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Scrip Code: SAMHI

Sub: Transcripts of Q1 FY26 Earnings Conference Call

Dear Sir / Madam,

Please find enclosed the transcripts of the Q1 FY26 Earnings Conference Call with the Investors or Analysts held on **Thursday, 14th August 2025 at 11:00 a.m. (IST)**.

You are requested to kindly take the same on your records.

Thanking You.

Yours faithfully,

For SAMHI Hotels Limited

Sanjay Jain
Senior Director- Corporate Affairs,
Company Secretary and Compliance Officer

Encl.: As above



SAMHI Hotels Limited

Q1 FY26 Earnings Conference Call

August 14, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 14th August 2025 will prevail.



**MANAGEMENT: MR. ASHISH JAKHANWALA – MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER
MR. RAJAT MEHRA – CHIEF FINANCIAL OFFICER
MR. GYANA DAS – EXECUTIVE VICE PRESIDENT AND
HEAD OF INVESTMENT
MR. NAKUL – VICE PRESIDENT, INVESTMENTS**

Moderator: Ladies and gentlemen, good day, and welcome to SAMHI Hotels Limited Q1 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participants will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference over to Mr. Ashish Jakhanwala, MD and CEO of SAMHI Hotels. Thank you, and over to you, sir.

Ashish Jakhanwala: Good morning, everyone, and welcome to SAMHI Hotels Q1 FY '26 Earnings Call. Thank you for taking out the time to join us today. I have with me today Gyana Das, who is EVP and Head of Investments; Rajat Mehra, who's our CFO; Nakul, who is VP, Investments. We also have our Investor Relations Advisors, Strategic Growth Advisors.

We have uploaded our Q1 FY26 financials and presentations on the exchanges and I hope everybody had a chance to go through the same. Our objective today is to walk through the quarter's performance, share the context behind the numbers and give you a clear sense of where we are headed in the rest of the year.

Before we get into the numbers, I want to touch on a few enhancements we have made to how we report results. We've simplified disclosures and moved to a consolidated EBITDA reporting without any adjustments for ESOP or other expenses and clearly marked the same-store performance in orange, so trends are easier to track.

From this quarter onwards, we are also uploading a detailed Excel file on our website, which captures all of our historical financial metrics. This is about making our communication sharper and more transparent.

For the first quarter FY '26, same-store RevPAR stood at INR 4,760, which was up 10% on a year-on-year basis. It is worth noting that the month of May was very soft because of the geopolitical events and that impacted both travel and our performance. But from June onwards, performance was right back to April levels, proving this was a short-term blip.

On a year-on-year basis, total income grew at 13% to INR 287 crores, EBITDA grew 19% to cross INR 105 crores mark and PAT rose more than three-fold to INR 19.2 crores. The broader macro environment remains robust.

Office net absorption across key Indian markets in Q1 was around 14 million square feet. That's a strong base for corporate travel demand. The 4 markets that matter most to us, Bangalore, Hyderabad, Pune and Delhi NCR, which together make up over 3 quarter of our income base, captured 66% of the country's total net absorption for the quarter.

On the aviation side, cities like Mumbai and Delhi saw softer demand due to the geopolitical events and also the Ahmedabad crash, but the overall travel network remains healthy with cities like Hyderabad and Bangalore demonstrating 18.5% and 9.6% year-on-year growth in passenger traffic, respectively.

I'll now pass over the mic to Rajat, who will take you through the detailed financial performance. Over to you, Rajat.

Rajat Mehra:

Thank you, Ashish. Good morning, everybody. Our total income for the quarter stood at INR 287 crores, up 13% year-on-year. Revenue split was roughly 42% from Upper Upscale and 58% from Upper Midscale and Midscale. Given our current pipeline of upscale assets, including the W in Hyderabad and the Westin-Tribute Bangalore, this number will go towards 60% mark, giving a boost to our overall portfolio revenue per key.

When we break down income growth for the quarter, majority of it comes from our same-store portfolio, which grew at 9.1% over the same period last year, supported by contributions from new openings.

We did see a loss of INR 5 crores of revenue from discontinued operations related to asset sale in Chennai and conversion of Sheraton Hyderabad commercial space into hotel rooms. However, once the Sheraton rooms are operationalized in H2 of FY '26, we should see a strong ramp-up of the top line from there.

On the EBITDA side, we reported a consolidated number of INR 106 crores. Our same-store assets saw a 10.4% year-on-year growth. We did see marginal loss of EBITDA from discontinued operations, mostly related to loss of rent from Sheraton commercial space. We maintained a consolidated margin of around 37%, which is a healthy level for our portfolio mix in the seasonally weaker quarter.

Depreciation and finance costs mostly remained flat. Given that the GIC capital proceeds were received towards the end of the quarter, the finance cost benefits of the debt reduction will be seen starting quarter 2 of FY '26 onwards. On the basis of this, I'm happy to report that the company reported a profit after tax of INR19.2 crores for the quarter.

Going forward, increase in the same-store revenue new inventory opening, stronger flow-through to the EBITDA and lower finance cost on the back of the GIC recapitalization will further enhance our PAT levels.

Finally, from a capital structure perspective, our total net debt stood at INR 1,434 crores. However, accounting for the sale of Caspia Delhi, which we have signed yesterday, this would further reduce to approximately INR1,370 crores, entailing a trailing 12 months net debt to EBITDA of 3x.

On the back of the strengthened balance sheet, our credit rating has also been upgraded by ICRA from an A- to A with a positive outlook. With an annual interest outflow of around INR135 crores going forward, we will now see a strong free cash flow generation to fund our growth endeavors.

With this, I will now request Ashish to take you through the growth projects and the concluding statements. Over to you, Ashish.

Ashish Jakhanwala:

Thanks. From a growth perspective, we are not just managing the portfolio we have today. We are reimagining what SAMHI will look like tomorrow, building a pipeline that will transform our scale, our brand presence and our growth trajectory over the next few years.

Capital recycling remains core to our approach. We have signed on the definitive documents to sell our Caspia Delhi asset for an enterprise value of INR65 crores. Since FY 2023, we have monetized over INR210 crores of assets at an average EV to EBITDA multiple of 20x.

This, coupled with the INR750 crores capital raise from GIC through the minority stake dilution in a few of our SPVs has helped us raise a cumulative INR960 crores to help us strengthen our balance sheet and create capital capacity to fund our growth.

We, at the same time, have invested or committed to invest about INR 1,000 crores towards inventory addition and repositioning of some of our existing hotels, where we target a 15% plus NOI yield. Therefore, the shift of capital from a 5% yield dispositions to 15% investments will allow us to create value beyond the typical market cycle opportunity and all this being done, keeping a sharp focus on our balance sheet.

We have over 1,000 rooms in active rebranding expansion or development. This includes marquee additions like the W in Hyderabad and the Westin-Tribute portfolio in Bangalore. These new rooms in the Upscale segment will transform the revenue profile of the company.

We also have exciting redevelopment of the Four Points asset in Pune and Jaipur, which will materially change the earnings profile of these hotels. We have attached some of the projects progress and tenders of these developments in our investor presentation for your reference, which will give you a good idea on the quality of these projects.

Outside of these secured growth projects, we continue to actively evaluate additional accretive opportunities in our core markets. Expecting same-store growth of 9% to 11% and the impact of new openings over the next few years, we should generate an investable surplus of over INR1,700 crores over the next 5 years in addition to what we will require to fund committed capex.

We are seeking opportunities to deploy this towards tactical M&A and variable leases. This will materially add to our existing base and augment our same-store growth. To wrap up, Q1 FY '26 showed that our model is resilient. Our markets are fundamentally strong, and our strategy of disciplined growth and capital recycling is delivering results. The temporary main disruption is behind us and we are tracking well for the rest of the year.

Thank you for your time today, and we are happy to take questions now.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Jinesh Joshi from PL Capital.

Jinesh Joshi:

Sir, my question is on our revenue growth for the month of May, which is at about 4%. But if I look at some of the markets like, say, Bangalore and Hyderabad, wherein we have a very strong presence, the ARR growth in the month of May was quite strong. I mean, if I talk about Bangalore, it was up by anywhere between, say, 15% to 20%. Even Hyderabad, the growth was in the band of about 20% to 25%?

So in that context, our growth predominantly appears to be a bit low and also the geographies that we are present in, in the southern market typically was less impacted by the disruption that you spoke of. So any specific reason for our growth in the month of May to be so low?

Ashish Jakhanwala:

Jinesh, thank you so much. So you're right. Across the portfolio, what we've witnessed is that only the occupancies took a dip in the month of May at the height of the India, Pakistan situation for about 2-odd weeks. The rates actually remained pretty strong. To that extent, we see rates continue to grow in high single digits to early double digits. And that actually also reflects that you see in the April and June performance.

So other than the month which was directly impacted, we have seen performance remains strong in the other 2 months in the same quarter, largely reflecting the rate growth. So our rate growth also has been in line with what you are seeing in the broader market.

Now when it comes to the impact of that particular incident, we feel, one, of course, the North Indian market, both leisure and business got impacted because they were nearer to the conflict area. But business travel per se got impacted for that 2 or 3 weeks and which is where it has hurt us in the month of May. Other than that, we didn't see any other concerns.

And as I said, as you look at June, our total revenue growth went to about 12% year-on-year, which was about 13.6% in the month of April. So we don't see any reasons for concern and it was largely a dip in the occupancy because of cancellations, shifting of events, so on and so forth. We did not see any reasons to drop the rate because it was a very short-term impact.

Jinesh Joshi:

Understood. And sir, secondly, if I remember right, I think we opened Holiday Inn Express Calcutta in the month of May and I think even 12 rooms at Sheraton Hyderabad. So I believe in this quarter, we may have had some kind of an incremental revenue contribution from these hotels as well.

So is it possible to kind of share some color with respect to how the opening response has been to these hotels? And if you can maybe specifically also share the revenue numbers just for us to get some sense as to how these hotels are doing?

Ashish Jakhanwala:

Yes. Total INR 7.3 crores was the incremental revenue from new openings. The breakup of that was about INR 2.2 crores from Greater Noida, which opened actually in the last quarter. So this quarter was the first full quarter.

Hyatt Calcutta, which is Holiday Inn Express Calcutta, which actually opened only in the middle of the quarter, had just a very small revenue of about INR 0.5 crores. And Trinity Bangalore, which was acquired last year, did INR 4.7 crores. So the total incremental revenue was about

INR 7.3 crores. If you look at the investor presentation, Slide number 12, it does articulate the impact of the new openings.

The second part, which is about the early trends. So see, Calcutta is a really good market. Our hotel is located in the heart of the New Town. So we actually expect a really good ramp-up. H2 should be very good in this hotel. Greater Noida market tends to be very heavily skewed towards H2.

Because of the very large event spaces in the Noida, Greater Noida market, we have traditionally seen that H2 is the dominant part of the year for that market. And I think just the fact that this hotel has opened and started ramping up really well, we are quite excited about the performance of this hotel starting October for a 6-month period, which is a peak season.

Trinity, Bangalore is exciting because as of 1st August, this hotel, even though it's not been materially renovated or rebranded, this hotel has now being sold on marriott.com and managed by Marriott.

But that transition only happened on 1st of August after we concluded some simpler renovations and IT upgrade and fire life safety upgrades, right? So now that the hotel is being managed by Marriott from 1st August is distributed on marriott.com. We actually remain fairly excited about this hotel again in H2.

Now this is a slight bit of a pleasant surprise to us from what we had originally thought where we were anticipating this hotel to remain status quo for a much longer duration before it was renovated and rebranded. But because of our strong partnership with Marriott, we've been able to get this to be sold on marriott.com sooner than we expected and therefore, the results should start reflecting.

So very early days, but I think generally, we are seeing a very good response. The markets are all very, very good. And that, I think, sets a good base for the current quarter, but more important for H2.

Jinesh Joshi:

Got that. Sir, just one small follow-up on this. So if it is getting sold on Marriott's website, has the rebranding already happened to Trinity? And are we fetching the rates of Marriott currently or maybe from 1st of August, are those rates that are into play?

Ashish Jakhanwala:

So remember, Trinity is not the final brand. Trinity is the brand that the hotel was carrying before rebranding. So this is an intermittent phase where the existing brand is being distributed on marriott.com. We obviously expect to get some benefits on how we are distributing revenue management and all of that.

Eventually, the hotel will be rebranded as a part of the Tribute Collection, Jinesh, which is still due. So this is an intermittent step. Otherwise, we would have just held this hotel as Trinity self-managed for a period of time. All we have done is made sure that this hotel is now managed by Marriott and sold on their website and part of the Bonvoy program.

Eventually, this hotel will get fully renovated and rebranded, but that's in future. For now, it's fully operational with a slightly different structure that we had originally planned for and which I think will work well for this hotel.

Moderator:

The next question is from the line of Samarth Agrawal from Ambit Capital.

Samarth Agrawal:

So just a couple of questions from my side. On Caspia Delhi, which we recycled during the quarter, what kind of EBITDA was this asset making in FY '25? And why was it the case that the asset was not doing that well despite being present in a Tier 1 location?

Ashish Jakhanwala:

So Samarth, 2 points. First, the hotel actually was not producing an EBITDA. It had resulted in a net loss -- operating loss of about INR 1.5 crores in FY '25 was the net loss from this asset. Having said that, the peak EBITDA from this asset before that was about circa INR3 crores, right?

So INR3 crores was the peak EBITDA, then we actually put the hotel into a graded shutdown because it was not performing well, but yet the holding cost was about INR 1.5-odd crores. The second part of your question as to why this hotel was not doing well, actually, a couple of reasons.

Some which we inherently like as a company, which is poor product, lack of brand, and this is an opportunity. So one would argue why have we sold the asset instead of doing what we do.

The bigger part was that while it is -- when you look at into a Google map this Delhi, it's actually north of Delhi, where the business profile is very different to the business profile that we are used to. Number one, it is heavily driven by food and beverage.

This asset was a part of a mixed-use development, which did not allow us to create the right size and capacity of food and beverage to attract what is the core business there, right? And two, we follow the 2 key themes of demand being driven by business travel, both office space and airline.

And while NCR benefits from that, but north Delhi was a bit of an aberration where the majority of my customers were not really coming from the sort of businesses that we typically serve. We felt that even if we were to undertake the renovation of this hotel, which would have costed us incrementally about INR15 crores to INR20 crores and a sale price of INR65 crores.

So if you were look to INR80 crores of opportunity cost, and we typically solve for 15% to 20% NOI yield, we were talking about the EBITDA of that hotel to be in the ZIP code of almost INR12 crores to INR14 crores.

And we couldn't underwrite that EBITDA in that asset in the forecast period. Of course, I'm sure it will come at some point in time. And therefore, we felt that this is a very good candidate for extracting our capital out and we continue to find really good opportunities in core markets like the rest of Delhi, I'm saying, which is where we have the core corporate demand, Bangalore, Hyderabad, Pune, Mumbai.

So we actually wanted to make sure that we take the capital out from an asset where our yields will always be suboptimal and keep that capital prepared to be deployed in markets which will be far more accretive for us.

Samarth Agrawal:

Understood. And just one last question from my side. ICRA upgraded your long-term outlook recently. I think Rajat referred to that during his opening remarks as well. Given this and the recent repo cuts, what kind of stabilized interest cost are you expecting by, let's say, FY '26? And then what would be the quantum of savings from just the reduction of interest rates?

Ashish Jakhanwala:

I'll ask Rajat to add. So first of all, we have already seen almost a 30% reduction in our finance costs. They've gone down from INR195 crores to about INR135 crores. So that's about a 30% reduction. Current interest rate because average blended interest rate is at about 8.5%. The third data point which is important is the marginal cost of borrowing. At what cost are we borrowing recently. And that is in the ZIP code of 8.2% or so, 8.2%, 8.25%, right?

So we've already seen that given our strengthening of the balance sheet, consistent delivering the numbers that we had indicated, leverage, of course, going down. We have moved from what used to be a very high pricing to about 8.5%. We think incremental financing and refinancing will happen in the ZIP code of 8.2%.

We do continue to seek nothing short of 12 to 15 year financing, Samarth. And there is maybe a 10, 20 bps premium to be paid for that vis-a-vis if you were to borrow 5-year or 6-year financing. But we know this business, it requires long-term financing with very little repayments in the first 3 to 5 years to make sure that from a cash flow perspective, you're fortified. So we are happy to pay a 10 bps premium for that if need be. But we are, at this point, 8.5% going down to 8.25%.

If you were to ask me a guidance towards where we should be towards the end of FY '26, we think we should be targeting around 8.3%, 8.35% because there will be some legacy loans, which we can refinance, but there are certain costs attached to that. And the cost benefit of interest saving and what is the cash cost attached to that sometimes doesn't justify in the short term.

FY '27, which is when we think we'll be more equipped to deal with some of those legacy financing costs, we should target the financing to come down closer to 8.1% in the current interest rate regime. I obviously -- I'm not qualified to comment on where the interest rates are headed. But in the current interest rate regime, we think it should be closer to about 8.1%, all-inclusive long term between 12 to 15 years.

Moderator:

The next question is from the line of Prashant Biyani from Elara Capital.

Prashant Biyani:

Sir, in the presentation, you have mentioned in line as we grow SAMHI into being a market leader and then it continues. So what kind of market leadership are you looking at? Will it be in terms of number of rooms in a particular segment or it would be about profitability or something else? If you can share some tangible measurable benchmarks, which will define your leadership?

Ashish Jakhanwala:

Very good question, Prashant. Not easy to answer, but I'll try. I think one thing we want to be clear is we don't chase vanity numbers and which could potentially be the number of rooms, right? So we're clearly not claiming that we'll be the largest in terms of number of rooms because

it all depends on the segment you're investing. It all depends on the market you're investing. It all depends on the quality of assets you're investing.

I think when we talk about market leadership, you're talking about our relevance within the hotel industry in terms of total revenue and therefore, total profits, right? And why are we so confident about saying that we are targeting SAMHI to be a market leader is obviously explained in subsequent slides.

So we closed last year at a reported top line of about INR1,100 crores and an EBITDA of INR425 crores. Our PAT was some INR80-odd crores, right? What's happening in the next 3 years is quite exciting. And also even more exciting is the fact that a lot of it is already in our hands.

First is the growth of the portfolio going from 4,600 rooms because of the addition of W, the Westin Bangalore and some other projects. The second is the transformation of some of our Midscale portfolio into the Upscale portfolio.

So if you look at -- I'll get to the slide number. Basically, the stated -- the installed capacity that we have in our portfolio right now. And if that was to operate at FY '25 average rate -- FY '25 RevPAR, this portfolio should have delivered about a INR1,500 crores top line, right? So which means we do not buy anything.

We don't have to use our future cash for anything else. Yet this company without any growth in RevPAR from FY '25 levels will get to a top line of about INR1,500 crores, which is almost a growth of 40% from where we are right now and EBITDA target will be about INR600 crores, INR630 crores.

Because of this growth that we are seeing and these are investments we've already made, W Hyderabad, Westin Bangalore, so on and so forth. We've set them several times. And we are continuously seeing the same-store growth to be in the ZIP code of 9%, 10%, 11%. Now I'd like to reemphasize on that.

And even though we know May was really bad, what is heartening to see is in spite of almost 1/3 of a quarter being significantly impacted, the same-store revenue growth maintained that high single-digit number, right?

That only gives me a confidence that perhaps when we say 9% to 11%, we are erring on the side of being too cautious because in probably one of the worst quarters because of a geopolitical event, we still delivered a 9%, 9.5% same-store total revenue growth.

If you were to just calculate that 9% to 11% same-store growth for the next 3 to 5 years, add the new inventory that we are committed to add and we don't have to buy anything, we actually expect that our total revenue should get to about INR2,200 crores to INR2,300 crores. This whole expansion leaves us with one gift and that is INR1,700 crores of investable surplus.

And I'm talking about investable surplus after accounting for the money we need to spend to complete the W in Hyderabad and the Westin and the renovations and all of that. Now one thing SAMHI has delivered in the past is actually growth.

We've demonstrated that we have the ability to find the right M&A opportunities at the right price. We've demonstrated our ability to secure long-term leases, which are highly capital efficient. One thing we suffered from in the past was our balance sheet and that was a factor of a young company growing fast, right?

Today, I see SAMHI more as a mid-cycle company, which is mature, does not need to rely on external capital. A lot of -- whole of that growth is being funded from internal accruals.

So Prashant, when I put all of this together, right, and I look forward for next 3 to 5 years, I actually think that our target here is to position SAMHI amongst the top tier of hotel companies in India in terms of total revenue, in terms of EBITDA.

And of course, it will flow down to earnings because, as I said, all of this is being done from internal accruals or capital recycling and not from leverage. So you'll see interest rates -- interest costs being stable or going down, right, and everything else expanding. So sorry for the long answer to a simple question, but that's how we articulate our statement of saying we want to be established as a market leader.

Prashant Biyani:

And secondly, sir, on CNBC in the morning, you had -- if I heard you correctly, you mentioned that we may potentially transfer 2 assets from SAMHI to GIC platform. So sir, why would you want to transfer ready established assets if that is the plan? And why not use GIC platform itself for organic greenfield growth as capital from that platform will be more patient capital than the SAMHI, if I have to say it that way?

Ashish Jakhanwala:

No, no, no. So Prashant, what we are intending to say is we've already confirmed that our upscale growth will happen through the GIC platform. Obviously, I have to caveat it by saying that will really depend on the deal being liked by both us and GIC, right? So assuming that is the case, the GIC platform will be the principal vehicle of growth of the upscale hotels for us.

We believe there is an opportunity and there's an optionality more than an opportunity for us to transfer one more asset to that joint venture and which will basically allow us to recapitalize that joint venture with incremental INR350 crores to INR450 crores and giving us the firepower for growing that joint venture.

So it's an optionality we have and I think it is important for a company like ours to keep options to fuel future growth with that debt not being that option, right? Let me be very clear. So other than leverage, we want to make sure all options are available for us to grow the company in the future and potential ability to transfer one more asset to the joint venture to recapitalize that with additional capital is just one of the option.

Moderator:

The next question is from the line of Vaibhav Muley from Yes Securities.

Vaibhav Muley:

First of all, congratulations on a strong set of numbers. My first question was on your -- you had mentioned earlier that there is an opportunity for SAMHI to onboard an investor similar to GIC for your Midscale portfolio. So is there any development on that front?

- Ashish Jakhanwala:** No, too early. I think Vaibhav that -- again, as I said, capital recycling is core to how we see will create value in the long-term beating the market cycle. But at this point of time, I don't want to talk much because there's no conversation.
- Vaibhav Muley:** All right. And regarding your Navi Mumbai litigation, have you received the outcome from that litigation? And when do you expect that project to commence construction?
- Ashish Jakhanwala:** So the matter is still under discussion. So it will be unprofessional for me to raise hopes. Having said that, there's no reason for any concern. We have maintained a very healthy dialogue with the administration. We have made applications. We'd like to believe that given our merits and our credibility, we should be able to sort out all issues by the end of the year and then commence work on that project. Market will come to know as we formally resolve that because we'll make an announcement and that also will require us to write-back the losses we had taken in that fiscal year. So don't worry. At the moment we receive a formal notification, we'll intimate the markets about it.
- Vaibhav Muley:** Perfect. And lastly, on your asset recycling strategy. So post sale of Caspia now, I think most of the properties are -- remain core to our operating portfolio. So can we expect any more such asset recycling plans in the near future? Or do you think now asset recycling is more or less over?
- Ashish Jakhanwala:** No. Asset recycling will -- on a very selective basis, we still think there are markets and assets where we can extract capital. If you look at our -- yes, I mean I think we were -- yes, if you look at Slide number 26, we had indicated about INR200 crores from asset recycling. INR65 crores is done with the Delhi sale and we think this still keeps the window open for an incremental about INR130-odd crores of asset recycling in future. But no near-term guidance on that. We believe we'll get it done in the period that we have indicated, which will further bolster our ability to invest that capital elsewhere.
- Vaibhav Muley:** All right. And just related to your asset recycling of Caspia. So New Delhi as a market, will that remain focus going forward? Or do you want to focus on your core market that being Bangalore and Hyderabad?
- Ashish Jakhanwala:** No. So core markets, but I'll clarify the core markets is Bangalore, Hyderabad, Pune, Delhi, Bombay, Chennai to some extent, Calcutta, all the large metros, which have large office space and airline passenger traffic. Right? So yes, we are looking at all of those markets.
- Moderator:** The next question is from the line of Ashwini Agarwal from Demeter Advisors.
- Ashwini Agarwal:** Could you just share what is the scale of EBITDA from the 4 operating properties that are now 35% owned by GIC?
- Ashish Jakhanwala:** So total EBITDA from GIC asset on a trailing 12-month basis is INR194 crores. (Erroneously mentioned INR 194 Crs. Correct figure is INR 130 Crs)

- Ashish Jakhanwala:** Sorry, INR130 crores.
- Ashwini Agarwal:** INR 130 crores. So out of the roughly INR 425 crores of EBITDA last year, INR130-odd crores is from properties that are now co-owned by GIC?
- Ashish Jakhanwala:** That's right. That's correct.
- Ashwini Agarwal:** And do you have kind of a ROFR type of arrangement with GIC that any new upscale property that you pursue will be jointly developed unless they pass on it or something along those lines?
- Ashish Jakhanwala:** That's right.
- Ashwini Agarwal:** Okay. So it becomes kind of a balance sheet that's available to you for a 35% capital infusion. But that happens at a cost basis. It's not that you develop the asset and then you roll it down into this JV. Would that be a fair assessment?
- Ashish Jakhanwala:** No. So each asset will -- obviously will present the economics of those assets. So for instance, even in the Bangalore asset that we had acquired recently, because of the work which had been done, we had -- it got revalued at about a 30% premium. In addition to that, we are entitled to a development fee.
- So all put in together, we want to make sure that the economics for our efforts and our -- if I may use the word loosely intellectual property to acquire is well valued. But yes, generally, any new asset will come at a ground floor level.
- Having said that, if we were to transfer any existing upscale asset, the valuation discussion will be a fresh, very similar to what we have done for Courtyard or Hyatt Regency Pune. And there, we want to make sure that the valuation reflects a fair value that we need to deliver to our shareholders.
- Ashwini Agarwal:** Yes. So I want to come back to that first piece that you said. So how do you realize the IP for locating an asset for developing an asset. So you said that there's going to be a development fee that you will collect and then you said something else, which I missed.
- Ashish Jakhanwala:** So there are both things. There is actually 3 things to it. There is a development fee, there is an asset management fee, which is obviously providing a platform for the joint venture to -- even though we are majority owners, but yet the minority shareholders is benefiting from the platform that we've set up. So there is an asset management fee that we charge from the platform in addition to the development fee.
- And last but not the least, as I said, each deal will have its own economics, and those economics may include us acquiring an asset at a point of time, undertaking certain work that we do and then transferring it to the joint venture and for which there will be a certain price. But as I said, all of that will be on a case-to-case basis, depending on the risk and reward profile that we see for each asset.
- But to summarize, I think we wanted to ensure that, A - we have access to really high-quality capital to grow our upscale and upscale tends to be more capital-intensive than the rest of our

portfolio. I mean, look at the Westin-Tribute Bangalore, it's about INR15 million per key, INR1.5 crores per key, whereas some of our leasehold assets or in midscale will be just as low as INR50 lakhs per key, right? And to that extent, by the way, SAMHI operates still in a bit of an archaic world. Our cost per key that we talk about for investments, I think, are stuck in time, but we are happy with that. We've seen the markets move to a level where we are finding it difficult to underwrite acquisitions, but we continue to find what we need to do.

Second, we get the benefit of a very high level of governance and diligence from a partner like GIC. And trust me, that is equally valuable as the company starts deploying a large pool of capital. I mean we run a professionally managed company. And therefore, it's even more important for us that when we deploy capital, we have the ability to get that tested from multiple sources.

Again, I'll repeat, there is capital concentration in upscale portfolio. And when we do that jointly with GIC, if we do that, it brings that additional layer of -- whether or not we do it with them, one thing is certain, we'll get it vetted by them. So I think there are many intangible benefits beyond the ability to get that additional capital.

Moderator: The next question is from the line of Raghav Malik from Jefferies.

Raghav Malik: So firstly, you mentioned in your opening remarks that because of some of the renovation at Sheraton Hyderabad currently, there was some impact on revenue and RevPAR growth for this quarter. So compared to this 10% number, if we just exclude that from this maybe like what would the RevPAR revenue growth have been for this quarter, if you could share?

Ashish Jakhawala: So the total, if you see -- and there is an adjustment of about -- let me put the number right, please. There was INR2 crores in a quarter impact of the shutdown of those 2 floors, which have been converted from office to hotel rooms. And then there was about INR2.8 crores impact on a -- if you were to compare last year to this year, which was largely the revenue from Four Points Chennai, which was sold earlier, right?

So total, if you see there was INR4.7 crores of revenue from what we call sold or discontinued operations and that's the impact. What is interesting is that just a , INR1.9 crores a quarter loss in Sheraton Hyderabad, which will continue in current quarter also, the room should open well in time for, I would say, Q4, if not Q3, the number of rooms being added is actually about 42.

So that's a significant increase in the inventory in that hotel and we are adding those rooms at just about INR50 lakhs per key. So this is -- the total revenue per key today is about INR50 lakhs per key, right?

So we are actually seeing pretty different profile from these 2 floors relative to the INR1.9 crores we used to earn on a quarterly basis, right? Yes, we think it is going to multiply multifold when those rooms are ready.

Raghav Malik: Sure. Understood. You're talking about INR1.9 crores on the EBITDA front, right?

- Ashish Jakhanwala:** Yes, yes. because it was an office space, it flows straight to EBITDA because there were no expenses attached to it.
- Raghav Malik:** Okay. Understood. And just on the cost front, so I mean just bookkeeping, but the F&B and employee cost has shot up pretty significantly just compared to revenue. Is there some part of this will be normalized? Or is it like a bit of a structural change? Anything you could give?
- Ashish Jakhanwala:** No, I think largely you're seeing an aberration because of the dip in the month of May and also what has happened is that we have these new hotels, which have opened. And when the new hotels open, there is some bit of preopening expense, which gets into the P&L because in the first quarter of a hotel, they will end up -- there's hiring expenses and all of that.
- So a combination of the preopening expenses and the fact for the new hotels, which is Calcutta and Greater Noida and the fact that we had a sudden dip in the month of May, which was obviously -- if it was known earlier, one would have taken corrective action because the dip happened for about 2 to 3 weeks, we couldn't take the corrective action. That's why you see some bit of a change in the cost. Otherwise, on a normal basis, we're not seeing any concerns on either of those 2 cost line items.
- Moderator:** The next question is from the line of Rajiv Bharati from Nuvama.
- Rajiv Bharati:** And thanks for sharing that excel. Great job on you in terms of disclosures. So in that, can you explain row L60, this corporate income, which is 139 million. And the overall net corporate G&A is basically a positive number. Can you explain how is that coming?
- Rajat Mehra:** This is Rajat here. So this is a onetime Ind AS income, which is on account of conversion of a convertible instrument that we had in one of our subsidiary to equity. So this is -- at the time when this money initially came, there was a total breakup of that money, which was done into an equity portion and also in terms of a liability.
- That liability had a certain number, while the value of the instrument, while it was converted was lower. So the liability had to be actually written back and that's the onetime adjustment Ind AS entry that is appearing in the corporate income.
- Ashish Jakhanwala:** Rajiv, what is also important is, and sometimes -- under Ind AS, only a partial view is there. So while there was a onetime income because of the GIC transaction and that was because in Ascent Hotel, where GIC participated at 35%, there was an earlier minority investor where he had a convertible instrument, which was settled. So their income came.
- But at the same time, interestingly, there were expenses also which were with respect to the GIC transaction, right? But unfortunately or incidentally, they don't reflect in a separate line item. And those expenses are largely on account of the ROC fee.
- Because we had taken equity investments in these subsidiaries and in some of the subsidiaries, we had to increase the authorized capital. So there was also another INR2.5-odd crores of incremental expense that came because of the GIC transaction. These expense and income are all with respect to the GIC transaction in the last quarter.

- Rajiv Bharati:** Sure. And with regard to Caspia and Greater Noida, which you had converted, what was the total capital employed? I mean, to start with and what was the conversion required? Because you said for New Delhi, you said INR80 crores. And I remember in Q3, you had said that it's INR10 lakh per key. I thought it was INR12 crores, INR15 crores.
- Ashish Jakhanwala:** So the renovation expense in New Delhi would have been about INR15 crores to INR20 crores. INR65 crores is the sale price. So when we look at opportunity cost, we had to decide today that if we hold this asset, we need to, at minimum, solve for a 15% to 20% ROCE on what is the opportunity cost, which is INR65 and the incremental capital being deployed, right?
- So we were comparing it to total opportunity cost, not just the renovation. The renovation cost will be in the INR15 crores to INR20 crores, which is for 142-room hotel. So that's about INR10 lakh per key. Total capital employed is INR23 crores. For Greater Noida, total capital employed is INR23 crores.
- Rajiv Bharati:** And the annualized ARR is what INR4,000 -- 70% occupancy, how is it clocking?
- Ashish Jakhanwala:** For Greater Noida, yes, Greater Noida, you will underwrite at about INR4,000 occupancy of 70%, 72%. That is what you would underwrite for Greater Noida.
- Rajiv Bharati:** So that asset is a 40% ROCE in terms of...
- Ashish Jakhanwala:** Yes. So listen, ROCE in Holiday Inn Express tends to be really high. I mean if you look at, for instance, Holiday Inn Express, Hi-Tech City, Hyderabad, FY '25 ROCE will be -- and Nakul will correct me, but should be upwards of 40%, right?
- So that's what we are kind of trying to explain that when we are extracting a capital from some of the assets where after all the hard work and INR65 crores sale price, INR15 crores renovation, we would have gotten to, let's say, barely 10%, we find that the same money can be taken in other assets where potentially we are solving for much, much higher ROCE. So you're absolutely right. Capital employed in some of these assets is really low.
- Rajiv Bharati:** So the external question is, let's say, if you were to, let's say, sell this asset for INR70-odd crores, so that I mean, we are not hooked on to that 40% ROCE. We will milk it for some more years and have it. At INR70 crores, INR80 crores, it's sellable, right?
- Ashish Jakhanwala:** We're not traders per se. I think the question we'll ask ourselves is at the sale price and plus incremental capex that, that hotel may require, what is the sort of EBITDA we can generate. So we're not traders of the asset. And let me be very clear. People should not expect that we'll keep buying selling hotels. That's not our job, right?
- We would, as a management team and a Board on a periodic basis, take a call on if our investors' money is invested in the right assets and if there is -- if there is a better opportunity to deploy that capital. At this point of time, we were very convinced and the sale of Caspia Delhi was debated at Board for 2 Board meetings, right?

We realized that we have to take a call of this INR65 crores that we're receiving from Caspia sale plus what we would have invested about INR15 crores to INR20 crores in renovation what should we do with that INR80 crores, get it invested in Caspia, remain invested in Caspia or take it elsewhere.

And just the ROCE profile told us that what we have as an opportunity, let's say, in Hyderabad or Bangalore is far more accretive and with a huge margin of safety. And therefore, the call was unanimous. But other than that, we are not short-term traders of assets. We believe Greater Noida is only going to grow from the current level.

It is the start of the Delhi-Mumbai Expressway. The UP government has taken substantial steps to increase the industrial activity in Greater Noida. We are sitting on an asset with a capital employed of INR23 crores.

And we, therefore, feel this is a prime asset, which can potentially help us overall improve the ROCE profile of SAMHI. I mean it's a small asset, but each small asset contributes to the future success. So I think Greater Noida is a market that as of today, we remain very excited about. I think it's just the start of the performance of that market.

Moderator: The next question is from the line of Siddharth from Fidelity International. Due to no response, we move on to the next question.

The next question is from the line of Yashowardhan Agarwal from IIFL Capital Services.

Yashowardhan Agarwal: If I look at our total revenue, there's an observation that F&B revenue is growing at around 7% versus RevPAR of 12% or 13%. So is it fair to assume that F&B revenue is going to grow in a similar line? And if not, then what are the steps taken by us to improve it?

Ashish Jakhanwala: So in the past few quarters, we had seen that F&B was a bit of a drag on our same-store growth. This time, we've seen that while in the same store, we have seen a total revenue growth of about, let's say, 12% in upscale, 11% in Upper Midscale -- RevPAR growth -- room revenue growth. F&B growth was in the range of about 7% to 8%, and that has led to the total revenue growth of about 9.9%, 10%.

So F&B growth is in line to what we expect. It is slightly lower than the RevPAR growth in the current quarter. But also this is a quarter when a lot of events don't happen. Don't forget, a large part of our F&B income in our hotels is driven by corporate demand, MICE and similar events.

And unfortunately, because of what was happening geopolitically, those are the events which take the biggest hit. So we have seen a reasonable growth in food and beverage. Our Midscale, interestingly, where you see our dependence on MICE is less, the F&B growth actually has been pretty decent.

Yashowardhan Agarwal: And if I look at the presentation, it is given that we are going to do capex of around INR 880 crores between FY '26 till FY '30. But can you please give year-on-year number for '26, '27 and '28?

Ashish Jakhanwala: So year-on-year. So we are currently estimating an annualized capital expenditure of circa INR175 crores to INR200 crores. It's quite well spread. This year, our capital expenditure is largely towards completion of the additional inventory in Sheraton and Hyatt Regency plus the work that we are doing in W Hyderabad.

Next year, we will see -- I mean, that work is largely done this year. Next year -- and total W expenditure, for instance, is about INR175 crores, INR180 crores, right? Sheraton and Hyatt Regency, large part of capital has been invested already. Only some is trending over the next 1.5, 2 months.

Next year, we will see again the same run rate of about INR180 crores to INR200 crores. That's towards commencement of work for the Westin in Bangalore, the conversion -- completion of W and commencement of work for the conversion of Pune and Jaipur assets.

A year after that, we'll continue to see the investment in the Westin Bangalore and completion of the renovation. So annualized expense will be on average about between INR180 crores to INR200 crores.

Yashowardhan Agarwal: Got it, sir. And just the last question from my side. On the expansion plan, how is it going for the expansion plan that we have announced for FY '26? And when do you expect that to go live? And same question for the W Hyderabad as well. And if you can share some additional numbers on the W Hyderabad that what is the revenue or EBITDA per key that we are expecting?

Ashish Jakhanwala: Okay. So let's go year-by-year. This year, we are ready to open the additional rooms in Sheraton and Hyatt Regency. Total inventory in between these 2 would be about 75 rooms. Current revenue per key for these hotels will be about INR50 lakhs to INR55 lakhs per key. So you can say that about 75 rooms at -- so that's about, 75 rooms into INR5.5 million for the year. So about INR41 crores -- INR41 crores annualized impact.

And because these are incremental inventory in existing hotels, we expect a flow-through of about 60%. So almost 60% of that at minimum will get flown down to your EBITDA, right? So that's about INR25-odd crores on an annualized basis.

The W Hyderabad is progressing quite well. The work is happening on -- it's a ready building actually. So it's more a retrofit project. We started the work on site. The design development is largely done. This market is really good. Our competitive -- so we have a Sheraton in Financial District, which is about half an hour away.

And typically, Financial District sells at about a 15%, 20% discount to Hi-Tech City. But just the Sheraton itself is selling at a similar revenue per key. And in this case, INR65 lakh-odd per key should be the revenue profile.

So you should expect an incremental revenue of about INR110 crores from this hotel. But caution, this hotel opens in FY '27. We should expect that FY '28 is the first full year of operational -- operations for this hotel. Market remains very, very good. No new inventory getting added. Office space growth continues. So we actually expect that the revenue per key will continue to grow in this market as we open that hotel.

And then, of course, we should remember that the Trinity Bangalore, which was doing approximately INR20 crores a year top line, we actually expect that hotel to at least show a 30% growth in the current -- in the next 12 months, let's not the current fiscal because the Marriott management has only started on 1st of August.

So let's say, September till next August, we actually expect that revenue from that hotel without any renovation or rebranding should grow at about at least incremental 25% to 30%. So that's really the near-term project.

And then in future, of course, we are very excited about as we open the Westin in Bangalore, that market is very strong. That hotel should be at least 220 new rooms added to the current Trinity, and that market is easily in the same ZIP code of about INR5 million to INR6 million or INR50 lakhs to INR60 lakhs per key total revenue.

Moderator: The next question is from the line of Siddharth from Fidelity International.

Siddharth: My question was around the F&B growth for the quarter. I think you answered it in the previous question, but could you just tell me again the F&B growth? And also, I wanted to understand on the initiatives which you have been talking about in F&B for last few quarters. You were talking about the F&B growth to be better in the future. So I just wanted to understand how are those things going? And what is the F&B growth we can expect in the future?

Ashish Jakhanwala: So the F&B growth for the last quarter was about 8% year-on-year. And this was in spite of the meeting spaces in Hyatt Place Gurgaon, Sheraton Hyderabad and partly in Hyatt Regency Pune being provided for selective renovations. All these 3 spaces will be ready, Hyatt Regency Gurgaon will be ready literally in the month of September.

So by end of September, that place is reopening for business. Sheraton Hyderabad should get done by October end. And same is the time line for Hyatt Regency Pune. Hyatt Regency Pune is much lesser intervention actually than the rest two.

So we actually expect that in H2, when the 3 of our upscale hotels have their refreshed boardroom spaces, we should expect the F&B revenue growth to start comparing to the RevPAR growth, same-store, which is in the ZIP code of, let's say, 10%, 11%. So F&B growth should grow from current 8% to about 10% to 11% due to those changes.

Moderator: The next question is from the line of Pranav from PINC Wealth Advisors.

Pranav: I just had a couple of questions. So sir, going forward, can we expect our debt to be around the range of, let's say, INR1,380 crores by the end of this year?

Ashish Jakhanwala: Yes. I think your net debt will remain in this ZIP code of -- let's say INR1,400 crores. There will always be quarterly shifts in the cash because of the capex. So I would think we should maintain a INR1,400 crores-odd net debt.

Pranav: INR1,400 crores-odd net debt. And sir, as per your slide, so can we expect around INR60 crores of debt being repaid every year let's say till FY '30?

- Ashish Jakhanwala:** Yes. So there is a total reduction of about INR300 crores over the next 5 years and that is as per the current contracted repayment schedules with some refinancing in place. So the total repayment is about INR300 crores over the next 5 years.
- Rajat Mehra:** That's about INR60-odd crores repayment, net repayment every year.
- Ashish Jakhanwala:** Every year, correct.
- Pranav:** Understood. And secondly, sir, could you throw some light on the corporate G&A expenses? Is that like a percentage of our revenue? Or is that expected to remain in similar lines, yes?
- Ashish Jakhanwala:** So if you see a large part of the corporate G&A is actually the salaries and wages of the corporate employees. For FY '26, those salaries and wages are seeing a marginal growth of about 3.5% over the last year. So we have kind of maintained the corporate expense growth at a significant lower level than where the revenues of the companies are growing.
- We always believe we were well capitalized in terms of team for a much larger revenue base. So that's reflecting now. So that's the salary and wages in large part. Rent and administrative expenses remain very stable. So really, we are not seeing any significant growth in the corporate G&A really.
- Pranav:** Understood. And sir, for the full year, can we expect around INR10 crores of ESOP expenses?
- Ashish Jakhanwala:** Of what. ESOP. So that's already accounted for in quarter 1 also. So if you see both the note on the financial summary slide and the Excel sheet, which has been uploaded on our website, it's INR2.4 crores per quarter.
- Pranav:** Okay. For FY '27, can we expect the ESOP cost to come down
- Ashish Jakhanwala:** Okay. So basis the current grants that have been approved by the shareholders, it will come down from INR2.4 crores a quarter to INR1 crores a quarter. But we need to be mindful that the NRC may recommend, if at all, any fresh ESOPs. At this point of time, you are right, it will go down from INR2.4 crores to INR1 crores a quarter. And we should maintain that -- what I'm saying is beyond FY '27, we should maintain that right -- about INR10-odd crores per year.
- Moderator:** The next question is from the line of Bharat Sheth from Quest Investment Advisors.
- Bharat Sheth:** . Actually question is that what stage we involve GIC platform for new property? From the day we select the site or if you can give a little more color? And what are our GIC aspiration kind of ROI on the same platform? And how do we manage our interest of minority...
- Ashish Jakhanwala:** Bharat, my apologies, I'm not able to -- the line is not clear. I'm not able to really understand the...
- Rajat Mehra:** Do you really involve GIC for them to come and pick up a particular asset? And what's the kind of return profile we look at when we decide to...

Ashish Jakhanwala: Okay. So I think Rajat has -- thank you, Rajat. So he said 2 questions. One is at what time do we decide to go to partner like GIC. And the second is what sort of a return profile do we underwrite for new acquisitions, correct?

Bharat Sheth: Correct.

Ashish Jakhanwala: Okay. So first in the timing of the discussions, for new acquisitions, we will remain in real-time discussions with GIC in upscale assets. The joint venture is specifically focused on upscale. So as we look at evaluating opportunity in the upscale space, we will in parallel discussion such opportunities with GIC. That's our contract.

In terms of returns, we typically underwrite a mid-teen return on capital employed or NOI yield. I mean, for us, NOI yield in the initial years is a more right indication because it ignores depreciation both in numerator and denominator. ROCE is important because that's a real return in the long term.

So we look at both the numbers, but we solve for a near-term NOI yield of about 15% and a long-term ROCE of 15%, right? And the gap between the 2 will be about 2 years or so. So that's the sort of basic underwriting that we do when we look at deploying fresh capital.

Bharat Sheth: And how do we manage -- I mean, interest of both, I mean, our minority shareholder of SAMHI as well as GIC?

Ashish Jakhanwala: No. So see, as far as both -- in all fairness, our interest is protected because we are responsible for deal origination and underwriting. And therefore, we would like to believe that we will only pursue opportunities which work well for our shareholders. When it comes to GIC, it's a very high-quality institution.

And therefore, when we take the opportunities to them, they obviously look for their own point of view in terms of how they're solving for returns and the quality of assets. The good thing is that it has, therefore, gone through a dual lens of governance, one at SAMHI's level and our Board and our investment committee and two, from a GIC's perspective.

And a case in point is the Trinity Hotel in Bangalore, right, where first, we acquired it and obviously went through a fairly detailed discussion and diligence at our end and we paid INR205 crores for acquisition of that asset.

We believe that asset in the future is INR100 crores potential EBITDA against a INR600 crores total investment. So it kind of follows our return profile. But having said that, a few months later, this was again re-vetted by the GIC team. And therefore, the -- that company -- their 35% stake will be issued to them at a value -- pre-money value of about INR275 crores, right?

And that really reinforces our purchase price selection and decision that what we paid for that asset is well appreciated by a very high-quality institutional investor who themselves have multiple layers of betting and opportunity. So I think rest assured, when we are deploying capital, we are making sure there are multiple layers of validating what that opportunity could be.

And I will reiterate, therefore, that if you look at the cost per key that we have committed, let's say, in W Hyderabad, which will be, let's say, INR1 crores or INR10 million per key or a Westin-Tribute in Bangalore, which will be at about INR1.6 crores per key, it continues to remain at a significant discount to both replacement cost, which is the cost at which you will build similar hotels in same location.

And two, the market price per key that we are seeing for private transactions, which in the upscale space has remained upwards of INR2.5 crores, going up to INR3.5 crores to INR4 crores per key. So we do believe that in the long term, we are creating value for our shareholders by keeping to our discipline of investing our capital at a significant discount to replacement cost.

Moderator: The next question is from the line of Smith Gala from RSPN Ventures.

Smith Gala: My question was related to the employee expenses. We have seen a slight uptick in the run rate. So can you throw some color on it? And can this run rate hold for the full year without any increase?

Ashish Jakhanwala: So if you compare on the front page of financials, where the employee expense has gone from INR175 crores to INR216 crores, right? That is on account of the new hotel, Greater Noida, Calcutta and the Trinity. So a large part of that growth is on account of actually the addition of new hotels and obviously, because these are new additions, they're not reflecting their true potential of performance in the revenue.

So in the short term, you will see even as a percentage, that number moving slightly up. But otherwise, on a same-store basis, we're not really seeing any reasons for concerns in terms of employee expense growth.

Smith Gala: Okay. That was helpful. Secondly, the room revenue to total revenue for this quarter was approximately 79%, as the same number for the quarter 1 of '25 was 71%. So can you throw some light why the room revenue as a percentage of total revenue is increasing and can it improve going forward?

Ashish Jakhanwala: Yes, that's because of the shutdown of 2 ballrooms, which is Hyatt Place Gurgaon and Sheraton Hyderabad. A large part of that impact is that. And two, also the fact that we've opened the Holiday Inn Express in Calcutta and Holiday Inn Express in Greater Noida. And Holiday Inn Express hotels, typically, you'll see room revenue being 85%, 90% of total revenue.

So a combination of 2 upscale hotels, ballrooms being in renovation and then incremental revenue coming from a portfolio which has much higher room to total revenue ratio, that has led to that 71% becoming 79%.

But in future, as those ballrooms become fully operational, as Trinity Hotel ramps up, which has good food and beverage, we actually expect to maintain close to 70%, if not better. When I say better means more coming from food and beverage, room to total revenue ratio.

Moderator: Due to time constraints, that was the last question. I now hand the conference over to Mr. Ashish Jakhanwala for his closing comments. Over to you, sir.

Ashish Jakhanwala:

Thank you, everyone, for your time. We did enjoy the interaction today. I just want to reiterate that we remain fairly confident of how this year and the future of SAMHI is shaping up. We know there's a lot of distraction about the month of May, but whether it was April, whether it was June or it is subsequent period after June, we are continuing to see a very comforting growth.

Two, we are very, very happy about the ability to deliver on asset recycling. That's an activity where we largely rely on a counterparty and we've been able to execute that in time and at price that we expect it to.

So the balance sheet that now we have created for ourselves, what used to be considered a weakness for SAMHI till 2 years back, we had a promise that we'll convert that to be our biggest strength. I think we are well on our way to deliver that. And my belief is that, that strong balance sheet and our discipline will create the future value for SAMHI.

So thank you very much for your support. We look forward to continuing to interact with you and talk to you at the end of quarter 2, if not earlier. Thank you so much.

Moderator:

Thank you, members of the management. On behalf of SAMHI Hotels Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.