

# LEELA PALACES HOTELS & RESORTS LIMITED

(formerly known as Schloss Bangalore Limited)  
(formerly known as Schloss Bangalore Private Limited)

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Date: January 22, 2026

To  Sr. General Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001 <b>Scrip Code- 544408</b> <b>ISIN - INE0AQ201015</b>	To  Sr. General Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 <b>Symbol- THELEELA</b> <b>ISIN - INE0AQ201015</b>
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**Sub: Transcript of the Analysts / Institutional Call**

Dear Sir/ Madam,

In continuation to our letter dated January 12, 2026, and pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Q3 FY26 Earnings Conference Call held on January 16, 2026.

The above information will also be available on the website of the Company at [www.theleela.com/investors](http://www.theleela.com/investors).

We request you to kindly take the above on record.

Thanking you,

**For Leela Palaces Hotels & Resorts Limited**  
(formerly known as Schloss Bangalore Limited)  
(formerly known as Schloss Bangalore Private Limited)

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**Jyoti Maheshwari**  
**Company Secretary and Compliance Officer**  
**Membership No.: A24469**

Encl.: as Above



# Leela Palaces Hotels & Resorts Limited

(formerly known as Schloss Bangalore Limited)

## Q3 FY'26 Earnings Conference Call

**January 16, 2026**

**MANAGEMENT: MR. ANURAAG BHATNAGAR – WHOLE TIME  
DIRECTOR & CHIEF EXECUTIVE OFFICER, LEELA  
PALACES HOTELS & RESORTS LIMITED**

**MR. RAVI SHANKAR – HEAD OF ASSET MANAGEMENT  
& CHIEF FINANCIAL OFFICER, LEELA PALACES  
HOTELS & RESORTS LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q3 FY26 Earnings Call of Leela Palaces Hotels & Resorts Limited, formerly known as Schloss Bangalore Limited.

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 the operator by pressing ‘\*’ then ‘0’ on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Diwakar Pingle from Ernst & Young IR. Thank you and over to you.

**Diwakar Pingle:** Thanks, Ryan. Good evening, everyone. Welcome to the Q3 Results of Leela Palaces Hotels & Resorts Limited, India's only pure-play luxury hospitality Company. The Company has published its results and has uploaded the investor presentation on exchanges earlier today and you can also find it on the Company's website.

Before we start, a disclaimer:

Some of the statements made in today's Earnings Call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. These statements are based on management's beliefs and assumptions made by information currently available to the management. Participants are cautioned not to place undue reliance on these forward-looking statements while making the investment decisions.

To answer your questions today and to take you through the story, we have the Management participating with us today in today's Conference Call. We have Mr. Anuraag Bhatnagar – Whole-Time Director and CEO and Mr. Ravi Shankar – Head of Asset Management and CFO.

Without further ado, I would like to hand over the call to Mr. Bhatnagar. Thank you. Over to you, Anuraag.

**Anuraag Bhatnagar:** Thank you. Hello. Good evening, everyone. Wish you all a very happy and prosperous 2026 and thank you for joining us for our Third Global Earnings Call for the Quarter and Nine Months ended 31<sup>st</sup> December 2025. I am joined today by our CFO and Head of Asset Management – Ravi Shankar.

**Let me begin with the highlights for the quarter:**

I am pleased to report our 3rd Quarter results. In this quarter, we have continued our outperformance versus the luxury industry and delivered 20% year-on-year RevPAR growth and operating EBITDA growth of 23% year-on-year, driven by a strong 17% uplift in ADR. This

growth is enabled on the back of Leela brand's unique positioning in the industry, proprietary sales and distribution network, and ability to consistently attract high demand and price premium over competitors.

Our room revenues grew by 20%, anchored by higher contribution from retail and accelerated growth in website performance. Nearly 153% growth in revenue came from the website performance.

Given our continued focus on food and beverage quality and experience, our revenue grew 29% year-on-year, driven by both restaurant and banqueting. This performance was primarily fuelled by 17% growth in non-resident footfalls across our restaurants.

Further, our operating EBITDA margins during the quarter were at 52%, which is one of the best in the industry. This was our best-ever quarterly performance and the fifth consecutive quarter of double-digit growth in both RevPAR and EBITDA. Driven by the strong performance in the first nine months of the financial year, we are well positioned to exceed our earlier guidance of mid-to-high teens EBITDA growth for FY26.

The luxury consumption story in India continues to play out strongly and Leela continues to outperform the luxury industry within the sector. We have been consistently gaining market share in the luxury industry and for the period April to November 2025, our market share increased by 15 points and this quarter our RevPAR premium year-on-year increased from 141 to 162, underscoring our consistently superior performance against the India luxury market. We continue to maintain a premium of approximately INR 5,000 in RevPAR over the rest of the luxury segment in India. This sustained leadership reinforces our strong market positioning and our ability to deliver superior value. The Leela RevPAR growth has consistently outperformed the India luxury segment growth by more than 2 times over the last three quarters. Our strategy is clear. We offer a holistic luxury ecosystem that drives total revenue premium across rooms, F&B, wellness and luxury experiences.

As a case in point, during the quarter, we comprehensively repositioned The Leela Palace, Jaipur to attract more domestic and foreign leisure tourists. We have completely revamped and upgraded the F&B offerings at this property, introducing the all-new Aravali Dining Room as our signature all-day dining, Jamavar, our iconic and globally recognized signature speciality restaurant, the Peacock Lounge, a day lounge that transitions into a Mediterranean dining experience by evening, and the Amber Terrace, a rooftop bar overlooking the Aravalli hills. Just as an anecdote, Jamavar has delivered 40% revenue growth since its relaunch in November '25 and we expect other restaurants to follow a similar trajectory.

Beyond F&B, we are elevating the guest experience with the introduction of an exclusive kids' club, a reimagined spa with bespoke wellness offerings under Aujasya, and the conversion of select villas into premium villas for multi-generational travel. This transformation strengthens

Jaipur's positioning as a prime luxury destination and marks the completion of the commitment we had articulated at the time of our IPO. Overall, on the back of these investments, our RevPAR in Jaipur grew by 27% in Q3 FY26, highlighting the importance of a holistic luxury ecosystem for the luxury traveller.

Similar to Jaipur, we continue to enhance our other properties and elevate guest experiences. Looking ahead, we reiterate our confidence in sustaining mid-to-high teen EBITDA growth over the next two-three years, driven by ADR and occupancy expansion, new F&B and spa outlets, launch of our members-only club ARQ in three new cities, and cost optimization initiatives.

In this quarter, we have continued our progress on strategic capital efficient growth. We have closed the Dubai transaction and now own 25% equity stake in the asset with an upcoming management contract. As a reminder, our total equity investment, including the upfront investment and the future CAPEX that we plan to do, is USD 70 million. This is expected to be fully recovered in 2 to 3 years through sale of our brand-new residences, making this effectively an asset-light investment. Furthermore, the 25% equity stake and the HMA contract is expected to generate Rs 180 crores in stabilized earnings.

We are also pleased to announce that we have signed a management agreement for a marquee 80-key luxury hotel in Jaisalmer. This hotel is scheduled to become operational by the end of this calendar year and will enhance our existing Rajasthan circuit. This brings us to three luxury hotels that we have added since IPO, Mumbai BKC, Dubai and Jaisalmer. These luxury hotels will contribute to nearly Rs 340 crores of stabilized earnings on an attributable basis with a net capital outlay of only Rs 1,650 crores, making this extremely accretive.

Overall, our expansion strategy remains firmly on track, supported by a pipeline of nine luxury hotels at this point in time, totalling over 1,000 keys, and we continue to evaluate opportunities that further complement our portfolio. Over the long term, we reaffirm our EBITDA target of Rs 2,000 crores by FY30 through a combination of same-store growth and expansion.

Before we dive into the operating performance, I would like to touch upon the overall macroeconomic trends.

**Macro trends:**

India's luxury segment is entering a multi-decadal growth phase, and Leela's exclusive focus on pure luxury positions us uniquely to capitalize on these dynamics and sustain a clear competitive advantage. The demand-supply fundamentals are extremely attractive. The funnel of customers for luxury consumption in India continues to expand on the back of strong economic growth in the country. The international travel demand remains a potential upside for the luxury sector. While the demand for luxury is growing at double digits, the supply in our micro markets remains muted, allowing Leela to capture outsized market share, presenting a strong runway for

both occupancies and rates to increase, resulting in both near-term and long-term same-store growth.

On the back of this context, now let's dive into our operating performance. The Leela continues to be the preferred luxury brand underpinned by our commitment to excellence, our services, which is reflected in our industry-leading voice of guests, NPS score of 86. This quarter, our brand's strength was further reinforced as several of our hotels were the first choice of high-profile weddings and global and marquee events, reaffirming our leadership in luxury hospitality.

For the nine-month FY26, RevPAR has increased by 18% year-on-year to Rs 15,626, supported by a 13% growth in ADR and 3 percentage points improvement in occupancy to 68%, highlighting resilient luxury demand and a premium pricing power. Growth remains broad-based with both city and resort portfolios delivering strong double-digit RevPAR growth in 3rd Quarter FY26 as well as for the nine months of FY26.

The Leela's commitment to excellence was reaffirmed through multiple global recognitions. The Leela Palace Udaipur is recognized as the best in India by Robb Report Hong Kong, Best of the Best 2026 Travel. Michelin keys were awarded to three of our palaces in New Delhi, Jaipur and Chennai. Outstanding recognition in Conde Nast Traveller's Reader's Choice Awards with 40% of our portfolio featured including our hotels in Kovalam, Udaipur, Jaipur, Chennai and New Delhi.

Our strong operational and financial performance is underpinned by a highly engaged talent base and industry-leading development initiatives which have earned us great places to work recognition this quarter with an 88% response rate while continuing to strengthen organizational capability and support an 82% retention rate for nine months FY26. ESG remains an integral focus to our strategy. Today 65% of our energy consumption comes from green sources. Importantly this transition is also delivering financial benefits with our Q3 financial year power cost down 3% year-on-year and improved long-term operating efficiency. During the year we upcycled 2.2 metric tons of flower waste and sourced 48% of our tea consumption from carbon neutral estates reinforcing our commitment to responsible luxury.

I will now handover the call to Ravi Shankar our CFO and Head of Asset Management to take you through the financial highlights for the quarter and the nine months ended 31<sup>st</sup> December 2025.

**Ravi Shankar:**

Thank you, Anuraag. Good evening, everyone.

**First starting with the quarterly performance:**

Q3 FY26 once again underscored the strength, efficiency and scalability of the Leela platform combining strong top-line growth with disciplined capital management and a sharp focus on returns. In line with our strong RevPAR growth, operating revenues increased by 21% YOY to Rs. 457 crores while operating EBITDA rose to 23% YOY to Rs. 238 crores resulting in the best-in-class EBITDA margin of 52% and improvement of 61 bps. Room revenue continued to deliver double-digit YOY growth driven by an 18% increase in the retail segment and a robust 45% growth in the group segment. PAT increased from Rs. 56 crores in Q3 FY25 to Rs. 148 crores driven mainly by EBITDA expansion and a reduction of finance costs making our fifth consecutive quarter of positive PAT.

**Turning to nine-month performance:**

We delivered strong growth with operating revenues increasing 16% YOY to Rs. 1,043 crores, operating EBITDA rose 22% YOY to Rs. 477 crores. EBITDA margin expanded by 231 bps to 46% with over 60% of incremental revenue converting to EBITDA reflecting robust operating leverage and disciplined cost management.

**In terms of financing:**

During the period we further renegotiated our term loans with our bankers bringing down the interest rate from 9.1% to 8.25%. This allows us to benefit from a softer interest rate environment lowering our borrowing costs and enhancing the PAT while maintaining a strong balance sheet with ample headroom to fund future growth.

Before ending, Anuraag and I would like to express our gratitude to our incredible team of associates for their commitment to excellence, hard work and their constant endeavour to delight all our guests. Further details on our 3<sup>rd</sup> Quarter Results can be found in our earnings release we issued earlier today. We can now open the floor for questions.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Binay from Morgan Stanley. Please go ahead.

**Binay:** Hi, team. Congratulations for another strong quarter. I have two questions. First is on the demand side. If you could comment a little bit about demand trends that you are seeing, because some of the data that we see at the city level is a little bit mixed, like Mumbai has been showing weakness, whereas markets like Delhi, Bengaluru and all are quite strong. So, could you comment a little bit about what are the trends that you are seeing across cities?

**Anuraag Bhatnagar:** Thanks, Binay. From our perspective and basis the data that we have, we see the continuation of high double-digit demand across all the segments and across all the cities, both in city hotels as well as leisure destinations. I mean, if you take a step back and look at what's happening in India, if you look at the macroeconomic indicators, the growth in GDP, the economic values, the

number of households that are coming into luxury consumption and the total addressable market and the growth of the upper funnel in terms of luxury consumption, we are at the beginning of a multi-year, multi-decadal demand growth in India. And we have not seen this impact across any of our hotels. If you look at our city hotels, the demand is growing in high double digits. The funnel for our resort destinations is also very high. So, we have not seen that being impacted anywhere, especially on the luxury side. As we have always maintained, luxury consumption is relatively inelastic versus other sectors and other segments and we expect this trend to continue.

**Binay:** Thanks for that, team. And typically for you, March quarter tends to be the strongest, right? We see a sizable jump in the past between December occupancy to March, so, the similar trends are continuing for you?

**Anuraag Bhatnagar:** Absolutely. And if you see, every quarter-on-quarter, we have been growing in high double digits when it comes to RevPAR growth led by both our ADR as well as occupancy growth, which shows that the demand is spread across all cities.

**Ravi Shankar:** Just to add, we are looking for a double-digit growth, at least in the ADR and RevPAR in the quarter one of this year.

**Binay:** Thanks. And secondly, when I look at F&B revenues and management fees, F&B has accelerated from mid-teens to almost 29% growth this quarter. Management fees has been around 7%. Could you talk a little bit about what's happening over there, and especially the F&B bit? Is this a sustainable run rate? Was there any one-off that is driving this high growth in December quarter?

**Ravi Shankar:** Two parts. One is on the HMA. Actually, our HMA fees have grown YOY 17%. We had some one-off adjustment in last quarter, same time. As a result, we got a 7% increase. There was a huge banqueting event we had done for a wedding. Excluding that adjustment, we would be on a 17% YOY increase on the HMA fees. Most of managed hotels did a double-digit ADR and RevPAR growth.

**Anuraag Bhatnagar:** And on F&B Binay, we have opened two new restaurants in this quarter, which will further give us results across the next 12 months and forward as well. We opened two new restaurants in Jaipur, the Amber Terrace, the rooftop restaurant that I was alluding to earlier, and the Peacock Lounge. And I also want to remind you that the restaurants that we repurposed and renovated in the previous quarters, stabilized in this quarter. For instance, the Le Cirque in New Delhi has shown a 40% growth in revenue year-on-year. The Qube, which was a three-meal atelier in the Leela Palace, New Delhi, has seen a 27% growth and Jamavar, that I mentioned, a new restaurant in Leela Palace, Jaipur, has seen a 40% growth. F&B is a big part of our focus and our commitment to excellence in terms of creating value and offering and experiences for our customers. And we expect these trends to continue going forward into the few years.

**Binay:** Thanks, team. I will come back in the queue.



- Moderator:** Thank you. We take the next question from the line of Karan Khanna from Ambit Capital. Please go ahead.
- Karan Khanna:** Hi, Anuraag. Hi, Ravi. Thanks for the opportunity and congrats on a very strong quarter. My first question to you, Anuraag, 20% RevPAR growth in the quarter seems very strong, given that the industry faced some headwinds in December. Two things. One, what were the numbers for October and November combined versus December? And secondly, the results seem nearly 30% YOY RevPAR growth. How much of this can be attributed to one of MICE activities that you had witnessed during the quarter?
- Anuraag Bhatnagar:** Thank you, Karan. I think, as I mentioned earlier, the growth has come across both city hotels as well as resorts. We have seen why the resorts, that this is typically the season of celebrations and high-profile events and marquee events. So, there has been an upside both in terms of, as I mentioned, certain global events that have happened in Jaipur and in Udaipur. And we have seen this upside in resorts. But we have seen the similar high double-digit growth in our city hotels as well. And the ADR, like this is a season of extremely high demand. And being our focus on revenue and asset management, our dynamic pricing, our focus on quality and assurance, as well as service delivery, allows us, the wherewithal to be able to yield higher and optimize on this high demand in this particular season.
- Ravi Shankar:** And Karan, just to give you a specific number, our city hotels also have done almost 17% RevPAR growth, which is included in the 20%. Even if you look at nine months, our RevPAR for city hotels are 16%. So, it shows our escalated growth, both for our city and resort hotels.
- Karan Khanna:** And then Ravi, just a number on October-November combined RevPAR versus what you have seen in December.
- Ravi Shankar:** So, October-November, if we combine, then we will do almost a 21% growth on ADR and 24% growth on RevPAR. And occupancy will go by 1.6%.
- Karan Khanna:** Second question to the BKC property in slide #30 of the presentation, I was doing some math around the numbers. Is it safe to assume that you have been sitting in total stabilized revenue of around 480 crores at Rs 32,000 ARRs and 80% occupancy and firstly, when do you plan to achieve this number? And secondly, do you see any risk to the relatively high ARR expectation for this property?
- Ravi Shankar:** I will tell you, Karan, first, we are on track on this property. We already are paying lease premium on time and design is already in progress. The number that we are seeing, this will be in the second stabilized year, that number you are speaking on, we will be able to achieve in our second stabilized year occupancy of 80%.

**Anuraag Bhatnagar:** And we don't see any risk, Karan, because as you mentioned earlier, I mean, this market is so grossly underserved in terms of luxury supply and in terms of the inventory coming in. The last supply that came in this micro market was in 2011. It's been nearly 15 years since there was a supply in this market. So, we are actually quite excitedly awaiting the opening of this hotel and there's no risk or any such thing that we foresee in the future.

**Karan Khanna:** Sure. Next question, Anuraag, we have seen about two large private equity deals happening in the past couple of weeks in the hospitality sector. From your perspective, can you talk about the acquisition landscape and if you are seeing any large acquisition opportunities that may be nearing completion. And if yes, is there a debt cap that you would not cross, especially given that the Dubai acquisitions have substantial debt that is attributable to Leela?

**Anuraag Bhatnagar:** Sorry, Karan, I couldn't hear you very clearly, but what I could make out of it, I mean, look, I can't really comment on the strategy and the business objectives of the other organizations. As far as Leela is concerned, we have pure focus on luxury. We are very strategic about our business growth and development. We are always seeking opportunities that are value accretive and create shareholder and stakeholder value and create a network impact on the luxury side for our hotels. As we have seen a hugely accretive opportunity that we capitalized on in terms of Dubai and in BKC, and we continue on the same path. If you see every quarter, we have added keys. I mean, if we started in FY25 with 3,500 keys, we added 250 keys in BKC acquisition in first quarter of FY26. We added 546 keys of Dubai in second quarter of FY26 and 80 keys of Jaisalmer in the 3rd Quarter. And this is at this point in time. This is because we are, like I mentioned earlier, we have a strong pipeline and lots of discussions that we are actively engaged in and very much on track for the Rs 2,000 crores EBITDA that we have given as a guidance for FY30.

**Moderator:** Thank you. We take the next question from the line of Murtuza Arsiwala from Kotak. Please go ahead.

**Murtuza Arsiwala:** Hi, sir. Congratulations on fantastic numbers. Just one question on the reported numbers, anything that we should read as maybe non-recurring or excessive in the other expenses this quarter. They seem to be higher, and we could have had an even higher margin profile, but for this larger other expense. Anything on the expense side that needs to be called out. And the second is on Dubai. As we understand now, you have taken over the hotel. How should we think in terms of the milestones, in terms of converting the brand to a Leela brand? When do the management fees start coming on board? And how should we think about the timelines in terms of villa sale, etc.? Just the roadmap to how the entire transition for the Dubai hotel would happen.

**Anuraag Bhatnagar:** Perhaps I can comment on the Dubai and Ravi will give you some more specifications on the financials that you brought up. Dubai, we closed the transaction on 26<sup>th</sup> of November. So, the current operator will be managing the hotel till December'26 or so for this year, foresee within

this year. We have a planned upgrade in 2027. And we start operating the hotel from 2027. And we should be rebranding the hotel as the Leela in 2028 and we start earning management fees. It's a large asset, if I was to remind you, over 23 acres with four zones. So, we would be very efficient about our upgrading and our planning.

**Murtuza Arsiwala:** All of these, when you say the Leela brand in 2028, I am assuming you are talking calendar year 2028.

**Anuraag Bhatnagar:** That's right.

**Murtuza Arsiwala:** And in terms of the villa sale, would that happen anytime earlier or how should we think of that?

**Anuraag Bhatnagar:** The progress on that is already initiated and I would say that this will happen over the next 2 or 3 years.

**Ravi Shankar:** Murtaza, on the other expenses, yes, there was some one-time expense in this quarter. But if you look at the entire nine-months quarter, we had a flow-through of more than 60%. And a very healthy profit in spite of having those one-time expenses, we had a 52% EBITDA margin, which is still healthy and we were able to have a margin expansion as well.

**Murtuza Arsiwala:** Would you want to quantify the one-time in this quarter?

**Ravi Shankar:** They were Rs 5-6 crores. If I remove the Rs 6-7 crores, it will be almost 26%<sup>1</sup>

**Moderator:** We take the next question from the line of Abhay Khaitan from Axis Capital.

**Abhay Khaitan** My question is again on the demand side. I know in the presentation; you have given out growth by retail and groups. But within that, if you can help me bifurcate for the city hotels, how much of the growth has come from the leisure side and how much of the growth has come from the corporate side? Just some color on that would be really helpful.

**Anuraag Bhatnagar:** City hotels, just to remind you that we have grown by 17%. And if I talk about specific segments, our city hotels are between 60% to 70% of the business and that's a significant number. And within the segments, we have seen individual corporate travel increase. Everything has grown by double digits, high double digits. We have seen the corporate MICE increase and we have also seen the growth in terms of events. So, it's a very broad-based growth. For instance, our retail segment has grown by 18%. Our group segments have grown overall by 45%. And our direct, which is a brand.com, which is the most efficient, and that shows the pull factor of the Leela brand has grown by 153%.

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<sup>1</sup> This needs to be read as growth in operating EBITDA

**Abhay Khaitan:** My second question is on the Jaisalmer property, which is another managed contract. So, when can we expect the fees to start coming in and how much is the expected quantum in FY27 and months of stabilization?

**Anuraag Bhatnagar:** So the hotel is undergoing an extensive PIP, although it's a ready-built hotel across 30 acres of land and beautifully positioned. But we are enhancing the product along with the owners to make it an absolute luxury Leela and complete our Rajasthan circuit and strengthen it further. We are expecting the work to be completed by the season end of this year. And the fees, if you look at a trend, we are looking at close to Rs 6 odd crores in a stabilized year.

**Moderator:** We take the next question from the line of Achal Kumar from HSBC.

**Achal Kumar:** First of all, on your balance sheet, basically just wanted to understand about where are you in terms of comfort level? So, now you said Jaisalmer, it looks like it's going to be on the management contract. Had there been an option, would you have preferred to buy it? And in just extending that what kind of growth we can see in terms of owned properties? Are you still comfortable if you are getting an opportunity would you prefer to buy it? Would your balance sheet allow you to do that? If you could give a bit of a color on that, please.

**Ravi Shankar:** If we had an opportunity to buy Jaisalmer, we could have put equity, but it was the HMA contract, owner had enough funds and they already constructed the property and would give an entire halo effect to our brand with the network impact in Rajasthan hotel. So, we went with the HMA contract. But if there are good deals available, which we are evaluating, which has good return metrics, yield on cost and ROE as per our benchmark, then we would be keen to invest, with a high ROCE if the deal justifies the economics.

**Achal Kumar:** Just to confirm, I guess you confirmed previously that you are looking at some of the markets like Goa and all. Are you still looking at it? Are you still looking to buy some properties out there?

**Ravi Shankar:** Yes, we are still evaluating these in the key city and resort hotels.

**Achal Kumar:** My second question was on the demand again. So, basically, on slide #37, you mentioned that there is a huge gap between the demand and supply, which definitely points to the very healthy equation. But how confident are you that despite the fact that the demand supply equation sits in your favor, you could still continue to increase your ARR? Looking at your ARR, your resort and city ARR over Rs 38,000 and all that, don't you think it's a very high ARR? Are you really confident that you continue to increase your ARR despite that demand supply balance?

**Anuraag Bhatnagar:** I will break it in two points. And thank you for this question. I was kind of hoping somebody would ask us that. Firstly, in the hotels in the cities where we are located, there is no real demand<sup>2</sup> actually coming in our micro market. In most of the locations where we are located, that's point one. The iconic nature of our hotels, the build quality of our assets, and the market dominance that we have, gives us a huge competitive advantage as we have seen, as you mentioned yourself, to be able to command a pricing power. All the tailwinds are there to grow demand across all segments. And we have seen that year-on-year, quarter-on-quarter across all segments. From 70 million households, which could have consumed luxury in 2019, estimates are that there are going to be more than 200 million households by FY30 in India that can consume luxury. And India as a country today on the luxury side is severely and grossly underserved and under penetrated with less than 29,000 keys on the luxury side. So, there is definitely a big CAGR, a big delta between demand and supply. Demand is expected to grow at a macro level between 11% to 14% and the supply is in mid and low single digits. So, that's point number one. Secondly, our brand and product, which is backed by incredible service, which you have seen from a high net promoter score, allows us to create that experience that allows us to charge at higher rates because of the overall value proposition that we offer to all our guests. The holistic luxury ecosystem that we have refined and fine-tuned over the years enables us to charge that premium. And we have seen that across not just this season and this quarter, but even the previous quarters as well. And the third data point I would like to bring to your attention, the events that impacted the sector, I would say in the last nine months, whether it was Operation Sindoor, whether it was that airlines<sup>3</sup> that happened with a particular airline, did not impact Leela. Leela as a segment and as a brand has been resilient to all of these. So, that kind of reinforces our thesis that luxury is relatively inelastic compared to other segments in the sector. It reflects the size of the luxury consumer.

**Achal Kumar:** My final question was about the 1<sup>st</sup> Quarter. Although your full year guidance points to how you are thinking about the Q4, I just want to understand because the Q4, we will have on the headwind side, probably last year you had Maha Kumbh and all. So, the demand was strong. You are not present in some of those cities, but of course, overall demand was strong. But then on the other side, you have the T20 World Cup and AI Conference in Delhi and all. On the balance, how do you see Q4? Do you see exceptionally strong because of these, or do you see because of headwinds probably we could see some balance growth. How do you see the Q4?

**Ravi Shankar:** Q4 also we will have a great quarter, Jan to March. And if I tell you, we will be looking at a double-digit growth on both ADR and the RevPAR side.

**Anuraag Bhatnagar:** Typically, historically, if you look at the trend, Q4 is even stronger in absolutes than Q3. If you look at as a cycle as well.

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<sup>2</sup> This needs to be read as supply instead of demand

<sup>3</sup> This needs to be read as disruption instead of airlines

- Moderator:** We take the next question from the line of Sumit Kumar from JM Financial.
- Sumit Kumar:** My first question relates to the growth investments. There was a sort of capital outlay for certain asset management initiatives outlined in the RHP that was roughly about Rs 450 crores odd which includes expansion of certain rooms, upgradation of amenities and some solar parks. What is the status on that Rs 430 crores if that's being spent, and how much of that is still remaining? And the second is if you can give an update on the construction status of your five assets, excluding Dubai and BKC, the ones that are coming up elsewhere in Ayodhya and so on so forth.
- Ravi Shankar:** The CAPEX that we had in the prospectus for our value drivers that already been invested, majority of it. If you see a lot of our value drivers are already operational. The Arq in Bengaluru is already operational. Delhi is getting operational in March. Chennai will get operational in April. So, most of the CAPEX has already been invested. The new restaurant in Jaipur has come in operation. Delhi, we have the conservatory which is coming in the next quarter, plus the new five rooms at Udaipur are already operational. Spa in Jaipur is operational. So, almost all the CAPEX has been spent and almost 10% is remaining that we will spend in this quarter, Sumit.
- Sumit Kumar:** On the construction update for those five assets?
- Ravi Shankar:** The good part and the good news is that we have got approvals for all the five hotels. And we have already started the construction for each one of the hotels. The most difficult approval was Agra, because the hotel was near to Taj. That approval also we have received in November and the construction has started. So, all five hotels, construction is already in swing.
- Sumit Kumar:** The second question on Leela Arq, how much have you collected in, say, in the last quarter for the club business? Is there any revenue contribution coming in 3Q from that?
- Ravi Shankar:** We have already launched Bengaluru, that was a soft launch. 1<sup>st</sup> January only we will start generating revenues from Leela Bengaluru Arq Club. We have already signed a good number of members because it is invite only, we are not trying to reach and sign every member. So, very selective list of members are being enrolled into. Once we have Delhi and Chennai, then it will be more of a network impact where you can enrol more members to give services on an all-India basis rather than on one club basis.
- Moderator:** We take the next question from the line of Dipak Saha from Nirmal Bang Institutional Equities.
- Dipak Saha:** For the F&B growth of 29% that we have seen for the quarter, how much of that would be driven by high profile events that we had for the quarter and basically trying to understand whether this kind of a growth rate sticks out for the coming quarters, especially, say, Q4. So, just on the sustainability of the F&B side.

- Anuraag Bhatnagar:** Nearly 70% of the growth has come at a run rate and events happen every year for the Leela. Every year in season, in peak season, we have either global delegations coming in or heads of state visits or some big marquee events or a wedding celebration. So, I won't say there's any specific delta that has been created this particular quarter or it's actually run rate business as usual for us. But to your specific question, nearly 70%-75% of this alpha has been created through our restaurants, lounges and bars and the balance has come from events and banqueting and the new restaurants that I mentioned to you. But the impact of the new restaurants has been basically just for one month. So, the next whole year and the near future, you will see the impact of the new restaurants that we have launched.
- Ravi Shankar:** And just to add, this will give us a recurring increase in our F&B revenues because we are able to increase our APCs by almost 12% in this quarter.
- Anuraag Bhatnagar:** And 17% growth in our footfall for non-resident guests.
- Dipak Saha:** Ravi, if you can just a little bit help us understand what's the gross debt position? Is there any difference compared to where we were in H1 FY26 and where we are currently?
- Ravi Shankar:** If I tell you on the debt position, we are right now at Rs 1,400 crores of gross debt and cash, we have around Rs 600 crores to 700 crores of cash sitting with us. So, that's the gross and net debt position. We have used around Rs 400 crores to pay for the Dubai acquisition.
- Dipak Saha:** Coming to the pipeline of owned assets, excluding BKC, I mean, just an extension to the previous question. If you could pinpoint out of this Srinagar, Agra, Ranthambore, Bandhavgarh and Ayodhya, which one is likely to come early FY28, say, first half and which one, say, second half? Anything if you can share?
- Anuraag Bhatnagar:** I think if we were to structure the opening of these hotels, Srinagar is more advanced today than Agra. Because it's already a kind of a brownfield work for us. The demolition work is far really executed. The design approvals have been received. Our property management teams are on site. Agra, we have broken ground. So, we expect Srinagar to come in first and also Bandhavgarh, we believe, will also come in very early in FY28 because Bandhavgarh, the number of villas and the tents that we are putting out on the luxury side would also come in earlier. The Mumbai, the Waterstone, the Leela luxury residences, we are expecting that to come towards the end of this calendar year for CY26. Jaisalmer, I have already spoken about. So, I can see that even in FY28, all our assets are spread in such a way so that we can open hot. And in Leela, our turnaround time, and given the fact that majority of these hotels are owned by us, we have the advantage and the opportunity to put up a pre-opening team, sales distribution, which actually saves us six odd months in terms of ramp-up time of these hotels.
- Dipak Saha:** Last question from my end, a little bit on a longer-term basis, given the entire industry seeing such a heavy pipeline, from talent retention and sourcing point of view, do you see any

challenge? What's your view given such a strong pipeline is there for us, for the industry? What's your view on talent sourcing?

**Anuraag Bhatnagar:** I think talent has been a very big focus for us and continues to be so. Like I have always said that we have institutionalized both our talent retention, upskilling, and development to ensure that we always have the best talent serving our guests. And that is reflected in two data points. One is our highest net promoter score, which is 86, which is not just the highest in India, but also amongst the highest in Asia-Pacific. Second is our retention rate of 82. This is what we focus on. And we are looking forward. And this year, we have also been ascribed as the great places of work. So, talent remains a very open and very strong focus for us. And we are having this talent across all cohorts of a service excellence. And we will be announcing very soon our focus in terms of further institutionalizing what we want to do with our talent.

**Dipak Saha:** What I was trying to understand, are we seeing any challenge as far as the sourcing path is concerned?

**Anuraag Bhatnagar:** Not really. We recently launched our fourth batch of our management training Leela Leadership Development Program. For 35 positions that we have in the Company, we have received more than 1350 applicants, eligible applicants and qualified applicants. And we see that across every position that comes up. Whilst there is a lot of focus in terms of developing talent from within, but when we need to source talents, and right now, we have three likely openings going forward into the next year and we are seeing a very active demand coming in, in terms of talent acquisition, supply actually.

**Moderator:** We take the next question from the line of Nikhil from Kizuna Wealth.

**Nikhil:** My first question is for a stable hotel, what is our targeted occupancy over there? Like for a stable city hotel, the stable leisure hotel, what is the targeted occupancy that we target?

**Ravi Shankar:** In a city hotel, depends on the location, whether an airport hotel or CBD, generally, you tend to do 75% to 78% occupancy in a stabilized year. Resort should be in the right location; you do around 65% occupancy.

**Nikhil:** On the ADR front, I want to ask, we have seen a good growth in ADR. Going forward with the luxury demand thesis in place, can we assume that we are going to have a double-digit ADR growth? Is it going to be likely on the lower teens or mid-teens?

**Ravi Shankar:** With the assets and the service culture, the NPS scores that we have, the distribution system, we do target 9% to 10% of ADR growth year-on-year. That's our target.

**Moderator:** We take the next question from the line of Sreetika Ray Mohapatra from JP Morgan.



**Sreetika Mohapatra:** My question is regarding your strategy around building the circuits and micro clusters that you have managed to build. I think you highlighted that well in your presentation as well, where you now have a very clear set of hotels across Delhi, Jaipur, Udaipur and now Jaisalmer also coming in. Are there any such opportunities that you are currently seeing around your existing portfolio? Any particular regions that may potentially emerge as such circuits or clusters in the future?

**Anuraag Bhatnagar:** You are absolutely right. The way we have seen travel trends, especially from international travellers coming into India, we have seen the average length of stay between 8 to 10 nights at the Leela hotels. Hence, the circuits and the clusters that you have talked about work very well. The Leela Palace Trails, an itinerary-based program and experience-based program that we had launched in 2023, has been extremely popular in our international markets and that allows the guests to stay across three Leela hotels over a span of 7 to 10 days. And we are strengthening the circuit with the inclusion of Leela Palace Agra, which is there in our pipeline. Likewise, we have a Leela Palace Trail for the south of India, given our spread and portfolio across Bengaluru, Chennai, Hyderabad, Kovalam and Ashtamudi. We definitely expect that with our properties coming up in Jaisalmer, this Rajasthan circuit to get further strengthened, plus the new foray of luxury experiences, the wildlife. The wildlife segment attracts a completely different clientele who would travel only to experience our wildlife destinations. With both Bandhavgarh and Ranthambore getting added on to our portfolio, we definitely expect this segment to grow. So, we are growing on heritage between Agra and Ayodhya. We are focusing on wildlife and all of this present opportunities of building a circuit.

**Sreetika Mohapatra:** Also, since you mentioned the international traveller visit being structured across a longer period through your hotels and your in-house program as well, are you seeing any changes or improvement to the international visitor mix in your portfolio? Are there any early signs? Because we are still seeing a lag and a weakness in the FTA numbers that are reported. Of course, we get these numbers with the lag. But are you seeing any material changes or any significant pickup when it comes to your portfolio hotels?

**Anuraag Bhatnagar:** So business hotels are in line with what they were earlier. So, to give you an example, nearly 70% of our business mix in Leela Palace, Bengaluru is from international markets. In Chennai, 65%<sup>4</sup>. In Leela Palace, New Delhi around 65%<sup>5</sup>. But on the leisure hotels, we have not seen the typical seasonal uptake that would have happened from international markets. And we all know the reasons. But that being said, the domestic has grown phenomenally to take care of that requirement. Overall, as a mix, at the H1 year mark, we were at a 50-50 mix of international and domestic business. And in Quarter 3, what we have seen is the international mix is close to 51% or 52%. So, marginal shift. But you are absolutely right. We really expect that this international business presents an opportunity and Leela is best placed, given our global recognition, the

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<sup>4</sup> This needs to be read as nearly 40% instead of 65%

<sup>5</sup> Not mentioned during the call - added here

awards that we have won at a global platform, and historically our propensity to do this kind of luxury business. We are very well placed to capture this demand as and when it represents.

**Sreetika Mohapatra:** One final question from my side. The Sofitel Dubai acquisition has been an international foray for you. But any other geographies which are under consideration or maybe at advanced stages that could potentially come up in the coming two fiscal years?

**Anuraag Bhatnagar:** You know very well that we cannot say that right now. But thank you. And look, we are actively, almost all good opportunities, they come to us. India is so grossly underpenetrated when it comes to luxury focus. And our performance is also giving a lot of confidence to our counterparties. And we are working on several expressions of interest as we speak. And hopefully going forward in the future quarters, we will be letting you know. India remains a very big focus for us because there are several opportunities that we are evaluating as we speak.

**Moderator:** We take the next question from the line of Achal Kumar from HSBC.

**Achal Kumar:** You mentioned that you have gained 15 points market share, on that point, what is your current market share, if I may ask, please?

**Ravi Shankar:** Our current market share for Leela is 147 RGI Index. So, we are 47% more than the market if the luxury market in India was 100. That's from CoStar, April to November'25.

**Moderator:** Thank you. Ladies and gentlemen, with that we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

**Anuraag Bhatnagar:** Thank you, everyone. This being the first call for the new year, once again, I wish you and your family a very happy new year. We are extremely happy with the performance and especially thank all our associates who are striving ceaselessly to deliver our commitment to excellence and these phenomenal performances quarter after quarter. And as India continues to grow the focus on luxury, we definitely believe that we are very well poised for the next few quarters as well. Thank you all.

**Moderator:** Thank you. On behalf of Leela Palaces Hotels & Resorts Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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*Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.*