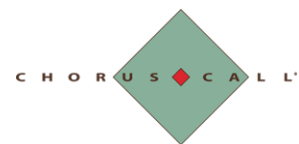




“The Indian Hotels Company Limited
Investors Call”
August 12, 2025



**MANAGEMENT: MR. PUNEET CHHATWAL – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – INDIAN HOTELS
COMPANY LIMITED
MR. ANKUR DALWANI – EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER – INDIAN HOTELS
COMPANY LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Indian Hotels Company Limited Investors Call. On the call, we have with us Mr. Puneet Chhatwal, Managing Director and CEO, IHCL; and Mr. Ankur Dalwani, EVP and CFO, IHCL. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Puneet Chhatwal. Thank you, and over to you, sir.

Puneet Chhatwal:

Good evening, ladies and gentlemen. Thank you for joining the call at this time. And we would like to share with you which we believe is a key milestone that we have achieved in the life cycle of Indian Hotels Company Limited. Having commenced with the re-imagination of our brandscape and solidifying the Taj brand in '17-18 to a journey that is still ongoing, where we significantly scaled up Taj brand, renovated the Taj Hotels and upgraded a lot of Vivanta branded hotels, because they had gone through a downgrade, because of lack of renovation monies post '26/11.

It was time to start also focusing on our second important pillar, which was Ginger. We re-imagined Ginger in 2018-19. And then there was a certain delay for a couple of years because of COVID. And since then, Ginger became highly profitable, marching very fast towards the INR1,000 crores revenue and more than INR350 crores in EBITDA.

Given that Ginger had also reached more than 100 hotel portfolio and given that we had zero net debt and a lot of cash, it was time to look for an inorganic growth opportunity, which could help the current Ginger portfolio as well as add new hotels on a capital-light model, so that the brand awareness of Ginger brand is very much enhanced.

And then came to the various opportunities that we studied. Clarks Hotels and Resorts represented a good opportunity for us, because of a shared value, shared purpose in the organization, which is 75-year old and the management that helped create a 150-plus hotels portfolio together with Brij and Brijrama properties.

Now what this does is it gets us 135 hotels under the Clarks brand, the majority of which will get repositioned and reimagined as Ginger hotels, totaling almost 7,000 keys in 100-plus locations. And of these 135, 125 are managed properties, 10 are on a capital-light model with operating leases.

And the pipeline is extremely strong of the entire portfolio, which will be coming. As I mentioned at the outset in a brief introduction, the four key strategic initiatives that kind of made this as a convincing proposition for the management was, number one, Ginger brand equity amplification, which is 70% hotels in new geographies in India.

So we had the old geography where Ginger was present, then we get 70% more, which are in new areas, which is adding new dots on the map. And given the heterogeneous nature of India and rapid scaling up, this looked like a very interesting opportunity where all these hotels were

existing. And let's not forget, since the launch of Ginger, it has taken us almost 20 years to get to a portfolio which is smaller than the size of this rebranding opportunity that was available to us.

Then, of course, this leads to a leadership in mid-scale segment. Then undoubtedly, now Ginger becomes the market leader in the mid- market segment over the next 12 to 18 months. And as we continue our growth journey, this almost 250 hotels portfolio should cross 300-plus easily over the next 18 months or so.

Then there is a significant not like-for-like growth, and this is also helping us in our industry-leading pipeline. And all this ultimately weaves in very well into our Accelerate 2030 strategy, which we have articulated in very objective terms to all of you. We also know that the mid-scale segment in India is fastest growing from 2014, when there was 100,000 branded rooms, the lower end was almost 40% of the total supply.

10 years later, that number went to 43. And we think that in another 5 to 6 years by 2030, this segment or this market share of this segment will definitely be closer to 50% or so. So a lot of strong growth is coming in into this segment, mainly because as India's population grows from 1.4 billion to 1.5 billion, if one-third of this population is relevant.

Then the competitiveness as well as the bigger share will come into one-third of the population, which is 500 million, assuming that one-third may not be so relevant for hotel sector, that one-third of 500 million is a very, very big number. And we feel that with Ginger, we will be very well positioned to address the needs and wants of that market segment.

I think very important is also conversion to Ginger will result in unlocking synergies with the conversions of existing management contracts to revenue share, which we have successfully done with Ginger properties that we have signed or opened in the last 18 months and also unlocking synergies wherever there is a market overlap.

So if in a market, we already have a Ginger and by virtue of this M&A, we get more Ginger opportunities, it will create cost synergies in the existing portfolio as well as in the portfolio that is coming in. The other ways to benefit would be from our Indian hotel sales and distribution backbone, which is very, very strong, which has proven the test of time.

Also, this segment is really very interesting for loyalty, because at the upper end, at the luxury level, loyalty is not as important as the experiential or the service part is, but people do like to collect loyalty points at this level of the market. So Tata Neu will play a very important and a very big role going forward. The operational synergies, I mentioned will also be a key synergy driver. And very importantly, our procurement strength will grow by leaps and bound.

I think addition of such significant number of hotels should help Indian Hotels Company Limited in general and Ginger brand, in particular, in getting synergies in procurement, synergies in shared services, by shared services, I mean, accounting, controlling all back- of-house operations, including IT and significantly enhancing the brand equity of the Ginger brand in India, especially with all the changes we made, including the all-day dining concept of Qmin being added to the existing Ginger.

And that will be the case when we transition these hotels to the Ginger brand. They will strictly follow a property improvement plan. Most of the restaurants, wherever possible, will get rebranded to Qmin and that will create and unlock value also for Qmin brand within such a large portfolio.

Therefore, we see this as a growth opportunity with almost 7,000 keys, very well fitting to the Ginger brand. And also, we have done at the same time, a sales and distribution agreement with the boutique luxury in terms of Brij, which is very, very appreciated in India as a unique value proposition, especially in spiritual sectors. And the Brijrama, it would be fair to say in Banaras has become a benchmark at this level of hospitality.

As we have consistently shared in various quarterly calls, we do believe that the Ginger brand with the property improvements, with the transition to Lean Luxe is very much capable of driving higher average rates, higher occupancies and most of the properties that we have opened in the recent past, like Mumbai Airport, like Goa, like Bhubaneswar, like Nagpur Airport, Ginger in Sanand or Aurangabad, all drive more than 50% EBITDA, which makes us extremely confident of repeating this performance with the Clarks portfolio also.

So having said this, the Brij has 19 hotels, of which 10 are in operation, totaling around 360 - 380 keys. And of this 10 in operation, there is another 9 in pipeline. And this will help us add or also help the owners grow the Brij brand going forward. With that, I hand over to my colleague, the CFO, Mr. Ankur Dalwani, to walk you through the arrangements of the kind of transaction structure we have entered into. Over to you, Ankur.

Ankur Dalwani:

Yes. Thank you, Mr. Chhatwal. I think on the transaction structure, I think we have announced some detail of the same. Well, let me walk you through the more sort of granularity on the transaction structure. This is a total investment of INR204 crores in the two companies, ANK and Pride, and the split is, as mentioned on the slide, INR110 crores into ANK and INR94 crores in Pride.

Out of the INR204 crores, substantially almost 80% is primary investment and the balance is a small secondary investment in the transaction, which means there is a large component sitting in the companies as capital for future growth, which will include some of the PIPs, which was mentioned earlier by Mr. Chhatwal and also for capturing the opportunity to convert potentially a large portion of current owners and the future owners in the portfolio towards from management contracts to revenue share.

Also, any future opportunity which may come up by the team can also get captured or funded by that capital sitting there. So essentially, a lot of the cash is basically going into the companies and enabling them and making them future ready for growth. Additionally, the two companies, ANK and Pride will also sign branding and distribution arrangements for paying fees to IHCL and this will be entered into the entire portfolio, not only for the hotels which are under revenue share, but also for the hotels which are under management contract, generating incremental fee for IHCL.

Similarly, on the marketing and distribution agreement, which has already been signed with Brij Hospitality, there is an incremental fee which will flow to IHCL as part of the distribution arrangement, which has been signed up. If I quickly walk you through some of the current financials, which are in the public domain and some more details on that. If you see the FY '25 figures, it's about INR33 crores of top line and an enterprise revenue of close to INR300 crores.

And the company has an EBITDAR of INR7 crores and EBITDA of INR3 crores. This is on the basis of current operations of the company. And essentially, if you look at the chart on the right on the slide, it kind of puts out where we think we could actually drive the business in the next 3 to 4 years and in line with the FY '30 targets, close to about INR100 crores of revenue from existing operations plus the impact of migrating the portfolio to Ginger and doing the Lean Luxe renovations in some of those.

So that should get us to about INR100 crores. Additionally, this does not capture any upside from management contracts shifting to revenue share, which could actually be close to INR50 crores to INR75 crores, which we think is a conservative number, per hotel, typically INR6 crores to INR8 crores of revenue.

So if it is basically getting 7 to 8 hotels converted, which actually should not be very difficult given that the management team currently already has a track record of migrating one hotel from management contract to revenue share, which has actually added about INR4 crores of revenue in FY '26 itself -- will add INR4 crores of revenue in FY '26 itself.

So this is a conversation which we will deep dive into as we move forward in the transaction after closing the transaction. If I can give you a quick snapshot of the projected financials, which has also been put out in the deck. FY '27 actually will be the first full year of sort of once the transaction is closed. And we think we can actually get closer to INR60 crores of revenues in that year and will result in overall margins coming closer to 30% on EBITDA and in IHCL consolidated EBITDA, which includes the fee we will earn from the hotels to close to INR20 crores.

Going forward to FY '30, we think we are on track -- we will be on track to get to about INR100 crores of top line and generating a consolidated EBITDA of close to INR60 crores, which includes INR20 crores of fee and INR40 crores coming from the hotel. So those are the broad financials we have sort of solved for, while sort of doing the transaction. And like I said, this does not include the opportunity to convert the management contracts to revenue share going forward.

So also, I think a couple of things to note from the Ginger portfolio side, which Mr. Chhatwal also referred to. One was obviously the strong growth, but also the fact that most of the hotels, which have actually moved to Lean Luxe as a portfolio have a margin close to 50% plus on EBITDA and the fact that the occupancies as well as the RevPAR growth are much higher for these hotels as compared to the industry average for this category.

So I think that's where I'll stop now and we can take questions from now.

- Moderator:** Thank you very much. We will now begin with the question and answer session. Our first question comes from the line of Shaleen from UBS. Please go ahead.
- Shaleen:** Hi, thanks for the opportunity and congratulations to the management for starting their inorganic journey. I've been -- you all are waiting for that and it seems like it looks like a good deal. So one, just to understand the financials, the projected financials which you're putting out.
- So if I take whatever FY '28 or FY '30 numbers, we are talking about INR40 crores EBITDA and INR20 crores fee. So INR60 crores console. So is it right to understand that, let's say, in FY '30, the INR20 crores fee belong to us, also that 51% of that INR40 crores will also belong to us?
- Ankur Dalwani:** Yes, that's right. But essentially, as you know, we will consolidate the full EBITDA, not the 51%. So as far as the IHCL consol EBITDA, it will go up by INR60 crores.
- Shaleen:** So Ankur, the enterprise value we have given is, what, INR408 crores roughly or INR405?
- Ankur Dalwani:** INR204 crores of total investment side, which is about INR160 crores in primary and the rest being secondary. If we do the math on that the enterprise value is about INR240 crores.
- Shaleen:** So INR240 crores of enterprise value and whatever, like FY '27, '28 or '30. So we are on FY -- I mean, on FY '30, it looks like a very good deal. But even on FY '27, we are calling out INR20 crores, so 12x EBITDA?
- Ankur Dalwani:** That's right.
- Shaleen:** All right. Okay.
- Ankur Dalwani:** Basically, the transaction has enabled two things. One is obviously getting into a partnership with ANK and Pride and the promoter group there, and which will obviously enhance the portfolio itself, which is all the synergies, which Mr. Chhatwal referred to and deploying the Ginger playbook on that. And that's why the right number would be actually FY '28, because FY '27 will still be a year of transition.
- But even if you look at FY '27, there is actually a trajectory for upliftment on EBITDAR margin and then consequently on EBITDA itself. So that is a INR10 crores number, if you see the numbers I've given out. And then the incremental fee, which is also enabled because of the transaction. So -- and the INR10 crores is after paying the fee.
- So effectively, there are some parts of the business, which are going to have, where it will obviously be an expense, and therefore, the EBITDA number is after the fee. And then there are, for example, Brij Hotels is actually not something which we have a stake in the company right now.
- So that fee will straight away come to us. So this is -- and this is on the enterprise revenues of the company and not the top line number, which is only INR60 crores here. But if you look at the enterprise revenue, it will be much higher as is the case in FY '25 itself.

Shaleen:

No, fair enough. See, if I look at even '27 or '28, the kind of growth trajectory you are talking about tripling the EBITDA in next three years. So 12x EBITDA paying is pretty good. So even if you achieve half of it, it's great. So no argument on that, just my personal view here. So all right.

Second thing, so how are we thinking about the brand here like why -- so a very basic question, like why would we put it a Ginger? Why would this management would like to have a Ginger and not Clarks? Like is it because Clarks is not getting enough traction? What were the possible reasons for them to move into Ginger?

Puneet Chhatwal:

Shaleen, very good question. One of the reasons is traditionally, this company is known for full-service Clarks Hotel, because that's what their grandfather had created. So the iconic Clarks Amer in Jaipur and Clarks Avadh in Lucknow or Clarks Shiraz in Agra, etcetera. These were the five key assets. And by doing these Clarks in and Clarks suites and Clarks in and suites and Clarks, whatever, other connotations actually diluted the Clarks brand equity.

That's from their side. From our point of view, we are not interested in another new brand in mid-market until we get to 300 to 500 hotels with one of the brands. So in the mid-market, scale is very important. And just having 10, 15, 20, 30 hotels here or there, as you've seen with Ginger does not help.

It's only of late in the last 2.5 years that Ginger has pivoted, and this was another opportunity for it to go another notch higher and definitely support all our other ventures that we have undertaken and shared with all of you like MOPA Airport, like Kolkata Airport, like opening of Ekta Nagar in the next 6 to 8 weeks, plus the opening of Bangalore Airport next year.

So all these things will give an absolute boost to the brand awareness of Ginger brand, and that's why we'd rather have it in one brand. Exactly what we did with Taj and continue to do with Taj, make one brand clean and pure instead of being all over the place.

Shaleen:

All right, sir. Just one more question in continuation is like INR163 crores primary, so --if can we understand like what's the usage of that? Will it be to uplift the current property, or it will be for the expansion, because we do not know what's the condition of these assets right now, right? So just some color on that?

Ankur Dalwani:

So some of it will go to -- like you know, most of the portfolio is actually management contracts. So the responsibility of incurring capex actually lies largely with the owners. So essentially, our approach here will be to say that there is a war chest available to expedite this upgradation.

Essentially, this is obviously a conversation to be had once the transaction closes. But the idea is to see how can we use this capital, which is available at disposal to bring most or if not all the hotels onto the Ginger platform as quickly as possible with the same similar sort of standard, which is deployed by Ginger Lean Luxe model so that the unlocking of value and upliftment on occupancy and ARR happens quickly.

And so that's where the bulk of the capital will go. And then the other opportunity, which is basically also which I mentioned -- alluded to earlier was the moving from management

contracts to revenue share. And typically, this could be a couple of crores to INR5 crores kind of investment, which may happen depending on, let's say, if an owner has got -- wants to expand and he has already got the FSI in his property, but doesn't have the funds to sort of expand.

And then the conversation for moving from a management contract to revenue share becomes a much more easier conversation. So we have identified already about 8 to 10 properties, which we will sort of start acting once the transaction closes. So that's the second use of capital. And the third could obviously be kind of replicating the Ginger big box model, which is something which we've also -- it's been also our journey over the last 7 years, and we've realized how Ginger Big Boxes have delivered in the last few years.

And as you know, Ginger Mumbai Airport is a classic example of delivering close to INR100 crores revenue and INR50 crores plus EBITDA in the first full year of operations. So I think that's the third opportunity where some of the capital could go, where the management team, which is the current management team, the promoter group will continue to run the business, and it's up to them to then source opportunities, which can fit into their sort of the kind of hotels they would want to want. So big box also opens up the third sort of use of capital.

Shaleen: Right, sir. Just last bit, you only have a Ginger in mind or do you think there is a scope for gateway as well here?

Puneet Chhatwal: There could be, Shaleen, one or the other, because we have to drive the best value. So I don't think 100% of the hotels will fit into Ginger. But we do believe that the majority -- significant majority, anything between 85% to 90% for Ginger is fine. The rest we will take a call during this period of completion of the deal and find the best value proposition. Of course, there will be opportunity for the Clarks Exotica can obviously become a gateway.

Ankur Dalwani: Or someone can be on a selection platform.

Puneet Chhatwal: Or on the selection's platform, yes. Other questions you can take offline with us later.

Moderator: Our next question comes from the line of Prateek Kumar from Jefferies.

Prateek Kumar: My first question is regarding the brand positioning overall. So while you alluded to the fact that this segment -- mid-scale segment is a growing segment, et cetera. But we have also historically said that our focus is on premium segment where there is lowest growth in capacity by industry peers and which will continue to benefit the pricing, etcetera and profitability. Now we are expanding significantly in mid-scale.

I understand it is management contract as a result, maybe the stakes are not as high in terms of the capital employed. But how do we think about your overall brand positioning as a company going forward?

Puneet Chhatwal: Sorry, Prateek, I don't understand. I think it has to be very clear that the crown jewel of our brandscape was, is and will always remain Taj, not only of our brandscape, but of our company and of Tata Group and of India. However, we have created a brandscape and in our endeavor to

do comprehensive brand management, one of the critical factors in mid-scale or a little bit above or below mid-scale is scaling of the brands.

That is highly critical for Ginger. It's highly critical for even our Homestay Ama or for Tree of Life. Under Accelerate 2030, we also articulated that the majority of the future growth will come through Gateway Ginger, Tree of Life. So we are absolutely in line with that, but we should not forget that the Taj is something which was and will always remain the priority and that is what will define our culture.

Our core values, which are common throughout the brands are based on the values of trust, awareness and joy. That's what Taj stands for. And we are definitely making far more progress with Taj. It's today, the size of the luxury brand is possibly among the top three in the world, number one.

Number two, Taj has been consistently rated as world's strongest hotel brand by Brand Finance and India's strongest brand across all sectors since last 5 years and 4 years on a world platform basis. So let there be and I'm very thankful to you for raising this directly or indirectly or if you meant it or not so that we have the opportunity to once more make it very clear that what defines us is Taj and that is not changing in the short, medium or long term.

And that -- this investment justifies. This kind of investment for a 51% stake will not justify even one Taj property. So that's the difference in scale and absolute luxury and quality.

Ankur Dalwani:

Yes. I think just to add, Prateek, as you have seen from our quarterly investor deck, we have always talked about putting out capex on the balance sheet for the hotels, which we are going to develop. And this includes the three, four ones which are already in the public domain, for example, the Bandstand One, the Fort Aguada, next to Fort Aguada is Aguada Plateau, and also the one in Shiroda.

All these are come under the brand Taj or similar luxury brands, Taj in Ranchi. So I think that's -- it's not an either/or situation. I think we've talked about this in the past. It's a very heterogeneous country, and you have to -- being the market leader, you have to cater to different segments of the consumer.

And I think this is actually one of the best way to scale up Ginger, because like we've said in the past, the potential for Ginger brand or the mid-scale brand for the company is 1,000 Gingers. You cannot get there organically. It will just take too long. And make this effective and make it really happen in a practical way, this is probably the best and the most efficient way of doing it. And we are very happy that we have got a partner who actually echoes that sentiment. And so it's actually a lot of good excitement out here on this.

Prateek Kumar:

Another question is, so all the Clark Hotels in India are under these two groups and all of them will migrate to Ginger eventually? And are there more Clarks Hotels under any other group in the country, for clarification?

Ankur Dalwani:

There are within the same family. This is like a legacy issue. They have several companies. I think almost all the asset-light hotels are actually covered in this and maybe a few assets heavy

are actually not covered in this. That probably single digit, maybe less than 10, so like 4 to 5 kind of number. And this is the beginning of a relationship. So we'll see how the relationship there is going forward.

Prateek Kumar:

Sure. And one question on your expanding room number of hotels, this is a great news. And so -- more like a theoretical question on management bandwidth. So does this kind of scaling of management contract -- contract, which is kind of a global module for other companies like Marriott, etcetera. So how should we think of management and bandwidth and the hiring, which you would require to manage too many hotels?

Puneet Chhatwal:

Thank you, Prateek for this question. The job done by these three young cousins and brothers was so phenomenal in making 150 hotels that, that is one of the reasons we have integrated them in the journey forward. So they will continue to drive growth and management. We will obviously give them the required support of the bandwidth that IHCL has.

And maybe a couple of our people will also go there in the management, and we will run it through a proper governance structure. And we have a lot of experience in doing that even with publicly listed entities. As you know, we have OHL, we have Taj GVK. We have Banaras Hotels, we have PM Hotels.

So it's in a similar kind of a way, this will be run by the current ownership. They just get diluted, and we will give them a few of our stalwarts. And that way, the skill sets will get complemented and will not put any kind of strain on our existing talent pipeline or on our bandwidth, rather enhance it.

Because seeing these growth opportunities, you should not underestimate how many people in the last 5, 7 years have had the opportunity to grow with us. And that means all these new brands, all these high growth of our portfolio has given a growth platform and a growth mindset to the entire company.

So I think they are following the same formula, and we are very confident that what these people have been able to do without any capital or without any big company backing behind them that with our help, they will even be able to perform at much higher level and a faster rate.

Moderator:

Our next question comes from the line of Achal Kumar from HSBC. Please go ahead.

Achal Kumar:

My first question is around conversions to the revenue share. You've been talking about there is an opportunity to convert the revenue share model. Just want to understand, is it like straight away at your will, where you can convert, or is there a condition in that, how easy be it is to convert from the management contract with the venue share. So if you could please give us a bit of a color on that, that will be helpful?

Ankur Dalwani:

So Achal, thanks for the question. It's not straightforward. And that's why if you see our projections, which we gave out, we haven't really included that portion. We have just talked about this as a potential upside. And that's the reason why we think it's real and not something imaginary is because the current management team has already demonstrated success on this

front by actually converting a hotel in Rajasthan, in Ajmer from a management contract to revenue share.

So it is very much a real opportunity, and it requires hotel-by-hotel discussion, because every owner will need some kind of support as he has to sort of either expand or he needs some kind of -- he's not able to sort of manage the payroll, et cetera. So this is how this typically happens. We've also had that thing in our portfolio also in the past. So -- it will evolve over a period of time.

But we are confident that in the next -- I mean, if you look at the portfolio, we're talking about 135 hotels, even if you get 10%, we're talking about 13 hotels, which can easily give you INR60 crores to INR75 crores of top line itself, right? So I think -- and then obviously, much higher contribution in terms of EBITDA as well.

So I think that's the opportunity set. And I think it's a real set, but we can only give you more color when we sort of close the transaction and sit down and do a more granular exercise on the portfolio, but pretty much something which we are focused on.

Achal Kumar:

Right. My second question was in terms of financials, I just want to understand because you have shown projections to FY '30, wherein you are showing EBITDA margin -- EBITDAR margin reaching 38%, while on one of the slides -- and of course, I mean, in Ginger, you generating a much higher EBITDA margin. So I mean, are you not thinking or are not expecting these hotels to reach to the current EBITDA margin you are generating in Ginger? Or how does it work like?

Ankur Dalwani:

No, I think if you see first -- like I said, '27 is a year of transition. And therefore -- and then after that, it will take 1 or 2 years for the benefit of the Lean Luxe for the tips to actually sort of take effect. That's why if you see by FY '50, we are getting to a 50% EBITDA margin. And then can it happen earlier? Potentially, yes.

But it's also something which we have to get into far more granularity in terms of actually figuring out how quickly the migration happens to Ginger and the Lean Luxe implementation. There is a stabilization phase in each of this, which is also the experience we have had with our own Ginger, Lean Luxe sort of investments, which have happened over the last few years.

Moderator:

Ladies and gentlemen, we'll take the last question from the line of Karan Khanna from Ambit Capital.

Karan Khanna:

Puneet firstly, if you look at the Clarks portfolio, Clarks has presence across many brands, and you acquired just 3 of them. Could you highlight the thought process behind the same? And as a follow-up, will you look to acquire the remaining 49% stake in these brands at a later stage and perhaps acquire or integrate the remaining brands in your portfolio as well?

Ankur Dalwani:

Which are the -- see, actually, this Clarks brand -- these two companies have all the Clarks brands, which includes Clarks Suites, Clarks Inns, Clarks Exotica. All of them come under the -- they've kind of run under different brands, but it is very much part of these two companies, okay? So I think that's something which is already part of the transaction.

And over time, the whole idea is that we sort of migrate them to a sort of a brand architecture, which is reflective of the positioning of the hotels, which is what we said 85% to 90% should be in the mid-scale category and should get to a ginger stage. The rest, depending on the brand, could be a gateway, could be a selection.

And that is to be an exercise, which we will do as we move forward. As far as the 49% goes, there is no plan as of now to purchase the 49%. We are, like I said, entering into a strategic partnership. And this is not because they are pure financial investors, they're also going to be driving the business, which is very critical for the success of this partnership that we continue with the management and they kind of integral to this transaction.

Karan Khanna: Sure. And just a clarification, Ankur, I think earlier on in the call, you mentioned that the enterprise was being valued at around INR240 crores. So help me reconcile that. If I'm looking at Slide # -- I think this is Slide #8 or 9 -- sorry, Slide #7, where you're buying 51% and investing INR204 crores. So is the enterprise value INR400 crores or just help me reconcile that INR240 crores number that you're mentioning earlier on in the call?

Ankur Dalwani: INR240 crores is the enterprise value. And if you look at the math, it's INR160 crores of primary, which basically goes into the company and the balance is secondary. So the money going in the company obviously increases the equity value, right, because you've put enterprise value and cash goes into the business. So if it was a pure secondary bill transaction, we would have bought the business for INR240 crores, right? Does that answer the question, Karan?

Karan Khanna: No, I think that's helpful. I think INR160 crores going into the company and perhaps INR90-odd crores for the balance.

Ankur Dalwani: INR160 crores basically sitting there, and that will unlock further value.

Karan Khanna: Sure. And thirdly, in terms of Accelerate 2030 plan where you're targeting 700 hotels portfolio by 2030. Post this acquisition, you will already be at around 530 hotels. Given this -- 550, given this -- do you see a meaningful increase in this expected hotel number and the mix of managed and owned hotels by year 2030?

And as a follow-up, with recent arrangements with Claridges, Clarks and Brij, from a more long-term perspective, is acquisition of large branded managed rooms collection a strategy that you'll actively pursue or are you looking to acquire hotels on your own balance sheet as well?

Ankur Dalwani: Think all routes are open, because we've done -- I think the good thing is that we have the balance sheet flexibility to deploy it as and when opportunities come up and opportunity that makes sense. It's not about adding rooms. It's about like Mr. Chhatwal referred to in the beginning of the call, it's about mid-scale leadership.

It's about brand amplification and it's about synergies which we can exploit it. So I think it's very case to case, and we continue to look at opportunities. I think the good thing, I think Shaleen referred to in the beginning is that this is, in a way, I would say, a beginning of the inorganic journey, which I think can be very incremental to what we have been doing. And we've talked



about this optionality earlier. And I think this is, I think, a signal saying that we have now sort of taken the first step in that direction.

Moderator: Ladies and gentlemen, we'll take that as a last question. I now hand the conference over to Mr. Puneet Chhatwal for closing comments.

Puneet Chhatwal: Thank you, everyone, for joining the call, and we look forward to our next interaction post the Q2 results. Those who have any further questions can contact us offline, we'll be happy to answer whatever queries you might have. Have a wonderful evening, everyone, and looking forward to speaking to you all soon.

Ankur Dalwani: Yes, thank you very much.

Moderator: Thank you. On behalf of the Indian Hotels Company Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.