GRAND CONTINENT HOTELS LTD

[Formerly Known As Grand Continent Hotels Private Limited]

Date: 17.11.2026

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

SYMBOL: GCHOTELS
ISIN: INE12E301017

Dear Sir/Madam,

Subject: Transcript of earnings conference call held on Friday, November 13th 2026

Pursuant to Regulations 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find attached transcript of earnings conference call held on Friday, November 13th, 2026, for investors with respect to Un-Audited Standalone and Consolidated Financial for the half year ended September 30,2026.

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

Thanking You,

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

UMA JHAWAR
Digitally signed by UMA JHAWAR
Date: 2026.11.17 16:59:35 +05'30'

UMA JHAWAR
COMPANT SECRETARY AND COMPLIANCE OFFICER

Grand Continent Hotels Limited

H1 FY27 Earnings Conference Call

13th November 2026

MANAGEMENT:

MR. RAMESH SIVA
CHAIRMAN MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER
GRAND CONTINENT HOTELS LIMITED

MR. SATISH AGRAHAR
CHIEF FINANCIAL OFFICER
GRAND CONTINENT HOTELS LIMITED

MR. ABHIJEET SHRIVASTAVA
CHIEF OPERATING OFFICER
GRAND CONTINENT HOTELS LIMITED

HOST:

MS. VAISHNAVI VAITY
AKMIL STRATEGIC ADVISORS

Vaishnavi Vaity: Good afternoon, everyone. I'm Vaishnavi Vaity from AKMIL Strategic Advisors Private Limited. It's my pleasure to welcome you all to the H1 FY27 Earnings Conference call of Grand Continent Hotels Limited. Today we are joined by Mr. Ramesh Shiva CMD & CEO, Mr. Satish Agrahar, CFO, and Mr. Abhijeet Shrivastav, COO. Now, I would like to hand over this session to Ramesh Sir to tell us more about the company's growth. Over to you, Ramesh Sir. Thank you.

Ramesh sir, you're on mute.

Ramesh Shiva: Thank you, everyone, for joining this call. And, I'm sorry that we had some outrage of, the Microsoft, because of which there has been some slight delay, a few minutes delay in it. I apologize for it. And, anyway, thank you all for joining once again. Wish you all a very good afternoon. good afternoon to all our respected investors, shareholders, analysts, and well-wishers. It gives me an immense pleasure to welcome each one of you to the earnings call of Grand Continent Hotels Limited.

Before I begin discussing our financial performance, I would like to take a moment to express my sincere gratitude to all our investors and shareholders for the trust, confidence, and support you have placed in us.

This year, particularly, is very special for all of us at Grand Continent Hotels, as we have just completed 15 years of the journey in the hospitality industry. When we started this journey 15 years ago, we had a vision, a strong belief in the opportunities within the Indian hospitality industry and a determination to build a successful and respected hotel company. Today, I'm extremely happy and proud to share that Grand Continent Hotels have grown into a hospitality company operating 32 hotels across India and United States. The journey has certainly not been without challenges. We have witnessed different market conditions, economic uncertainties, and industry changes. However, our company, our commitment, our perseverance, and disciplined approach have helped us reach where we are today. And I firmly believe that this is only the beginning of a much larger journey.

To all our investors who had believed in our company and supported our growth, I would like to say a heartfelt thank you. Your confidence in us carries a great responsibility. And we remain fully committed to protecting that trust and creating long-term value to every shareholder. Coming to our financial performance for the first half of FY27, I am extremely pleased to share that GRAND CONTINENT HOTELS have delivered strong growth across all our key financial parameters.

Our hotel total revenue reached 107.19 crore, registering an impressive year-on-year growth of 87.43%, crossing the 100 crore revenue milestone in the first half is a significant achievement to our company and reflects the growing strength and scale of our operations.

Our EBITDA increased to or increased by 100.44% to 13 crore, with EBITDA margins improving to 12.13%, compared to 11.34% during the corresponding period last year. More importantly, our profitability has shown substantial improvement. Our profit after tax grew up by 160.45% to the 6.02 crore with PAT margin strengthening to 5.62% compared to 4.04 in H1 FY26. Our earnings per share also increased significantly from 0.93 to 2.42, reflecting the improvement in our earnings. These numbers are extremely encouraging to us. What makes the performance particularly satisfying is that our profitability has grown at a faster pace than our revenue. This reflects the increasing strength of our business and opportunities available. for further improvement as our portfolio continues to mature. Our operations in the United States have also made a meaningful contribution during this period.

The US business contributed approximately 24% of our hotel revenue and 54% of our profit before tax, supported by stronger margins during the peak operating season. We witnessed an improvement in occupancy levels in the US, with average rooms rents having a graphical ups and downs. Nevertheless, the overall contribution from our US operations has been encouraging and supported our consolidated financial performance. Coming to our Indian operations, I would particularly like to highlight the strength of our business and spiritual tourism segments. Our mature properties in these segments have maintained occupancy levels of approximately 75% with average room rates ranging between 3,700 to 3,800.

These are important indicators for us because they reinforce the business strategy we have been following over the years. Our focus has always been to build a hospitality portfolio that is practical, sustainable, and driven by consistent demand. Business travel and spiritual tourism are two segments where we continue to see meaningful opportunities for long-time growth. That is precisely why our strategy is to maintain approximately 85% to 90% of our portfolio within these two segments.

We believe this approach will help us build a more stable business, improve operating efficiency, and create a stronger foundation for substantial profitability. At the same time, I would like to be transparent about some of the challenges we faced during the first half of the year.

One of the major challenges, as you are all aware, has been an impact of the ineligible GST input tags, which affected us to an extent of approximately 4.65 crore. Additionally, the abnormal increase of nearly 16% in minimum wages in Karnataka resulted in an additional cost of approximately 30 lakhs spread over 4 months.

These factors have had a direct impact on our operating margins and limited our ability to deliver even better profitability during the period. However, I want to assure our investors that our management team is fully focused on addressing these cost pressures through better operating efficiencies, stronger cost controls, and improved revenue management.

Our leisure properties have also performed relatively moderately compared to our business and spiritual destinations during the first half We are, however, expecting an improvement in these properties during the second half, supported by seasonal demand patterns similar to what we experienced during the previous financial year. I would also like to briefly touch upon Dubai operations, considering the prevailing geopolitical situation, and after evaluating the business environment.

we took the decision to exit our hotel management contract in Dubai. This was a carefully considered management decision, and I am pleased to clarify that the exit has not resulted in any major financial impact on the company. We believe that being disciplined in our decisions, including knowing when to exit certain opportunities is equally important as identifying new avenues for growth. Now coming to what I believe is the most exciting part of our journey.

The second year and the second half of financial year 2027 on the road ahead. We have a strong expansion pipeline with plans to operationalize nine additional hotels, comprising approximately 600 rooms during the second half of this financial year. Of these nine hotels, four are planned in South India, one in the western part of India, and four in the northern part of India. The proposed portfolio consists of four business hotels, four spiritual destination hotels, and one leisure properties. Two of these nine hotels are expected to operate under management contracts.

The expansion is an important step in strengthening our presence across different regions of the country. Our approach to expansions remains disciplined. We are not interested in adding hotels merely For the sake of increasing our number, every opportunity needs to make business sense, support our long term strategy and contribute towards building a stronger and more profitable company as these new properties become operational and gradually stabilize. We believe they will strengthen our revenue base and create additional opportunities for future profitability. We are equally focused on improving the performance of our existing hotels. For us, growth is just about the number of hotels we operate.

Looking ahead to the number in FY27, I want to convey a very clear message to all our investors. We are confident about the direction in which Grand Continent Hotels is moving. We have built a very strong foundation Over the past 15 years, we have an expanding portfolio, an experienced operating team, a clear business strategy, and a better understanding of markets in which we operate. Our priority for the coming quarters will be to strengthen revenues. improve operating margins, enhance profitability, and execute our expansion plans responsibly. We recognize that our investors expect more from us, and rightly so. I want to personally assure you that.

We share those expectations And most importantly, we want our growth to translate into meaningful and substantial value for all our shareholders From the humble beginning of operating 32 hotels across two countries, every milestone has been possible because of the confidence placed in us by our stakeholders, the commitment of our employees, and the loyalty of our guests.

I would also like to express my deepest appreciation to all our shareholders and investors. Many of you have supported our vision and believed in our ability to build something meaningful in the hospitality industry. As I have always believed, building a company in a long-term journey, success does not come from one good quarter or one successful year.

It comes from consistently making the right decisions, remaining disciplined and staying committed to our goals. The years ahead must be about taking the company to the next level with greater sale, stronger profitability, better operational performance and sustainable growth. Once again, Thank you to each and every one of our investors for your continued faith in Grand Continent Hotels Limited. Thank you very much and I look forward to your continued support as we enter the next exciting chapter of Grand Continent Hotels.

Now, I hand over the mic to Mr. Satish, our CFO, to give you better details about the numbers.

Satish Agrahar: Good afternoon to all on the call. Our MD, sir, has already touched upon the broad numbers. So the consolidated numbers, we talk about the six months of last year with the six months of this year. We moved from 57.18 CR to 107 CR in the revenues, that's 87%, and bottom line, we moved from 231 crore to 602, a jump of 160%. There are certain areas where we control the cost, and one of them was the ineligible credit, where we went in for specified businesses. So, you can see that, comparatively, there is a reduction in this ineligible credit. We're working on it still further and on the standalone, they moved on the numbers from last half year, 49.43 to 73.53. And on the bottom line from 231 to 346. So basically, both standalone and the console had good numbers. In the consolidated, US contributed to quite a lot past the extent as RMD has already explained.
Thank you.

Ramesh Shiva: Thank you very much. We are now open to some questions if there is any from the people so that we'll be ready to answer that.

Vaishnavi Vaity: Investors, the floor is now open for Q&A session. I request you to raise your hands or drop your questions in the chat box. Thank you.
Yes, Mr. Neil, you can go ahead and ask the question.

Neil Bahal: Hi, Mr. Shiva.

Ramesh Shiva: very good afternoon to you, Mr. Neil.

Neil Bahal: Wish you a very happy Diwali and a prosperous new year.

Ramesh Shiva: Thank you, thank you, and wish you the same, sir.

Neil Bahal: Some questions I had was on the margin that we reported for our India business.

Ramesh Shiva: Okay.

Neil Bahal: Could you tell me any kind of a cohort data of your existing hotels, how they have done last year versus this year? And was the margin impacted in any way because of the new hotels that we have launched recently?

Ramesh Shiva: Yes, sir. Actually, in this financial year, when you talk about this financial year, we have only opened up two hotels. We had opened up one in Gurgaon, and another one we had opened up in Rameshwaram. But, the major, again, the leisure hotels of 5 hotels, what we have, as such, like, last year and this year, we have comparatively not increased much of a business in these leisure hotels, particularly in Goa, in Udaipur, Mahabalipuram, and all these places did the same, like, what it had been last year. So, the numbers were not very good in these leisure hotels. But as far as the other hotels, corporate hotels and religious places, hotels are concerned, they were doing really good this year also. So, we were able to maintain it to a certain level.

But coming forward in the coming financial, that is in the H2, starting from October itself, the numbers have grown up very well for us and we are expecting to do very good in the second half in the leisure as well as in the corporate hotels. So, the impact has not been the impact of a little bit of impact. What had been in the Indian hotel profitability was only because of the leisure hotels. But we didn't have many new hotels starting, so there was not much impact of this.

Neil Bahal: Alright. And, how do you expect, in terms for Indian hotels, H2 to be…, historically, H2 has been stronger for revenue as well as margins, right?

Ramesh Shiva: Yeah, you're right, sir. Yeah, in H2, like last year, we were clear that, you know, H2FY, in the first half, we did somewhere around about 2.5 crores or something, 2.42 crores was our top line. And the second half, we did around about close to 9 crores, was what we had done. So, I think you can expect a good number of profitable results like what we had done last year. Much better than last year is what we are expecting. This FY20 in the second half, that's the H2 of 27, should be much better than H2 of 26. That is what we are expecting. We are working on it and I think we'll be able to deliver those results there.

Neil Bahal: Right. Also, Karu, tell me a little bit about the US properties that we have. I believe that H2 is kind of like a off-season over there.

Ramesh Shiva: Yes. Yes, you are right.

Neil Bahal: So, these hotels will perform on a PNL front for us in H2.

Ramesh Shiva: Yeah, as far as H2 is concerned, in U.S, they will not be able to give any bottom… any strong bottom line for us, but at the same time, it will not drain our bottom line also. It will do a business where it will be a break-even for us, because starting from November to February, it's very, very

dull. It's most of the places. where we have hotels is all during the snow time there during these four months. So, there will be a very less, there will be, there will not be any impact on the bottom line, but there will not be any strong top line which will give it to us. But that will take over, that Indian hotels will take over that and we will cover up that in this. So, we'll ensure that, you know, US hotels will not do any losses or anything, but we will be able to maintain a break-even throat in the H2 also. H1 has been good, H2 has been… we'll try to do a break-even so that, you know, we'll have not much of a major impact. But Indian hotels will generate much better profits, and that will cover it up soon.

Neil Bahal: All right. Could you also give me some sort of a margin guidance, EBITDA margin guidance for H2, and for the full year FY28, if you have something in mind?

Ramesh Shiva : I'm sure that we have certain numbers in our mind, but I'm sure that forward-looking statements are not supposed to be given in this call, but we can expect very good results and we can give at least around about 20 percent more than what we have delivered in FY26, sir.

Neil Bahal: No, no, so I was just asking in terms of margin. So, you think we can reach…higher margin than what we have done in H1, even if you don't want to talk about numbers, but can that number be…

Ramesh Shiva: Yeah, 100%, sir. H2 numbers are going to be much, much better than what it's at in H1. That is the strength because all the hotels have started delivering very good last three days. This month, particularly post Diwali, we don't have any rooms available in any of our leisure properties. Goa is running full. Udaipur is running full. Everything's running full. The season is on. We are all geared up to handle these occupancies at this point of time. Even the corporate hotels in Bangalore, Chennai and Hyderabad have started picking up very well. So H2 numbers are very, very strong. I'm sure that is going to give us a better result, sir.

Neil Bahal: Alright, I'll just take a break. There are a lot of other questions, so I'll come back in the question queue.

Ramesh Shiva: Please, please, sir, no problems.

Vaishnavi Vaity: Thank you. Next question is from Mithlesh Sahani. Mithlesh, you can go ahead and ask the question.

Ramesh Shiva: Thank you.

Vaishnavi Vaity: Mithlesh, you can unmute your…

Mithlesh Sahani: Yeah, am I audible now?

Ramesh Shiva: Yeah, very much audible. Good afternoon, Mr. Mithilesh.

Mithlesh Sahani: Hi, good afternoon, Mr. Shiva, how are you?

Ramesh Shiva: I'm doing good, sir. Thank you so much.

Mithlesh Sahani: And congratulations to you and the entire team on the 15th year milestone.

Ramesh Shiva: Thank you. Thank you so much, sir.

Mithlesh Sahani: just a couple of questions, Mr. Shiva. This, reporting which the team has shared, so thank you, that is very helpful, especially the key analysis in terms of the ARR trend and occupancy. The challenge, as I see, we'll have, as we build up the place and go towards our target of 3,000 keys for FY28. is maintaining that balance between ARR and occupancy levels. Over the last 3 to 4 years, we have seen some kind of a stable trend as far as both these metrics are concerned. So, can we share some light on? Or, you know, your strategy and thought process as to how do we go about increasing our, you know, top line rateably by adjusting the ARRs without taking a hit on the occupancy levels. So how do you address that kind of a dilemma?

Ramesh Shiva: Yeah, that's a good question, sir. The ARR usually depends mainly on the…on the requirement of the hotels as such today. Today, the market's assets are doing very good. We have to segregate that into two different segments. One is the leisure segment and one is your corporate and spiritual tourism. Corporate and spiritual tourism throughout the year can be maintained at one particular ARR and slowly during the peak seasons can be increased to a certain extent. Yes, we can marginally increase it by 5 to 8%. But we are also now, when you see last year to this year, yes, there has been a marginal increase in the ARR for us in the corporate hotels. In the leisure hotels, what happens is during your off-season, we have to bring it down to a level where it is, for example, a property like Udaipur for us. Where we suppose to sale it at 7000 – 6000 Rs ARR , we are selling it at 4000-4500 Rs. ARR during here off season. so overall when that is impacting on my overall ARR this, now when we are speaks about starting of November ARR start to touching 7000 – 6800 -7000 Rs.

So, we are analysing on this aspect of it and how we are we are maintaining to ensure that what is the competition, what is the requirement of these particular hotels. And then we analyse what is the situation and accordingly we have the revenue management team working with us to ensure. that we are able to maintain the ARR without bringing the occupancy down. That's the first thing. Second thing is to increase the ARR. We are trying to put in a lot of efforts. We are trying to get and increase it through the OTAs, point number one. We are speaking a lot of contracts which are getting over and renewal for the new companies and other corporates.

We are trying to push in to get into increasing them by 8 to 10%, which we are negotiating with them and getting it done. And we are also trying to put in some type of a little bit of amenities inside the hotel, where we can say that we have increased this, because which we can also, without having the cost impacted.

We are trying to push this across. And moreover, today we have strengthened our corporate sales team into a good level. Today we have corporate sales team, our regional sales offices in Ahmedabad, we have in Mumbai, we have in Delhi. Now we have started that in Hyderabad, Bangalore also. So, these people, this strategy, now what we have spoken to this team is to get Pan India tie-up for companies, bigger companies, where we get a better ARR, not only to certain places, but to throughout the Pan India, all our hotels. We get a very good rate, where we can, you know, distribute that equally amongst them. There is also a scope in which the ARR can increase through that. So, all these things, we are also trying to, other major impact for us is the OTA contribution. OTA contribution, what is happening right now, it's happening around 35, 40 to 45% is our OTA contribution.

So, we are trying to reduce the OTA contribution and trying to have more contract with the corporates because of the increase in the RSOs, what we have done right now. Because of this, we will have better numbers there because OTA, you know, there is a commission of 17, 18% which affects the bottom line directly. So, we are now trying to focus more on the corporates, because of which the ARR will also increase, and the profitability will also increase. So, we are taking a lot of steps on this to increase the ARR through these methods.

Vaishnavi Vaity: Mithlesh, sir, you're on mute.

Vaishnavi Vaity: Mithlesh, sir, you're on mute.

Mithlesh Sahani: Yeah, sorry, Vaishnavi, you may want to check, because it was showing the message that the host is not allowing the participants to unmute, so, so that for future, it'll be helpful, so thank you, thank you, Shiva that's, that's, that's very helpful.

Ramesh Shiva: Oh.

Vaishnavi Vaity: Yes, yes.

Ramesh Shiva: Hmm.

Ramesh Shiva: Good. Thank you. Thank you,

Mithlesh Sahani: And how is the Udaipur shaping up? Because for the first half, it was pretty low at 29, 30% occupancy. So are the occupancy level picking ups for the…

Ramesh Shiva: Very much, sir. Udaipur has been very good. Last 3 days we have sold out, next 3 days we have sold out. Good, sir. We have got quite a number of bookings of marriages and other things happening in the month of November, and then we have bookings in February. I think, yeah, we should be able to do a very decent number, and we will also increase the occupancy. We are looking at closing with close to 60% occupancy year-to-date for that, sir.

Mithlesh Sahani: Good. So, can we expect a double-digit PAT margin for FY27?

Ramesh Shiva: Um, 100%, sir. We are expecting… we have done that already in FY26, so I think we will do that much better than what is expected, sir. We will be able to deliver that.

Mithlesh Sahani: Yeah, I specifically went PAT margin, so, so this time, for H127, our PAT margin was, percentage was pretty, low, so, that, that will, that we go with.

Ramesh Shiva: So, this scenario continues for us because of, you know, because of the combination of the leisure hotels and the corporate segment. Now, we have done a few changes in the strategy of identifying hotels. We have stopped taking any leisure properties right now. We hardly have any. In the next nine hotels, we don't have any leisure, just one small hotel which we have signed a long time before but we are concentrating more into the corporate and the spiritual tourism. I'm sure this type of an impact, what we had last year, we have reduced it this year, and going forward, we are going to reduce it much further. So, we are going to be a little more careful in selecting the properties of, you know, being more into the corporate and spiritual tourism.
This change will 100% have a better impact for us in the next year. If I'm talking about in the first half of 28 also, we'll have a better number next year. But this year we are sure that we are going to achieve numbers because this is a season we are starting today for this month onwards.

Mithlesh Sahani: Yeah, the religious tourism is a good option. It's the non-cyclical business. People are happy, they will go and pay a visit. People are sad, they will go and pay a visit. So…

Ramesh Shiva: 100%, sir. You're right. That's the reason we have these next four hotels. We are coming up with… we are starting Somnath on this coming Sunday. We are opening Somnath on the 23rd of this month. We are planning to go live with Ayodhya. Then we are opening up with Varanasi. Then we are opening up with Vrindavan. all the best tourism places we have identified, and we have started, you know, taking up hotels and almost getting it live. Next year is going to be much more fabulous than what it has been this year, because of these will be live, and all these are very, very expected, good potential hotels, what we have selected on. I think, yes, then the number of now, out of these 32 hotels, we have 5, 6 hotels. Which is leisure. By 2027, we are going to have 40 hotels, out of which the leisure hotels are not going to increase, it's going to remain in the same 5. So, I think we will be able to do much, much better margins in next year, sir.

Mithlesh Sahani: Excellent. I wish you and your team all the best, Mr. Shiva, and see you shortly. Bye-bye. Thank you.

Ramesh Shiva: Thank you so much, sir. Thank you. Thank you, Mr. Mithlesh.

Vaishnavi Vaity: Thank you. Next question is from Mr. Vishal Jain.

Vishal Jain: Yeah. Hi. Am I audible?

Ramesh Shiva: Yeah, you're very audible, Mr. Vishal. Please go ahead.

Vishal Jain: Yeah. Hi. Hi. Thank you for taking my questions, first of all. And congratulations on a good set of numbers for H1, even with such tricky conditions throughout the world.

Ramesh Shiva: Yep.

Ramesh Shiva: Yeah.

Vishal Jain: yeah. So, my first question, as in your PPD, you have mentioned that your new hotels are at an occupancy of 41.5%, right?

Ramesh Shiva: Yes.

Vishal Jain: So, my question is, like, how much time in general does it take for a new hotel to turn into a mature hotel, reaching an occupancy of somewhere close to 65 or 70%?

Ramesh Shiva: Okay. So, let's… again, we'll have to segregate this into three buckets. One will be a corporate segment, one will be the leisure, and one will be the pilgrimage. So, corporate hotels usually take around about three to six months' time. Maximum four to five months, we can stabilize this and start doing that 60% occupancy. And pilgrimage destinations, again, takes around about six months for us to get into that 60% occupancy. But leisure hotels are taking much more time. It is taking closer to one year because that has to be one circle of, you know, people having an awareness of our brand and all those things coming across and then after which the hotels gets filled up. So, leisure hotels take a little longer time, but both corporates and pilgrimage, anywhere between 4 to 6 months, we are able to get into that 60% occupancy, sir.

Vishal Jain: perfect, that, helps, now my second question is regarding the EBITDA in H1. I know Mr. Neil also asked the same question, so H1, the margins were low because of the GST ineligibility, I understand that, but can you just give a rough, idea, like, what are the levels, EBITDA levels which are sustainable for the. In percentage, percentage, yeah.

Vishal Jain: And not the new one, but the regular one.

Ramesh Shiva: EBITDA levels in per… in percentages, if you're talking about any… in percentages, if you talk about anywhere between 22% to 24% is what we are looking at, close to 25% of unit-level EBITDA is what we are looking at. So, we are today, at present, close to around about 18% to 19% is what we are today. But I'm sure that it is going to reach higher to 24% to 23% to 24% in the coming years, sir. So, once it reaches that level, then I think the bottom line also will increase substantially, sir.

Vishal Jain: Correct. And just a last question from my end. So the last con call, you said about the shifting from the revenue share — from the lease sharing to the revenue share model just to surpass the GST leakage, right? In percentage, percentage, yeah, like, what's the situation? Have we started, like.

Ramesh Shiva: Okay. Yeah, you're right. We have started speaking to these owners, but in that, the landowners want some type of a minimum guarantee, which has to be written in the revenue share agreement. So, in case, if you're going to mention any fixed to these, you know, minimum guarantee, then it directly starts having an impact on the GST again, because that minimum guarantee also has to be paid with GST. So, without a minimum guarantee amount, the landowners are not accepting just a revenue share. So, we are trying to convince them, but the good news for all of us here is, out of the 9 hotels which we are planning to open. two of the hotels we have signed on a management contract, where we have not invested anything, and then we are taking it on a percentage, where we have quoted somewhere on about 5-6% as a management fee, and we have taken it across. And going forward next year, also, we are trying to get at least 4-5 hotels there as a management contract. So that will have a direct inflow of funds to us on the bottom line. So let's see how we shape it up. But revenue share agreement has got an issue on the minimum guarantee. So minimum guarantee, if I mention the minimum guarantee, then it has a direct impact for me on the GST.
So, we are working along with the statutory auditors and our legal team. Let's see, and if we are able to do something, yes, we can do it. We'll work on it, sir.

Vishal Jain: Perfect. That answers all my questions. Thank you, so much and good luck, for the next coming months. Thank you.

Ramesh Shiva: Yeah, thank you, Mr. Vishal. Thank you.

Vaishnavi Vaity: Next question is from Mr. Nitin Gupta. Nitin, sir, you can go ahead.

Nitin Gupta: Hi. Good afternoon, Mr. Shiva. Am I audible?

Ramesh Shiva: Yeah, you're very audible, Mr. Anita. Very good afternoon to you, sir. Please tell me

Nitin Gupta: Thank you for the opportunity. So, basically, I have a couple of questions.

Ramesh Shiva: Yes, sir.

Nitin Gupta: So I was just going through the, , financials for this H1 results. So, I was wondering, like, despite almost no rise in the number of keys, from FY26 and. till, H1FY27, there's almost a 30% rise in employee cost and 60% rise in the lease rental.

Ramesh Shiva: Yep.

Nitin Gupta: So, is there something which I'm missing here? That is my first question.

Ramesh Shiva: Okay. I'll just see the numbers. I think, Mr. Satish will have an answer to this, yeah.

Satish Agrahar: Yeah, so the lease, basically, as MD has said, two hotels opened, Rameshwaram and Gurgaon, and then we had another two hotels, which just opened now, but everything was done, so the lease deposits had to be paid for that. That is one in Yelahanka and, other one is Vellore, so probably 4 hotels, the things has increased. Also, there could be certain, increments in some of the contracts, so that's the reason why the lease rental has increased. Employee cost, yes, because, , , adding these 4 units, , definitely, , would have enhanced the thing. Minimum wages, as MDA has already touched upon, that is another reason for the increase in the employee costs.

Nitin Gupta: Okay. So basically, for…

Ramesh Shiva: Yeah, please go ahead, sir.

Nitin Gupta: So, so basically, as you just said, so the hotels which have been opened just, like, in this, … , quarter on this half year, basically. So, the lease rental was paid in… deposited in H1, so…: Am I getting it correctly?

Satish Agrahar: Also, another reason, sir, is that last year it was not a full year of the operations. So those kinds of rentals also are appearing now, like last year, whatever we opened, you know, and from October to March. So, both these things have, yeah, both these things have an impact, sir.

Nitin Gupta: Oh, okay, okay, alright.

Nitin Gupta: Okay, got it.

Nitin Gupta: And,in the investment presentation, so there is a…

Nitin Gupta: , target to add around 600 keys in the next 4-5 months, like… To reach, 2400 odd number.

Ramesh Shiva: Yes, sir.

Nitin Gupta: So, which means, if I just go by the rough, , calculation, that would need around, , 45 to 50 odd CR, right?

Ramesh Shiva: Yes, sir. Not so much, yeah.

Nitin Gupta: So, is there any plan, like, how we are going to fund that? Is there any plan for a fundraiser, or it will all be debt?

Ramesh Shiva: No, it will all be debt, and we have already raised that debt with the ICICI Bank, and we already got the limits with the ICICI Bank, and we have that funding for us to open up the balance 600 rooms, out of which we have already started investing a few of these hotels. Investments have been done. Deposits have been paid, a few agreements have been signed already with Vrindavan and other things. So, I think we don't have an issue, and we have this internal accruals of whatever we have with us right now, which we are getting it across also. I think we are able to… we will be able to manage for the next 600 keys, we don't have any issues. But we will have to look into it after 2,400 keys to 3,000 keys, the balance, 600 room keys, how we are going to handle that through a debt. But at this point of time, we are very, very clear we are not going to go for any fundraise. It's only we're going to debt raise, which we are going to do so.

Nitin Gupta: Okay. So, if I can add one more question, if I… do I have this?

Ramesh Shiva: Yeah, go ahead.

Nitin Gupta: Or shall I be put in the queue?

Ramesh Shiva: I'm sure you can go ahead with that, sir.

Nitin Gupta: Yeah, so any, … like, we have done around 107 odd CR in the H1. So… And, in the answer to Neil, you said, like, the U.S. market, the revenue won't be that much as compared to H1. So, will the… is it possible that we may have, H on H , fall in the revenue? On the consolidated basis.

Ramesh Shiva: On the consolidated basis, see, there will be a slight dip in the US market as far as the sale is concerned, but that will… the Indian companies will offset with the Indian revenue, point number one. Point number two is, whatever revenue we are generating out in the US, we'll ensure that we do the operational and the other expenses without, you know, burning out anything from our end. We have planned it across very well, so that, you know, there will not be any negative impact in it. So, that revenue will still come into it,into the thing, but it will not be as what it is in H1, but H2 numbers will be slightly lesser in US. But profitability, we are trying to ensure that we may do a break-even in that. But whatever that, you know, there is a shortfall in the revenue, that will be offset with the Indian revenue, sir. So, we are planning it so well, so that

this first half, US is supporting us, the second half, India will support, and overall, the final results should be extremely good. That's what we expect it to happen, sir.

Nitin Gupta: So, there will be definitely some growth in H2 over H1.

Ramesh Shiva: In Indian operations, it'll be much better. That, you can see it in the last year, it's observed. Last year, what we were in the H1 and what we were in H2. You would… yeah.

Nitin Gupta: Yeah, that was a bit large number, I think 53-odd, we jumped to 81-odd, I think.

Ramesh Shiva: That… that… that impact we are expecting this year also, sir, because the same number of keys, same number of hotels are operating, so these own numbers should come down to us, sir. We are putting in little more efforts to ensure that we give little more than what we can, but we can't promise anything, but we are putting our 100% efforts to ensure to give you a much better H two results, sir.

Nitin Gupta: Okay. Thank you. Thank you, Mr. Shiva.

Ramesh Shiva: Thank you so much, sir.

Vaishnavi Vaity: I think sir. Next question is from Mr. Amit Vora. Amit, sir, you can go ahead and ask the question.

Amit Vora: Yes. Good afternoon, Mr. Shiva.

Ramesh Shiva: Good afternoon, Mr. Amit.

Amit Vora: Good afternoon, Mrs. Satish

Satish Agrahar: Good afternoon, sir.

Amit Vora: My question is, Mr. Shiva to you, where do we see our receivables and debt by March 27?

Ramesh Shiva: , numbers, I think they're…

Amit Vora: Our receivables are to the tune of 18 crores, which is also quite a huge number. So, where do you see the receivables by the end of March 27? And, the debt.

Satish Agrahar: Yeah, so…You're talking of receivables and debt, is it?

Amit Vora: Yeah, so this is this. Yes.

Satish Agrahar: Yeah. So, I'll just touch upon debt first. So, debt, as we are seeing, we'll have some more debt which has been sanctioned to us for completing the remaining properties that we will be doing in this second half, already we just commenced. And on the receivables, it will be in the trend with what our revenue goes, so the revenue is going to be higher in the coming 6 months, obviously the receivables will move in that way. We have a very strong receivables collection mechanism, so we're keeping it in control, and it will be directly proportional to the revenues. As of now, I can say that.

Amit Vora: So, any numbers for the debt and the receivables, if you have any internal targets for getting the receivables by March 27?

Satish Agrahar: Well, as I said, it'll again depend on the revenue. So, month on month, when the revenues move, the receivables will be obviously moving towards that. And debt, yes, what sanction we have, based on that only, we will be using it for the project. So, both the numbers, yeah.

Amit Vora: Currently. Yeah, sorry.

Satish Agrahar: Yeah, so… yeah, please, please, please.

Amit Vora: Currently… Currently, our debt is 56 crores, I think so.

Satish Agrahar: Yes.

Amit Vora: So, by March 27, do you see it rising further, or…

Satish Agrahar: So, it will… it will rise, and it will come down also, because repayments also will be there. So, in that regard, we'll have to see on 31st March what the balance will be. So, we'll be moving towards that, full utilization of the sanction, and, as Sir said, right now, we are not going in for further debt, till we go in for the further expansion.

Amit Vora: Okay. And, so there was one… one more question is about this other income of 73.58 crores. Out of that, how much is the lease rentals and how much is the operating expenditure?

Satish Agrahar: which number, sir, if I may ask in the…

Amit Vora: Other expenses of, there is other expenses of 74 crores.

Satish Agrahar: you're talking in the standalone?

Amit Vora: No.

Satish Agrahar: where's that number, sir?

Amit Vora: Or if you can just brief me about, , the…Total expenses…

Satish Agrahar: Yeah. Okay, so…

Amit Vora: Lease rentals and operating expenditure.

Satish Agrahar: So, you're referring to the, standalone, right?

Amit Vora: Hm.

Satish Agrahar: Yeah, one second.

Satish Agrahar: So, the lease rentals are basically, , like you can see from the last half, that is April 25 to September 25, we were at 13.38, we have gone up to 20, as I mentioned earlier, because of the hotels which was opened, , you know, from, . October to March, and then again what we opened from now. So those has been the increase. You will find that similar, , thing in the deposits also, like in the lease deposits. So, and as far as other expenses are concerned, I will just tell you,basically what it comprises of. Just give me a second.

Amit Vora: Yeah. Is this on standalone basis or console?

Satish Agrahar: Standalone basis, what I'm talking about, sir.

Amit Vora: Okay.

Satish Agrahar: Just a second, sir.

Amit Vora: Yeah.

Satish Agrahar: So basically, other expenses, what, , , I've given of 20.33, the majority of that would be from our commission expenses to the tune of about 5, and power and fuel to the tune of about 5. And rest all would be our other admin expenses, security charges, and things like that. So mainly it is operational expenses, you know, admin and operational expenses. Including, certain corporate expenses. So mainly, it is on the power fuel commission expenses. These are the two main hits.

Amit Vora: Sir, on the console basis, if you can tell me the lease rentals and the operating expenditure.

Satish Agrahar: One second, please.

So, on the console, we had in the last half year, 15.39 has gone up to 34.31. Again, the lease rentals.

Amit Vora: It's the lease rentals?

Satish Agrahar: Yes, the lease rentals. And other expenses have moved from 19.7 to 28.86. Again, due to the increase in the operations. If you see the, you know, the volume of operations in the last half to now, it is, , doubled. Like, the revenue has gone from 57 to 107, so obviously the expenses to that extent would have gone up, sir.

Amit Vora: Okay. Thank you so much, sir. Thank you.

Satish Agrahar: You're welcome, sir. Thank you. Yeah.

Amit Vora: Thank you.

Vaishnavi Vaity: Your next question is from Mr. Abhishek Deokar. Abhishek, sir, you can go ahead and ask the question.

Abhishek Deokar: Thank you. Good afternoon, Shiva, sir, and season's greeting to the entire team.

Ramesh Shiva: Hey, good afternoon, good afternoon, Mr. Deokar. Yeah, good afternoon, sir

Abhishek Deokar: So, I just have a couple of questions. First one is, is there any strategic decision behind not opening hotels in top corporate cities like Mumbai and Pune? There is a lot of GCC activities happening in those cities, but considering we have 75%, almost 60% to 75% of the corporate hotels, but there's no openings in the last two, three years in those particular cities. Second question is like. If we consider next two, three years down the line and 300 crore top line, what will be the sustainable margins? As you mentioned, while answering the last participant, we can reach up to 22 to 25. But considering the other players in the industry, they clock close to 35, , EBITDA margin, 35%. Is there any possibility at some point in time. Can we reach more than 30% of the EBITDA margin?

Ramesh Shiva: I'll answer to the first question. we are very open to hotels to open up, and … my dream is to open up a hotel in Mumbai. you know, I've been visiting Mumbai, and …long time, I've tried to meet a lot of people, I've seen a few hotels here. , the most important thing here is the real estate cost is very, very high, sir. First of all, the real estate cost in Mumbai is so high that, you know, with the ARR of what we are selling and what rentals they are asking. It is nowhere matching to us. So, that's the main reason for us not… not able to penetrate into the Mumbai market. Mumbai market is… is going to be a flagship. If something going to happen, that's going to be a big thing for GRAND Continent. We are speaking to a few of them, and …we had met a few owners, but the rentals, what they're demanding, we are not able to match that. That's one thing, and I don't want to take a huge risk on, you know, one place by quoting a

higher rental, and then tomorrow not able to match that, and all those things. So, we are a little careful on that. As far as the other place of Pune is concerned, we have spoken to a few people,

we have seen one or two properties, but we have not got the right property at the right rentals, so we are just waiting for that to come. But very soon, we are open to opening up hotels in Pune, because. The market, the IT companies which are connected will be like Bangalore, Pune, and Hyderabad. These three cities are well connected for the IT segment. We are trying to speak to people to get the right rate and right things, so we are not able to do it. And as far as GRAND CONTINENT HOTELS are concerned, sir, I would like to specify one thing very, very clearly. , we are looking out for properties. We are going and speaking with a lot of landowners, but we are very, very clear with one thing. We don't overgo on anything, even if we find the property very, very good, and if it is, the rentals are going to be high, and if we are not able to match the revenue and the rentals together, then there is no use for us. So, we are very, very clear. We are not desperate to sign up hotels which come to our way. We are very, very choosy. We do a lot of analysis. We see whether there is a demand, there is a supply, what is it required in the property, what maximum rentals we can pay, and then we choose it. So, in spite of doing that, also, we are not able to bring the rental cost less than 31%. We were maintaining it very well at 27%, 26% to 27% last year, but the impact of GST has increased it by 4%, which is now somewhere around about 31%, 30% to 31%. We are trying to increase the ARR right now to ensure that, you know, we are trying our best to increase the ARR slowly so that the cost of the rentals come back to 29, 28%, which will take a little more time, but I'm sure that will come to it. That's the first question.

And the second question was on the EBITDA level for these numbers. See, our EBITDA is after… we are talking about this EBITDA is after the rentals. We are… most of the hotels don't have rentals. They have either a management where they take the direct fees, they don't have an EBITDA margin into it, where they don't have rentals into it. And most of the other hotels, they have their own properties, but they don't have the rental part of it. In our 100 rupees or 100 rupees of our income, what we do, we spend around about 30%, we go directly into your rentals. And we operate somewhere around about 40% is what, 40 to 45% goes into our operational expenses, which is the best in the industry, what I can say. And balance, what we are left with is around about 25% of EBITDA. If I'm able to achieve that 25% EBITDA. That's a good thing. We used to achieve that, but right now, because of the corporate governance, the cost involved in the expansions and all those things, new hotels adding up, that has come down by 5-6%. But I'm sure that we are putting in all our efforts once we stabilize this much better in the years to come, or in a couple of years from now, we will be stabilizing it at 25%, which is actually a very good margin for all of us sir

Abhishek Deokar: Sure. Thank you, sir. That's it for now.

Ramesh Shiva: Thank you.

Vaishnavi Vaity: Thank you. Next question is from Mr. Karan Vyas. Mr. Karan, you can go ahead and ask the question.

Karan Vyas: Hello, good afternoon, sir.

Ramesh Shiva: Good afternoon, Mr. Karan. Please tell me, sir.

Karan Vyas: , sir, congratulations on the good set of number, sir, my question is on, , receivables. Actually, I am not able to understand the growth in the receivables.

Ramesh Shiva: Thank you, sir.

Karan Vyas: It is because of the individual corporate clients or because of, ah, some, ah. The online, ah. Ah, booking platforms, what, what kind of, please, ah, describe, ah, on this.

Ramesh Shiva: Yeah, Satish, can you take this?

Satish Agrahar: Yeah, sure. So, receivables basically comprise of both the corporates as well as the OTAs. So OTAs generally we receive it much earlier than the corporates. So, there are certain corporates which take a little more time which go beyond a month. And that's the reason why, that receivable is showing high. But yes, we are negotiating better terms now, with the new corporates, and that should reduce, the cycle should reduce for less than a month. So, it's a mix of the OTAs as well as the, . You know, our direct corporates and companies that we tie up with.

Karan Vyas: Okay, and, and sir, ah, second, ah, on the follow-up thing, sir, ah, there is a, ah, I, I have go through your presentation, ah of annual report, so there is some receivables, ah, are beyond 1 or 2 years. So, what kind of receivables are there, and why is, , such long time to receiving that, , small amount, but, , there is some amount.

Satish Agrahar: Yeah, like, there is follow-up on these amounts. Yes, as you said, they are a little hold, but, the company is following that, and wherever we need to take any action on that, we will be taking it in this half.

Karan Vyas: Okay, so, but…

Ramesh Shiva: To give you a better clarity on this, what we have done in the corporate governance, we have started building up a new team which compromises only for collections. We have a credit manager who has been put on roles right now. And the responsibility of that is only to follow up the credit collections and the data collections, which is very, very important for all of us. So, we

have started identifying that there are… we have reduced most, if you have seen the accounts from 90 days, we have started bringing it down to 60 days. From 60 days, we are trying to bring it down to 30 days. Yes. There has been a little bit of an amount which has been long outstanding

for close to about 180 days. That is more than six months to close to one year also. But we are trying to catch up with these people to ensure that they return it back to us. And then we are also sending some legal notices to them in case if the amounts are higher to ensure that they are coming back to us to pay these amounts. And, certain, you know, we are working deeply on the reconciliations also right now to ensure that we are matching whether these amounts have been received and all those things. So, all these steps are right now being taken to ensure that, you know, there is no lapse on the collection part of it, sir.

Karan Vyas: Okay, sir. And, and, sir, one more thing, actually, the last quarter's, receivables are somewhere around, 4 crores, and now it's 8 crores. So, if you, next time, if you can show the, receivables from last quarter. How much quantum is received and how much is, ah, ah, remaining, so that will be helpful, sir.

Ramesh Shiva: 100%. Okay, noted. We'll do that. Thank you.

Karan Vyas: Thank you, sir.

Vaishnavi Vaity: Thank you. So, we have few questions in chat box.

First is from Deoarshi Pradhan. Good afternoon, sir. On our last con call, we spoke about raising room rates by 8-10% to offset the margin hit from GST. However, margins did not see a significant jump, and ARR came down slightly compared to last H2. Did we not go through with the rate hike, or was this due to cyclist?

Ramesh Shiva: Um, to answer this question, the demand in the market is very, very important. , the most important thing is, you know, the first half, H1 usually doesn't… we'll not be able to hike up because April and May used to be a little dull season for all of us. The season picks up from us, for us, only from June onwards. So, we didn't do that hike up of those rates at this point of a time, but in H2, we are putting our efforts inside, and then we are trying to increase this tariff. The increasing in ARR, we are trying our best to do it. The infrastructure is the same for us. We cannot overnight increase the rates by, you know, a big percent, but slowly by 2%, 3% without causing an impact. So, the major challenge for the company today is to ensure that there is an increase in ARR. At the same time, ensure that there is an occupancy percentage also maintained because we have our own fixed cost also there where we have to ensure that we cover up those things. So, we have to maintain both these things. So, we are working on a strategy where we are slowly trying to increase it. Yes, we have started getting a little bit of an increase, but the amount of 8-10% increase will happen gradually, sir.

Vaishnavi Vaity: Next question is from Mr. Bhagwat, Congratulations on the good set of H1 results. Could you please comment on the current strategy to mitigate the impact of GST input credit, and how do you see EBITDA and PAT margins by FY29 when we add 3,000 keys by FY28.

Ramesh Shiva: The numbers, I think, Mr. Satish will share it with you, but I can give you a guarantee 2029 is going to be a fabulous year for us. 2027, yeah, March itself is going to be a good year for us, and starting there, no looking back, most of the hotels should have got very matured by that time. And we will start delivering much better results than, you know, what we are expecting. I think on the GST, Mr. Satish will throw some light on it.

Satish Agrahar: Yeah, the numbers are visible when we compare the two half years. As I said, we went in for a strategy of specified hotels for our food and beverage where we get some input credit that has helped in reducing certain GST ineligible disallowance. Secondly, in the second half now, there are certain hotels where we will be doing a tariff of more than 7,500, and proportionately, we should get the input credit. So that should also help us in this coming half.

Vaishnavi Vaity: Okay, next question is from Mr. Abhishek Bansal, that 35% EBITDA margin is usually due to capitalization on leases, which is expensed out via depreciation and finance cost. Hence, the EBITDA margins look high purely based on accountancy purpose.

Satish Agrahar: , I didn't get your question, could you please repeat?

Vaishnavi Vaity: Abhishek, sir, if you can unmute and clear your question.

Abhishek Bansal: Hi, nothing, , this was just, , in relation to the question another participant asked. When they mentioned why the existing hotel operators operated at 40% margin and we don't, so usually they expense out the lease expenses by depreciation and finance costs. So, the EBITDA margin looks higher. We usually follow and expend the entire leases out, hence the EBITDA looks lower, so that was in relation to that. No question asked for that.

Satish Agrahar: Yeah, okay. So once the hotel opens, the lease rentals and other things are as a part of the P&L. Till it opens, the expenses incurred are capitalized till it is open. The lease starts only after the hotel opens.

Vaishnavi Vaity: So, next is from Mr. Nikhil Singhania. What are CAPEX plan for next one year? Are we looking for CAPEX in old properties?

Ramesh Shiva: Yes, there will be a minimum capex which is there, which has to be done for the old properties, which have crossed above 5 years, and so we have to start investing a little bit of money into it. It will not be a major expense, but see, basic expenses of running into a hotel of linen changes every year paint touch-ups and all these things to maintain the standards of the hotel, uniforms to the employees, which has to be changed yearly. All this comes into the operational expenses.

But capex expenses, we don't have much into it, but as the day goes on, as every hotel crosses five years, then we will do a little bit of an upholstery upgradation the curtains and all the things

which has to be done to ensure that we maintain the standards, we'll plan it and do it. But we'll not do everything at one stretch, we'll ensure that, you know, we do it in a phased manner, which is very, very important, and then we will be able to manage that, sir.

Vaishnavi Vaity: Okay. Next question is from Mr. Amit Gupta. When we can expect 50 CR net profit?

Ramesh Shiva: God wishes that. I am ready to take it anytime. We are working hard towards it. If everything goes well, in a few years from now, we will have that results for you also. That will be one of the happiest moments for me to declare that. We are working towards it. We are genuinely putting all in all our efforts to ensure that we give the best results to all of you all. I'm sure that that will happen, sir. Thank you.

Vaishnavi Vaity: So, sir, before we conclude, we'll take a few last questions from Neil, sir. Mr. Neil, you can go ahead.

Neil Bahal: Mr. Shiva, I just wanted to know the economics between our own brand versus the franchise hotels that we have. Could you tell me how much are we paying on average of revenue to these hotels like, you know, Golden Tulip and so on?

Ramesh Shiva: Yes, sir.

Ramesh Shiva: Golden Tulip and Tulip inn, we are paying an average, , , 4.5 to 5% is what we are paying as a franchisee fee. And, , Royal Orchid also is comes under the same category of 4 to 5% is what we are doing right now. But we have a few affiliate hotels in our group, which is affiliated with Sarovar, that we have negotiated to 3.5%, 3.25% is what we have negotiated it out. But after that, we haven't signed any franchisee with anyone as of now. We are all opening all our brands. all the hotels in Grand Continent right now. So, we are ensuring that overall, if you take, it'll be approximately between 3.5% to 4%.

Neil Bahal: I just want to understand, my actual reason for asking is that now that we are focusing on our own brand. , especially… I would believe their impact would be higher in the leisure space, but especially in our own domain around spiritual tourism, or in business. , business hotels, for example. , does it really matter? Are your room rates kind of similar to what. Under your own brand versus what you would have with, , you know, someone like, , Golden Tulip?

Ramesh Shiva: See, as far as Golden Tulip and Royal Orchid are concerned, the ARRs would be approximately not much of a difference between us. But if you go for a bigger brands, yes, there will be a bigger impact to it. It will have a much better impact to it. At least for our luxury collections, yes, there will be a big, much better impact to it rather than having it as a Grand Continent. If I have a bigger brand attached to it as a tagline, I'm sure that will have a better impact and a good, you

know, bottom line also for that. But as far as the other hotels are concerned, for example, if you're talking about Tripathi, Tripathi is doing an average of which is affiliated with Golden

Tulip today, which is 88 room. , we are, we are touching somewhere around about 4,000 rupees ARR. At the same time, our own brand in Bangalore is doing approximately 4,500 ARR in Manyata and in Brookfield. So, we are doing slightly better in those areas. But overall, if you see, they will have they might give us a better occupancy, probably 2%, 3%, or 4% of your, um, , percentage occupancy percentage might go high, but I don't think that will have a major impact on the ARR part of it, sir. At least when it comes to Royal Orchid and Sarawak. But going with bigger brands, tying up with bigger brands, we'll always have better thing, but again, tying up with the bigger brands will again increase the cost in operations also, and increase the cost in the infrastructure. They will not accept what infrastructure what we have, so we'll have to redo a lot of things which will cost us more.

Neil Bahal: No, exactly. So, I was just trying to figure out, because this seems to be a low-hanging fruit. For increasing our margin this 4% odd that is going as a part of revenue could have a significant positive impact on our margins if going forward, most of these business hotels and most of these religious tourism hotels. , if they… if we do on our own brand, the margins keep going up, and maybe as an experiment. I don't know. You know your business better. But maybe if you start dropping these management contracts one by one, and see if there's any impact or not, and if there is no impact. Then drop them all, and maybe your margins straight away go up to 18% or so.

Ramesh Shiva You're right, sir. We can… we can do that, but, , we are also… we cannot… since we have these agreements done for 8 to 10 years, I think, and there is a lock-in period for 7 years. Now, I think, , , two hotels of ours, one in Indiranagar and one in Kormagla, Bangalore, I think they are coming to a closure in 2027-1 and 2029 one. And all those hotels are not going to be renewed with these Royal Orchid or any more thing. We are going to do it in our own brand. So, , , right now, we are also planning not to have those done with this, but because it was in the initial stages, we had to take their support. But right now, we are confident that we will be able to drive that and take that 4% of what we are spending there, which will directly have a good bottom line, that'll add to the bottom line directly, sir.

Neil Bahal: Exactly. So, if you can check your cohort data of your mature hotels under your own brand, and if they are running, the mature ones are running at 70%, some of them may be running at 70%. , maybe a very good idea to not renew with these guys, and instead, for your leisure hotels which are struggling. You, on this management contract, , or not…

Ramesh Shiva: We can do that. Mr. Neel, I'll give you a good example now. We have two properties in Goa. One is affiliated with Sarovar and one is doing with the Grand Continent on its own. So that's in Morjim. When you see the ARR and the profitability for both these properties, almost we are at the same level. We don't have much of a difference that's, , both are doing almost the same,

and, you know, the profitability is also the same. There is no big drive from them. But, , today, since we have already tied up with Sarovar for us and Affiliate right now, we wanted to wait till

the contract gets over, and after which, we are sure that we are not going to renew them in the future.

Neil Bahal: Understood. Can you give… my last question, can you give me a number as to what was the outgo to these franchise partners in H1?

Ramesh Shiva: One second. I'll just do that. I'll just see. Satish, can you give me the number? Yeah. Please hold on.

Satish Agrahar: So, it was in the standard 1.26 CR in this half. Compared to the full year of last about 2.4, so roughly around half of what was there last year. 1.26 here.

Ramesh Shiva: Yeah, 1.26 here, yeah.

Neil Bahal: Alright, so it's not a… it's not a huge number, but…

Satish Agrahar: No, in comparison to the total expenses, yes, not a huge number.

Neil Bahal: Perfect, perfect. Thank you so much. I just think you're doing a very good job. Keep focused.

Ramesh Shiva: Thank you. Thank you, Mr. Neel. I'm sure to all the investors here on the call, I would emphasize one thing very, very strongly and clearly. We are working very hard. It's like putting all our efforts inside to ensure that this brand creates a good name in the market. We are trying our 100% effort, we are putting in our thing, and we are also not tirelessly working in such a way that we keep opening hotels, we balance the mature properties, and we also ensure that, you know, we bring in good results at every point of time. So, and even the US hotels, which we, which many felt that could, that could have been taken a little more time for us to expand there. That really had a good impact for us in the H1. And next year H1 in US is going to be extremely good because we have planned a lot of things there and that's going to give us a much better result. Those results when we are lying low in India, that is going to give us a very big impact and balances also in the future. So, we are working very hard. We are also putting in lots of thought process. We are speaking to a lot of, you know, a lot of new innovative things in the market which can be adopted to ensure that we bring in better corporate governance, we bring in better, you know, revenue stability, which is important today, and moreover, cost efficiency, which is also very, very important today to ensure that we have a better results. Because now we say very, very proudly that we are a 15-year-old hotel and the company is doing very well. But as such, for the first six, seven years, we opened up just with four, five hotels. By 2020, we had eight hotels. But the actual growth came for us from 2023 onwards, if you take from 2022-23 to 2026, we grew from eight hotels, 8 to 10 hotels to 32 hotels today. This last two, three years has been a tremendous growth for all of us. In spite of this growth, we are able to stabilize. We are

ensured that we don't have anywhere, we don't fall negative though the profitability slightly might be higher or lower, ups and downs are always there, but we ensure that we don't fall down,

we ensure that we maintain at least the basic things are well maintained, and we show a revenue profitability and, you know, a revenue growth in this company. So, we are putting in these efforts. Next two, three years are going to be very challenging for us. We know that, you know, if we are able to cross through this in 2028 with 3,000 keys, there's no looking back for us. I'm sure that the bottom line and the top line will be extremely great for all of us. That we ensure you.

Neil Bahal: No, I agree with you. I think, , I just feel that maybe the distraction of being listed, answering all these questions, , you know, maybe we're better off being a privately funded company.

Ramesh Shiva: Today, if I'd been a privately funded company, I don't think I should have been where I am today, sir. Today, I should be happy that I have the entire team in front of me, the investors who wants us to grow, and also ensure that, you know, that this brand grows, you know. I'm sure that I should thank each and every one of you, and Mr. Neil in particular, the confidence what you all had on us, I'm sure that we will not… we will live up more than what your expectations are.

Satish Agrahar: These questions really help us, actually, to do better.

Neil Bahal: Absolutely. Best of luck. Best of luck, sir.

Satish Agrahar: Thank you.

Ramesh Shiva: Thank you. I have Mr. Abhijit Srivatsava, our COO online. Mr. Abhijit, a few words from you and a vote of thanks from your end, sir.

Ramesh Shiva: I think his line is not… he's… I think he didn't hit it.

Abhijeet Shrivastava: Yes, now it has been unmuted. Sorry, it was…

Ramesh Shiva: Yeah, yeah, yeah, Abhijit, please go ahead, please go ahead, Abhi.

Abhijeet Shrivastava: Good afternoon, everyone. So, continuing with the H1, , performance as compared to growth over last year, H2 will also see the similar numbers and obviously we have got important, , addition to the GCS portfolio happening, , from Somnath, that Ayodhya is going to be a luxury collection, followed by , we'll be opening up at Vrindavan, so enhancing the spiritual circuit. And obviously, , growing the, , corporate hotels with, . scheduled opening of, , Gurgaon, another 56-room hotels. So, , and, , thank you all for, , keeping the confidence in us, and we will continue to show you improved results. Thank you very much.

Ramesh Shiva: Yeah. Thank you. Thank you, Abhijit. Anything else, sir?

Vaishnavi Vaity Thank you.

Vaishnavi Vaity: I think we have covered majority of the questions.

Ramesh Shiva: Okay, thank you.

Vaishnavi Vaity: Yeah, so with this, we conclude the Q&A session. For any further queries, please feel free to reach out to us at Info@akmiladvisors.com. Thank you to all the participants and the management team of Grand Continent Hotels Limited for joining us today. Thank you, everyone. Have a great day.

Ramesh Shiva: Thank you all.

Satish Agrahar: Thank you all. Thank you all.