



ROYAL ORCHID HOTELS LTD.,

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Date: June 06, 2022

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

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

Dear Sir/Madam,

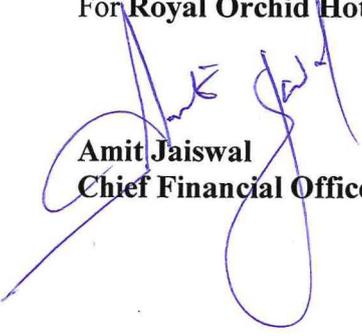
Re: Transcript of the Earnings Conference Call for the Quarter and year ended March 31,2022

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the transcript of the earnings conference call for the quarter and year ended March 31, 2022 conducted after the meeting of Board of Directors held on May 31, 2022 for your information and records.

The above information is also available on the website of the Company
<https://www.royalorchidhotels.com/>

Thanking You.
Yours Faithfully,

For **Royal Orchid Hotels Limited**


Amit Jaiswal
Chief Financial Officer


Ranabir Sanyal
Company Secretary & Compliance Officer
FCS: 7814



Moderator: Hello Everyone. Welcome to the Q4 and FY22 Earnings Conference Call of Royal Orchid Hotels Limited (“ROHL”). Mr. Chander K. Baljee , Chairman & Managing Director of ROHL, who is MBA from IIM Ahmedabad with 4 decades of experience in hospitality industry , Mr. Amit Jaiswal, Chief Financial Officer , who has over 30+ years of experience in Finance with Manufacturing & Hotel Industry, B.Com, MBA in Finance & BA. LLB and Mr. Prashant Mehrotra, Chief Operating Officer who has Over 20+ years of experience with OYO, Lemon Tree Hotels & The Oberoi, BA, Hotel Management & Catering Technology from IHM, Gwalior were introduced. ROHL has more than 72 hotels across India. We will have opening remarks from the Mr. Chander K. Baljee for the Q4 and FY22 and then move on to the Q&A. Thank You.

Mr. Chander K. Baljee: Thank You. Good Evening and a warm welcome to everybody. I extend a warm welcome to everyone to the Q4 and FY22 Earning Call of Royal Orchid Hotels Limited for the quarter and year ended March 31, 2022. The Q4 results have been press released and also available on the stock exchange. I hope everybody had a chance to go through our Investor Presentation.

The fiscal 22 began against the backdrop of COVID and its relative impact in the business; it was very difficult phase for the industry during the COVID period. The industry was getting normal, then Omicron variant raised the challenging economic environment this year, specifically at the beginning of the financial year, despite the adversities Royal Orchid Group demonstrated a resilient performance. We have learnt a lot in the last year like how to control our cost of operations and be able to get better margins.

Financial Highlights for Fourth Quarter and year ended March’22 and the year ended consolidated results are as follows:

Revenue from operations for Q4 of FY22 was Rs. 39.53 crore as compared to Rs. 33.01 crore in Q4 for FY21, marking a growth of 20%. Despite the loss of the tourism due to COVID and other geographical factors the company still managed to grow because of strong business model and risk mitigation strategies. EBITDA for Q4 and FY22 was Rs. 14.23 crore as compared to Rs. 5.30 crore in the Q4 of FY21, with an increase of 168%. EBITA margins stood at 30%. PAT for the Q4 and FY22 stood at Rs. 31.66 crore as compared to a loss of Rs. 10.05 crore in Q4 of FY21.

The results for consolidated basis are as follows:

Revenue from operations for the year ended March’22 was Rs. 138.52 crore as compared to Rs. 80.85 crore in the FY ended March’21 marking a growth of 71.32%. EBITA was Rs. 40.36 crore compared to a loss of Rs. 3.11 crore. EBITA margins stood at 26% which was negative last year. PAT for the year ended stood at Rs. 26.78 crore as compared to a loss of Rs. 40.02 crore on the year 2021.

Talking about the new initiatives in FY 22:

We are well in line with our vision to operate 100 hotels by 2023, and looking forward to open new hotels in different parts of the country. I believe that the industry is growing and we will bounce back with better results as we are witnessing signs of revival for industry as a whole. I would now like to ask our CFO, Mr. Amit Jaiswal to throw some light to the Q4 and year ended March'22 financials.

Mr. Amit Jaiswal: Hello Everyone! A warm welcome to all of you. Since the last 2 years the industry has faced lots of difficulties but last 2 months have been surprising and we came up with good results. The growth in the revenue as well as the bottom line has been great and we have learnt a lot how to operate our hotels at a lesser cost.

Moderator: Thank you very much. We will now begin the question and answer session. Participants are requested to ask questions. The first question is from line of Mr. Sushil Kumar. Please go ahead.

Mr. Sushil Kumar: Hello Sir, firstly Congratulations on such numbers and I feel happy that we are coming back in track after 2.5 years. Secondly, in the consolidated results we have 'Other Income' of about Rs. 17.4 crore, can we get a break up of this figure. The other question is that the current occupancy trend, also the projection of 100 hotels will be achieved by March'23 or year end of 2023.

Mr. Amit Jaiswal: The Other Income of Rs. 17 crore comprise of the income we have derived, Rs. 6 crore from our management business and then we had certain provisions for liabilities of Rs. 5 crore which we have written off as they are not required to be carried forward. There is also an interest on fixed deposit of Rs. 2 crore. The other question I would like Mr. Baljee to answer.

Mr. Chander K. Baljee: As mentioned we have already about 72 hotels and we have already signed 16 contracts that bring us to nearly 90 hotels. We are also working very actively to get more hotels with time.

Moderator: Kindly let us know about the room occupancy of the hotels.

Mr. Amit Jaiswal: For the quarter ended March'22 we have shown 62% occupancy for all hotels put together and for the year ended there was 57% occupancy. Last year the room occupancy was 46%, marking an increase of almost 11% in the occupancy as compared to last year.

Mr. Rajesh Agarwal: Could you please through some light on the items of exceptional income.

Mr. Amit Jaiswal: The exceptional income has come in because the hotel in Jaipur was previously a subsidiary of Royal Orchid Hotels Limited, which has now been converted into associate. It is a book entry that is done according to Accounting Standards and is derived from the past profits.

Ms. Shally Mohile: What will be the model of growth that we will be following to reach the milestone of 100 hotels? Will the company go for any inorganic opportunity for growth?

Mr. Chander K. Baljee: Presently we are not looking for acquisitions. We would like to grow on the asset like model only. So, we are looking at management contracts, revenue share model and in some case we can also go for franchise.

Mr. Viraj Mehta: So far, what are the plans for adding keys for FY 2022-23? Also the keys will be in which format and in which geography.

Mr. Chander K. Baljee: We have already signed contracts for 16 hotels across the country. The development team is also informed that on certain geographies where our presence is weak, i.e. on the east we do not have much presence and in south mainly our presence is in Karnataka. We look forward to establish our presence in Andhra Pradesh, Telangana and Tamil Nadu. We will also focus on the central India and soon we can call us a PAN India group.

Mr. Viraj Mehta: I would further like to know that within this division would it be more focused on business or leisure hotels.

Mr. Chander K. Baljee: We are enthusiastic about the leisure hotels as they have emerged due to the pandemic as a profitable business; however we look forward to continue on a mix of both business hotels and leisure hotels.

Mr. Viraj Mehta: Please share your thoughts in terms of outlook of Average Room Revenue and utilization, also if you can break that up between business hotels and leisure hotels.

Mr. Chander K. Baljee: Average Room Revenue is varying a lot. In the 5 star hotels where we already touched 5000 and by the end of the year we should touch above 6000. The budget hotels are now in the range of 2500-3000 and we hope that will be going above 3500. So, there is likely to be a substantial improvement.

Mr. Viraj Mehta: Has the consumption pattern from consumers changed and are the occupying on the weekend or over the week. How do you see the trend going forward?

Mr. Chander K. Baljee: Nowadays, as people are not able to travel, there is a lot of staycation business which have come in where people go within town. Now this business can go a little down because travel restrictions are also not there, so that will be replaced by any other business. There is a lot of domestic demand for our business in our country. We really look forward for more

growth in the industry.

Mr. Viraj Mehta: About the real estate party which is in Mumbai, how we are going to monetize it.

Mr. Amit Jaiswal: We have already monetized that asset. We gave that asset and got 100% stake in our Goa Hotel. Earlier in Goa Hotel we had 50% stake, being it a very profitable hotel, have given our land and the remaining 50% stake in Goa Hotel in February 2022.

Mr. Anuj Suvarna: We are at a stage where inflation is at its high, so are we facing any Inflationary pressure overall in terms of affecting our Gross Margin.

Mr. Prashant Mehrotra: We are currently not facing inflation which will reduce our margins. We are still controlling our cost, as it has not yet become normal because of COVID.

Mr. Rajesh Agarwal: Even in the Jaipur hotel we can observe very minimum losses. Can we expect in the current year a profit and what about our other subsidiary?

Mr. Chander K. Baljee: We are expecting upside and all of the subsidiaries are cash balance positive also the profits will definitely go up.

Mr. Rajesh Agarwal: Are there any plans for merging our Goa Property.

Mr. Chander K. Baljee: We are not sure and right now, we are contemplating so many different options.

Mr. Amit Jaiswal: Going forward, because our industry has started doing well, we will be interacting with our investors more often and will keep them updated about the plans. We look forward to a very good financial result in the current year.

Mr. Chander K. Baljee: Thank You for giving us time and joining us for the conference call and look forward to see investors many more times in the near future.