Surbhi Mishra: Okay. So when do you think this will stabilize as percent of revenue?

Keshav Baljee: Look, I think we have some new properties opening this year. And we also, but we anticipate this to be sort of range bound within what it was a couple years back and what we are in terms of the percentage. But the revenues are going to increase. So I think another year or so things should start to stabilize, you know. So we've had, like I said, the new wage code coming. So that is, that has been a slight step up. Amit, you can quantify.

Amit Jaiswal: So Surbhi, let me tell you, if you take the whole year round, see the revenues are scattered from first quarter to fourth quarter, but the wage remains fixed, more or less. So if you take the revenues from the whole year round, the average cost will come around 20 to 23% only.

Surbhi Mishra: Okay. So when do you think Royal Orchid can realistically build 100 to 150 crore annual management fee business without taking significant balance sheet risk? And by when do you see that happening?

Amit Jaiswal: We have given a vision of 2030 and we are targeting that date.

Surbhi Mishra: Okay.

Keshav Baljee: Right. I just want to clarify the vision. 2030 did not give a target of whether it is revenue or fees. So we just want to clarify that is the case. We are not assuring any date for hitting 150 crores of management fees from our side. While we are at a good run rate and we have grown fees about 14% last year, we are at 7,700 keys. We expect to be at 11,000 plus in the next 24 months or so. And we, of course, have a good pipeline and a good vision. We have a tie up with Hampton by Hilton. So all these are positive. But look, obviously, given the, as we said last quarter, given the war scenario, we are trying our best not to give any projections. And then, of course, 150 crore fee number is a very, very, very large number. Two and a half.

Amit Jaiswal: Almost three times.

Keshav Baljee: Yeah. So that is a very large number. I don't have a date for that. But yes, we are looking to absolutely double this in as short a time as possible.

Surbhi Mishra: So one more thing, even on the annualized bassinit has increased from 17% in FY23 to 21% in FY26.

Amit Jaiswal: No, Surbhi, absolutely. Please understand, FY23 cannot be compared because it was just after the COVID. OK, COVID, we had scaled down the entire operation to a a big way. And then that's why FY23, the numbers are quite enterprising. But industry standards, if you look at it, it's around 20 to 23%. In our segment, you will find the cost. So it will hover around that.

Surbhi Mishra: OK, thank you so much.

Moderator: Thank you. In case anyone has a question, we use the option of raise hand. Sir, since there are no further questions, would you like to give your closing comments?

Chander Baljee: Yeah. Good evening, ladies and gentlemen. I really appreciate your queries in this session. And we will take note of all the points raised by you. And we can assure you better results in the quarters to come. Thank you very much.

Moderator: Thank you. Thank you to the management team for your valuable time. Thank you to all the participants for joining on the call. This brings us to the end of today's conference call. You may all disconnect now. Thank you all.