MGM RESORTS PVT. LTD.

PROPOSED HYATT REGENCY, PURI

FEASIBILITY REPORT

Horwath HTL™

Hotel, Tourism and Leisure

Horwath HTL™

Hotel, Tourism and Leisure

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Glossary:

Abbreviation	Full Form
ADD	All Day Dining Restaurant
ADR	Average Daily Rate
APC	Average per Cover
CAGR	Compound Annual Growth Rate
DOF	Double Occupancy Factor
DSCR	Debt Service Coverage Ratio
EBITDA	Earnings Before Interest Taxes Depreciation & Amortization
F&B	Food & Beverage
FFE	Furniture, Fixtures & Equipment
FIT	Free Individual Traveler
FY	Financial Year
GOP	Gross Operating Profit
IBFC	Income Before Fixed Costs
IRD	In Room Dining
kms	Kilometres
MAT	Minimum Alternate Tax
MICE	Meetings, Incentives, Conferences & Exhibitions
MOD	Minor Operated Departments
NH	National Highway
NRI	Non Residential Indian
Occ	Occupancy
RevPAR	Revenue Per Available Room
sft	Square Feet
sqm	Square Metres
USP	Unique Selling Proposition

CHAPTER I: INTRODUCTION

1.1 MGM Resorts Pvt Ltd. (Promotors), have acquired a land parcel of about 1.37 acres on New Marine Drive Road in Puri, Odisha. The land is beach facing, with only the Marine Drive Road separating the land from the beach and sea-waters.

1.2 Puri is one of the 4 most-sacred pilgrim spots under Hindu religion. Located in the coastline, the town is also a beach resort destination on India's eastern coast. Thereby the town has multiple reasons for visitation; it also has potential to materially widen the source markets for demand compared to the existing regional concentration, particularly considering that the east coast is a long and diverse coastline with less than a handful of developed beach destinations. The lack of demand has been driven by the supply side and investor outlook and by the lack of visible demand. Puri is a convenient drive from Bhubaneshwar airport, has rail connectivity to Kolkata, and proximity to other tourists spots such as Sun Temple at Konark and Chilka lake.

1.3 Puri currently has limited development of quality hotels and resort; the sizeable accommodation presently offered int this town is mainly by way of independent and privately owned / operated hotels and resorts of 2 star international standard, with only a handful of chain affiliated properties – Mayfair Hotels and Resorts, a regional chain, has two beach resorts but with aggregate inventory of 68 rooms. Two other midscale hotels have some visibility outside the lower end of the market. None of the national or international chains otherwise operating in India, are currently present in Puri – with only one resort under development and potentially a second property having been signed (other than the project under review).

1.4 The Promoters intend to create an international standard resort which is suited to the site and the market opportunity. The market opportunity materially includes the ability to widen and enhance the draw of Puri by creating quality resort options; often, the lack of demand is caused by the lack if suitable and adequate supply. At the same time, the site is not on the beach and has sufficient but limited area (although there is on-going effort to add some adjacent land parcels). In this background, the Promoters intend the resort to be of upper-tier positioning and have entered into a term sheet (with contract under negotiation) with Hyatt for branding and management of the hotel as a Hyatt Regency. Based on our market study, we believe there is an opportunity to create such a resort of entry level upper upscale positioning, backed by Hyatt branding and management.

1.5 The Promoters have requested us to carry out a feasibility study for the project and to provide development recommendations for the project. The study includes a review of the site and its features, related suitability for development of a resort and the suggested scale and positioning of the resort, potential for such a resort in the context of the current and prospective competitive market and preparing financial estimates for the proposed resort.

1.6 Our recommendations, and the estimates that are a part of this report, are based out of a market study carried out in December 2021. As part of our study, we reviewed the development opportunity presented by the site, the Promoters' project intent, and the potential of the market to receive a product suited to the site and development intent. Based on the initial assessment, the Promoters moved ahead to structure the resort as a Hyatt Regency and have signed a term sheet for this purpose; detailed contracts are under negotiation.

1.7 Our observations, recommendations and resultant projections are set out in this report. These draw on the findings of our market study and our significant experience in consulting for the hotel industry in India.

1.8 The hotel is expected to require an investment of about Rs. 1,700 million (Rs. 170 crores) for land, land development and project development. It is expected to provide direct employment to about 140 persons; additional, about 40 persons will be provided partial employment in relation to events hosted at the hotel. Further, the indirect / multiplier effect on employment arising from the hotel will result in employment for over 375 persons in addition to the 180 persons employed directly at the hotel.

1.9 We have sought to provide information that is relevant to expected users of this report, who are assumed to carry basic familiarity with the market. It is possible that some of the information provided herein may be repetitive from the viewpoint of persons having greater familiarity with Puri and its hotel / resort market; such information is provided for sake of comprehensiveness.

1.10 It is important to recognise that hotel / resort demand and operations are impacted by several uncontrollable factors that may operate singly or simultaneously. As such, while the estimates contained in this report have been conscientiously prepared, these cannot be guaranteed in any manner or to any extent whatsoever.

External factors include market conditions and political, security, health or other factors that can impact travel into India or even travel within India. Impact factors also include internally controllable matters such as selection of an appropriate hotel management company, completion and delivery of the hotel to the expected standards and within the expected timeframe etc. Further, the actual achievement and completion timing of several other developments in and around the catchment area for the proposed hotel are not guaranteed in any manner. These have been considered to the best extent of information available but such achievement is dependent upon external factors not within the control of this project.

Achievement of the projected results requires a reasonably stable business environment which enables and encourages investment and market growth. Travel for business or leisure or for meetings, weddings and social purposes is impacted by the aforesaid factors that may occur in India or globally; as such, the existence of a stable environment is important for the successful operation of the resort and for the achievement of these projections.

CHAPTER II: PURI - GENERAL

2.1 Background

Puri is a coastal town in Odisha, along the Bay of Bengal. The town has immense visibility and fame due to the famous Jagannath temple which is among the holiest shrines for Vaishnava Hindus being one of the four sacred places (Char Dham) for the Hindus.

Puri is 62 kms south of Bhubaneswar, the capital of Odisha. Along with Konarak (a beach destination about 25 kms north of Puri, and famous for the ancient Sun Temple), Puri and Bhubaneswar form a three-point tourist circuit.

Puri is part of ancient history, dating back to 4th century, when it was initially inhabited by Sabars tribes in the pre-Aryan and pre-Dravidian times. The town gained prominence since 11th century BC, after the construction of Jagannath temple which is considered the abode of Lord Vishnu in the form of Lord Jagannath. The iconic temple was damaged several times till the 16th century AD; it was later restored under the Maratha empire.

Puri has mainly grown with Jagannath temple as the epicentre. The temple and religious importance, its administration and pilgrim visitation have led to the development of multiple colonies and religious structures for priests and others involved in daily activities of the temple, and also of *mathas* and *ashramas* by other sages. Pilgrim visitation, the temple based economic activity and coastal based economic activities created significance such that the erstwhile Puri district was much larger, including areas which presently comprise Nayagarh and Khurda. This larger district was trifurcated in 1993.

Puri district is mainly based around its temples and beaches which are the fulcrum of economic activity. Puri has approximately 24 festivals each year, with Rath yatra in July, being the grandest of all. Rath Yatra is the festival when Lord Jagannath travels on a massive chariot in procession; the festival has lakhs of people seeking to participate in pulling the chariot and attracts visitation from within the country and among foreign travellers.

Leisure based visitors largely also visit the temple; tourist demand would also include visitors coming to attend conferences and weddings that are increasingly become an important element of resort demand in Puri; several of these would also visit the Temple although that may not be the core purpose of their visit.. First-time tourists generally cover the golden triangle for Odisha, covering Bhubneshwar-Konark-Puri; repeat visitors drawn by the beach or the combination of beach and temple, often tend to concentrate only on Puri.

2.2 Geography

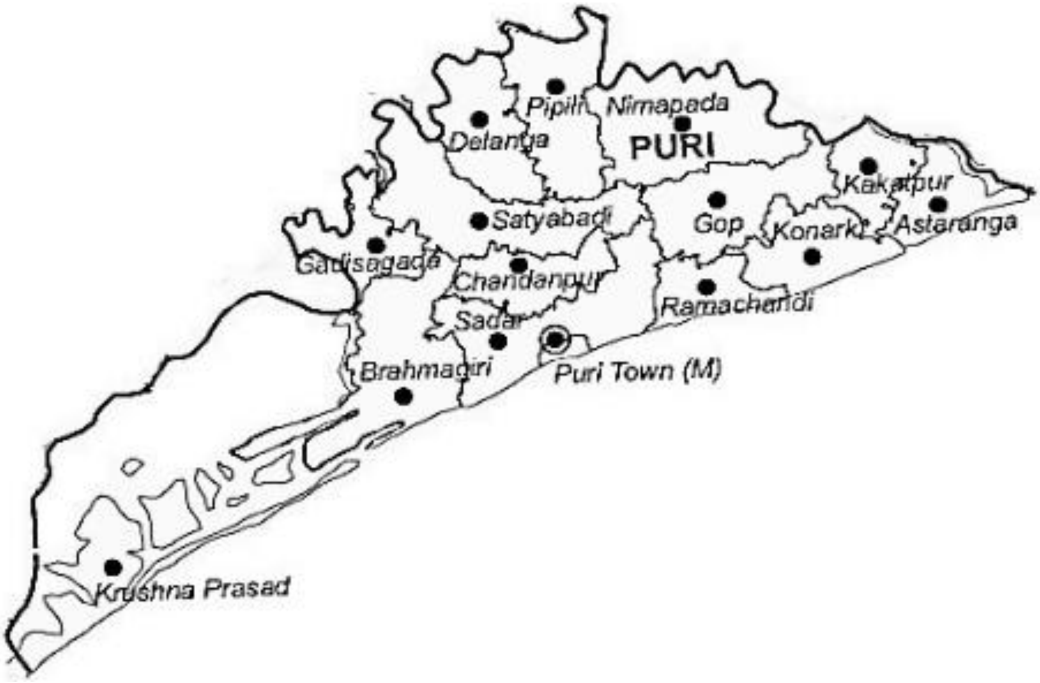
Puri is located in eastern Odisha, along the coast of Bay of Bengal.

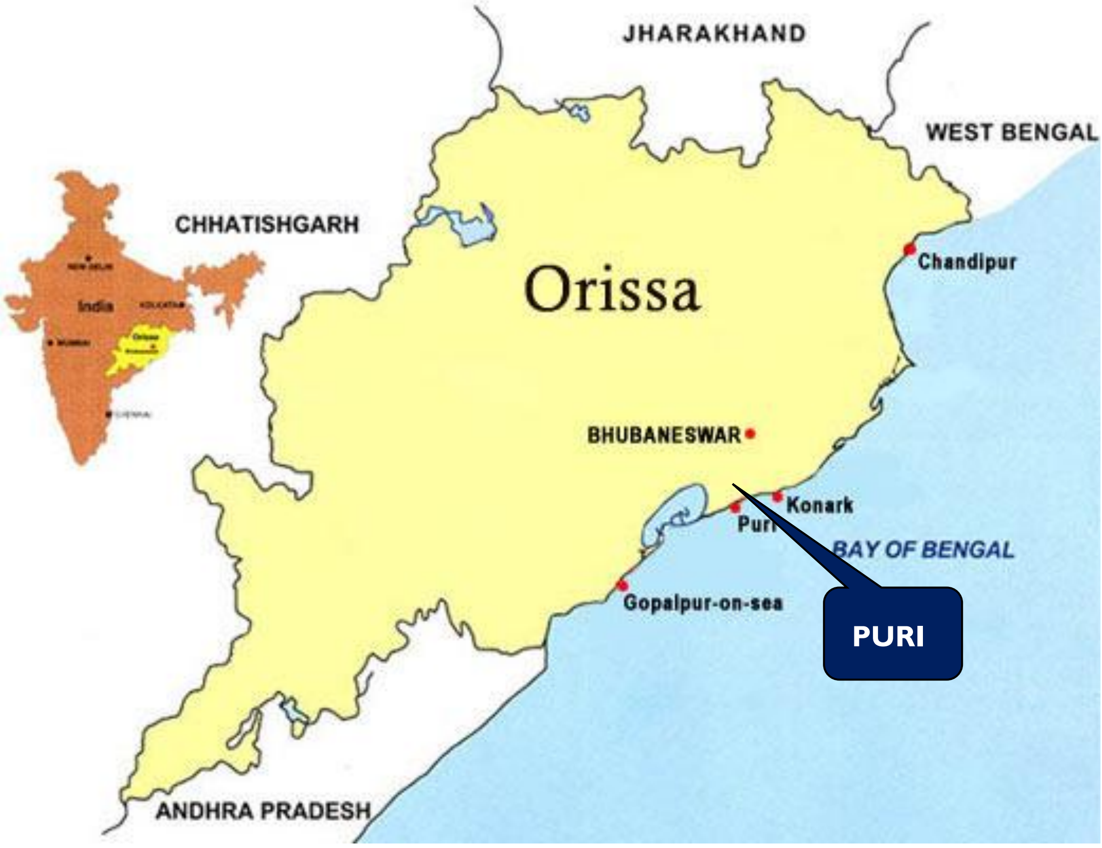
India's eastern coastline is about 2,500 kms – starting from the 24 Parganas district of Bengal, Haldia port and then curving away as it proceeds along the narrowing landmass of the Indian peninsula, upto Nagercoil at the southern tip. Puri is located much towards the north of this coastal stretch, about 480 kms from Haldia port in Bengal. The east coast has seen limited tourism development with Puri, Vizag, Chennai, Pondicherry and Rameswaram being the main centres; even these are much limited in scope and size relative to potential (the total number of upscale and higher chain affiliated beach resorts in these markets are still in single digit).

Puri district is spread over approximately 3,051 sq km; Puri town itself is quite small with an area of 16 sq kms. The Bay of Bengal is effectively south east of Puri town. River Mahanadi flows through Puri into the Bay of Bengal. Adjacent to Puri district are Khurda district to the North, Ganjam to the west and Jagatsinghpur to the north east.

Puri is geographically divided into two natural regions with one tract stretching along the sea coast and separating Chilka lake from the Bay of Bengal; the other tract covers villages and the rice fields.

Puri district and Puri town are shown in the maps below:


Pipili
Nimapada
PURI
Delanga
Kakatpur
Satyabadi
Gop
Konark
Astaranga
Gadisagada
Chandanpur
Ramachandi
Sadar
Brahmagiri
Puri Town (M)
Krushna Prasad


JHARAKHAND
WEST BENGAL
CHHATISHGARH
India
Orissa
Chandipur
BHUBANESWAR
Konark
Puri
BAY OF BENGAL
Gopalpur-on-sea
PURI
ANDHRA PRADESH

2.3 Climate

Located south of the Tropic of Cancer, Puri experiences moderate tropical climate.

The summer season, between March and May, is hot and humid. Average maximum temperatures during this period is around 33°C while the average minimum temperature is around 27°C; actual daytime temperatures in the outdoors are higher than these average levels. Being a coastal town, it benefits from winds blowing from Bay of Bengal; these help ease and make the hot tropical climate tolerable in comparison to interiorparts of Odisha.

Summer is followed by south-west monsoon from June to October. The district receives average annual rainfall of 1,300 to 1,500 mm, with July to August receiving most of the annual rainfall; temperatures can vary from hot to pleasant depending on rain patterns and humidity levels are high.

Winters are more pleasant, starting from November to February with average maximum temperature at a pleasant 28°C and minimum temperature around 18°C. North East winds tend to ease the temperatures, in spite of dazzling sunshine. Clearly, this is the best time to visit Puri.

2.4 Access

Puri town is located almost at the geographic centre of Puri district and is bound by sea on the southeast. It is well connected by rail, road, and conveniently connected by air through Bhubaneswar.

Air

The nearest airport is Biju Patnaik International airport, located in Bhubaneshwar approximately 60 kms from Puri. A new highway link developed to Puri has reduced the effective travel time and distance particularly to the Marine Drive road and the site location. . The airport has two terminals, Terminal 1 is dedicated towards domestic operations, while Terminal 2 which was inaugurated in 2013 handles international as well as domestic flights. It is the only international airport in Odisha and is well connected to all metro cities in the country. International air connectivity to Bhubaneshwar is limited but can be expected to increase as the travel restrictions are lifted after Covid 19 pandemic.

Bhubaneshwar has domestic air service connectivity with direct or well-connected flights to different cities which include:

Domestic Cities		
Delhi	Ranchi	Kolkata
Bangalore	Chennai	Mumbai
Vizag	Hyderabad	Jaipur
Pune	Ahmedabad	Surat
Jharsuguda	Prayagraj	Varanasi

Connectivity to Delhi is strong with several flight options through the day. Connectivity to western India is rather limited with 4 flights daily to Mumbai and flights on certain days to Ahmedabad, Pune and Surat. Enhanced connectivity to western India would increase the potential to draw leisure and group travel, and FIT visitation from Mumbai and Gujarat – both these are important source markets for leisure and MICE demand at resorts in other parts of India.

The existing airport enjoyed material growth Leading to potential capacity constraints; these limitations and lack of expansion opportunities has encouraged the state government to explore options of developing a greenfield airport, as an international airport. Khurda, located 44 kms south west of Bhubaneswar and 70 kms north west of Puri has been considered as a potential location for such a new international airport. However, these developments are in its initial stages and it takes long for major infrastructure projects such as airport projects to get approval and be implemented. In the interim, the current airport is undergoing an improvement and enhancement adding 8 new parking bays, two boarding bridges and connectivity between the two terminals. In any event, if the airport location were to be shifted from the existing airport to a new site (say in Khurda), this change would apply to the entire region and Puri market; further, good road infrastructure would typically be expected to support such a shift particularly given the religious importance of Puri. Hence, any such change would not cause any negative impact on travel to Puri and potential demand for the proposed resort.

Road

Puri is well connected within the district and other parts of Odisha by NH 316.

NH 316 connects Bhubneshwar to Satpada, a town in Puri district on the banks of Chilka lake. NH 316 touches the outskirts of Puri town from which point one connects to the main town through Brahmagiri road. The new highway joins Marine Drive close to the site, on the southern side of the town; this helps bypass the crowded main town and provides easier road connectivity to Bhubaneswar.

Puri is connected to Konark through the Marine Drive Road which stretches approximate 35 kms. The drive is largely close to the coastline and thereby offers scenic view along the journey.

Distances of some of the major cities, towns and other tourist destinations that are accessible by road from Puri are summarised in the table below:

Other cities/ towns			
City/ Town	Distance (kms)	City/ Town	Distance (kms)
Bhubneshwar	66	Jamshedpur	453
Konark	35	Kolkata	496
Cuttack	81	Raipur	576
Vizag	446	Ranchi	526

Within Puri, the only modes of public transport available are local autos and taxi. Visitors usually hire cabs or bring their own cars while visiting Puri. Coaches are used for group movement.

We would expect most visitors to the proposed resort to either have their own vehicle (if they have a local base in Bhubaneswar, Cuttack or possibly even elsewhere in Orissa) or to have hired cars that may either only serve for airport transfers or which may be retained through the duration of stay.

Rail

Puri has a dedicated railway station, managed under the east zone of Indian Railways. Puri station is located towards the northern part of the town. It was renovated in 2012 with additional facilities for commuters and a structural change was done to resemble a Hindu temple. About 110 different trains pass through Puri weekly.

Puri terminus has several express trains connecting to major cities such as Mumbai, Delhi, Kolkata, Ahmedabad, Patna, Chennai, Surat, Jodhpur, Bangalore and other religious destinations such as Tirupati and Shirdi. Trains mainly bring in pilgrim visitors, as well as leisure and MICE visitors from Kolkata and the region with the convenience of an overnight journey; if course, this timing cuts into the revenue potential for the resorts and has caused several hotels in Puri to have an 8am to 8am check in – check out time.

2.5 Puri as a Tourist Destination

Besides the beach, Puri as a destination has other attractions to cater to visiting tourists. Some of the major attractions are described below:

Jagannath temple, one of the four (Char Dham) most sacred temples for Hindus, is the main attraction of Puri. The temple, dedicated to Lord Jagannath as a form of Lord Vishnu, was built in 11th century in Kalinga style architecture. This temple had been damaged several times before being restored in the 16th century. The temple has multiple festivals every year with the Rath Yatra being the most popular, attracting domestic and foreign tourists; the deities are placed on a chariot and are moved from the Jagannath temple to the Gundicha Temple.

Gundicha temple: Located 3 kms from Jagannath Temple, the Gundicha temple is significant as it is a destination of the Rath Yatra. The Rath Yatra passes through Bada Danda or Grand Avenue, which has Jagannath Temple on one end and Gundicha temple on the other end. Gundicha temple remains vacant for most parts of the year but is busy during the Rath Yatra.

Swargdwar Beach: A dip in this beach is considered sacred; the wider area and use of the beach is for sea-side recreation, with several shopping areas and food stalls for visitors.

Konark Sun Temple: Located about 35 kms east of Puri, the sun temple at Konark is a key point of tourist interest. The temple was built in 13th century and resembles a large chariot. The main structure is 30 m high, with sculptures of wheels and horses. The drive to Konark from Puri is along the Marine Drive and offers scenic views of beaches along the Bay of Bengal.

Chilika Lake: Chilika lake is located south west of Puri and is spread over three districts of Odisha. Covering an area of over 1,100 sq km, the lake has many lagoons, attracts varied migratory birds, and has diverse variety of flora and fauna. Tourists visiting Puri for a longer stay (i.e. other than just a weekend trip) can do a day excursion trip to Chilika lake. Besides leisure activities along the lake, tourists can also engage in fishing along the lakefront.

2.6 Tourism Arrivals

The table below indicates the tourism arrivals (000s) in Puri district in the last three years.

	Domestic	% growth	Foreign	% growth	Total	% growth
2014	3,705		27		3,732	
2015	4,118	*11.1%*	26	*-5.7%*	4,143	*11.0%*
2016	4,280	*3.9%*	29	*13.5%*	4,309	*4.0%*
2017	4,684	*9.4%*	38	*31%*	4,722	*9.6%*
2018	5,223	*11.5%*	40	*5.3%*	5,263	*11.5%*
2019	4,854	*-7.1%*	38	*-5.0%*	4,892	*-7%*

Comments:

- Domestic visitation to this temple town is understandably predominant, materially led by pilgrim travel. Unfortunately, separate data is not available to quantify the leisure related demand out of the total domestic visitor numbers.
- Foreigner visitation, on the other hand, is entirely leisure in nature because foreigners are not allowed entry into the Puri temple (unless they are Hindus).
- There has been a steady growth in visitor numbers year on year; 2019 was an exception due to the impact of cyclone Fani which heavily damaged Puri and curtailed travel.
- 2020 and 2021 numbers would undoubtedly be lower due to the Covid pandemic; however, demand levels have been strong in the periods when business is permitted as the domestic market looked to take vacations and change of place from the severity of the Covid lockdowns. were While foreign tourist arrivals dropped in 2015, 13.5% growth in 2016 has restored positive overall growth from the foreign segment. Domestic travel of course continues to grow materially.

- Puri is most visited during the months of July and August during Rath Yatra festival, which is celebrated with grandeur.

2.7 Economy

Puri is a prominent pilgrim destination in India; it is also an important regional leisure destination and a prominent sea-side resort town along the northern Bay of Bengal. Together with Bhubaneswar and Konark, Puri forms the "golden triangle" of Odisha.

Tourism (including pilgrim visitation) and related activities contribute about 70% of the town's economy.

Besides tourism, handicrafts and cottage industry contribute meaningfully to the economic activity in Puri. The handicraft and cottage industries have, of course, flourished mainly due to tourism. The cultural aspects from Jagannath temple has encouraged art and craft of Puri, reflected in the handicrafts and other cottage industry products of the area including sarees and textiles made of silk and cotton.

As a district, Puri gains materially from agricultural activities and produce - rice, maize and wheat are the major crops cultivated in the region.

Other economic contributors include rice milling, fishing, and manufacturing of food items.

2.8 Factors Impacting Development of Hotels and Resorts in Puri

There are several factors that will have an implication on the development and operation of hotels & resorts in Puri. Briefly these are:

- Seasonality: leisure destinations typically see seasonal variations in the quantum, quality and mix of demand, guest profile and rates that can be charged. This aspect of seasonality applies to resorts in Puri as well. While the seasonality factors are typically linked to climate, Puri does have the advantage of the Rath Yatra which occurs in a period when leisure demand is otherwise low, thereby aiding business in that period and helping overall occupancy and earnings. Winter months and long weekends are obviously the best times for demand in Puri; with the boost of destination weddings, demand also beneficially arises during the wedding season although this may be outside the typical leisure travel period. Travel slows down significantly during summer and monsoon.

- Access from important cities: Puri has good rail access from Kolkata and eastern cities such as Ranchi and Patna, thereby enabling material demand from Kolkata. This is also a negative factor for the demand profile because it has fostered low and mid market demand that crowds the destination without yielding commensurate value. Admittedly however the destination has also lacked sizeable supply of better quality. Ranchi and Patna have started to create demand and can potentially contribute more significantly although the quality of demand may not materially be consistent with the characteristics of upper-tier resort products; however, wedding and event related demand and some FIT / leisure packages based demand may be relevant.

  Bhubaneswar has good air connectivity with Delhi and this can be used to widen and enhance demand from the capital and northern markets. Wider connectivity to western India will also create potential for demand from Mumbai, Ahmedabad and Pune. The demand from north and west will need better resort standards.

- Demand quality: Puri has developed as a temple town and beach tourist destination with the latter mainly catering to regional demand, predominantly from Kolkata. The quality of resorts is mixed and of generally midscale and lower midscale quality, with only a couple of resorts of upscale positioning. The town does often tend to have large crowds of visitors (leisure and pilgrims) who may converge to the public beaches and crowd these while exuding a distinctly mid-tier and lower ambience. With varied and inconsistent behavioural patterns, it is important that the resort be planned with sufficient facilities for recreation and leisure within the resort. Fortunately, the site location is away from the town centre and the beach front across the site is not crowded at all – these factors are beneficial for drawing better demand. It would be advantageous for promoters to prevail in town planning authorities to maintain superior beach quality and profile in this area over the longer-term.

- The presence of chain-affiliated hotels will help improve visibility and attractiveness of the destination. In turn, this will help attract higher profile of leisure, weddings and MICE demand to Puri in a significant way. The wider recognition and reach of major hotel chains creates the benefit of a wider marketing network, better sales and marketing initiatives and greater visibility of the destination and the individual resort, thereby helping widen its profile and marketing reach. In turn, this will help create wider demand sources both geographically and from the viewpoint of different demand segments.

- Environmental issues: Odisha is prone to cyclone and heavy rains although the brunt of this is more often felt further south of Puri; having said that, cyclone Fani had a direct hit on Puri. The planning and design of the project must evaluate the potential impact from such natural events and thereby the preventive measures that need to be taken to offset such occurrences.

  From a sustainability viewpoint, we expect the hotel to have modern power efficient systems and wase disposal and treatment mechanisms.

- Infrastructure Development: Puri, currently has limited leisure infrastructure, besides highways connecting Bhubaneswar, Konark and Chilka. Adequate arrangements are made to handle the large pilgrim crowds that come into the town, particularly for the Rath Yatra and on other days of religious significance. However, the beach areas which are important for its long-term tourism potential will need better planning and segmentation of facilities if the town is able to draw larger development of more upper tier standards.

- Staffing: Staffing is an important issue in Puri, similar to other leisure destinations. The destination lacks other activities post work for staff entertainment, thereby making it less attractive as a place for staff to accept deputation or job shift from bigger cities. This disadvantage is partially off-set by the improved connectivity to Bhubaneswar though long-term staff retention will pose challenges. Besides, most locals lack the basic skill sets and language proficiency and would require several hours of training to groom them for working in upper-tier resorts.

CHAPTER III: CURRENT SUPPLY AND DEMAND

3.1 Current Supply

Currently Puri has just three chain-affiliated hotels. Two of these belong to the Mayfair group and are practically operated as one hotel. The other one is Pride Anya which is a recent conversion from an independent hotel. These is also a midscale hotel operated by the Kamat group from Mumbai.

Besides the chain affiliated hotels, there are several independent hotels, resorts, homestay and guest house options for visitors to Puri. Barring one or two other resorts, all other hotels are of mid-priced and lower standards; more importantly, these independent hotels and facilities are of uncertain and inconsistent standards. The hotels cater to two different demand purposes of visitors to Puri – pilgrims and leisure travellers. While pilgrim hotels have often acceptable as economy, budget and midscale hotels, leisure properties could have higher standards and positioning in order to attract appropriate demand. Unfortunately, in Puri the resorts and leisure hotels have also been low end to midscale and have tended to draw large numbers of leisure visitors but without providing the true value contribution and quality to the destination. Thus, while Puri has plenty of accommodation supply, its general lack of quality and positioning has hampered the overall leisure ambience of the town.

The nature and large quantum of supply originated from the core of the town and its demand creation efforts. Puri is predominantly a pilgrim destination, with the Jagannath temple as its heart and core. Travel originated and grew mainly for religious purposes; even today, the pilgrim visitor component of demand is vastly predominant. Till recent years, even high strata visitors (across pilgrim destinations) were willing to stay in rather modest accommodations while on pilgrimage. Over time, of course, pilgrims of superior societal and economic strata have become aware of the possibility of staying in Puri at the superior Mayfair and Hans Coco Palm resorts – otherwise, these visitors would tend to return to Bhubaneswar or Cuttack or in any event to minimise the duration of their stay. While the stay needs of pilgrims caused the development of several stay options of mediocre and low / inconsistent quality, the supply side failed to adequately differentiate leisure needs and potential by creating superior facilities for the leisure segment. In turn, it caused the demand side to match the lower end of the scale.

Apart from Mayfair hotels, the remaining hotels / resorts are not comparable to the proposed Hyatt Regency resort in terms quality and positioning.

Some of the key resorts in this area are listed below:

Hotels	Rooms
Mayfair Waves	34
Mayfair Heritage	34
Toshali sands	107
Promod Convention Centre	30
Hans Coco Palms	34
Pride Anya Resort	52
TOTAL	**291**

The above list is not exhaustive. They are merely considered as relevant properties that can provide an understanding of the demand dynamics of the market.

Other smaller independent hotels, which have an inferior product and are not professionally managed with average room rates at sub Rs.2,500, have not been considered as competitive supply for our analysis.

3.2 Key Demand Drivers

Demand for resorts in Puri arises from:

3.2.1 Leisure, travel occasioned by a religious purpose, weddings and MICE – these are the 4 prime demand causes that bring visitors to Puri. Some of these may intertwine, mostly, the purposes are singular with a visit to the Temple being a highlight of a visit that is occasioned by other purposes.

3.2.2 Being amongst the four "dhams" (holiest places) for Hindus, Puri has visitation from people across the country, and from overseas source markets. The town has lacked quality accommodation to facilitate such visitation (except largely where it becomes essential as a religious obligation); travellers seeking a degree of consistent quality often stay in Bhubaneswar or use local hotels while staying for the least required time.

3.2.3 Strictly, this is not needed and a religious visit (except for specific purposes) can be combined with leisure and recreation; even if not combined, visitors will be happier to come into Puri in larger numbers and from far afield if they had hotels and resorts of quality and consistent standards.

3.2.4 Increased use of short vacations at convenient locations as a part of leisure provides Puri the ability to benefit from its proximity to Bhubaneswar, Cuttack and other regional business hubs in Odisha, Chattisgarh and Jharkhand, and its easy accessibility from Kolkata. The short holidays are mainly on weekends (2 night stay), extended weekends (times combined with an extra public holiday that enables a three night stay, breaks during the week often associated with an occasion, and also short holidays during festival and vacation times.

3.2.5 Inbound leisure demand is drawn to area on account of the beaches in Puri and Konarak, the temples and ancient architecture around Konarak and Bhubaneswar, and possibly for short excursions to Chilika. The Bhubaneswar-Puri-Konarak circuit has potential to grow, in terms of its ability to draw inbound travel if better facilities and supply depth is created in the area, backed by international branding, marketing and management.

3.2.6 Leisure demand arises as individual travellers (on FIT rates or as packages) or as group travel.

3.2.7 Destination weddings and wedding related events have become a key demand source for hotels and resorts in Puri because the town is considered sacred, and, as a beach destination, there is a positive element of leisure and recreation. Room requirements for large groups are usually split between hotels and resorts as most hotels lack the size and facilities (other than lawns and gardens for open air events) to cater to sizeable wedding groups. Weddings are generally from families based in the eastern part of the country – including Bhubaneswar, Kolkata, Patna, Ranchi and Raipur. Since 2017, hotels and resorts have reported demand for hosting weddings from other parts of the country, particularly from north India. Wedding groups typically stay for two nights and have all their meals at the resort including at least two celebratory meals – of course, if the group is split between multiple resorts then the events are held at the resort that has superior positioning and banquet facilities, except where both properties have good stature. The weddings segment is of increasing relevance at resorts across the country contributing demand for guest rooms and for F&B and other services. Beneficially, this demand also occurs during the early summer months when leisure and MICE travel are minimal.

Wedding groups are increasingly paying premium room rates, particularly on key wedding dates, if the resort quality and destination create a demand push. While resorts may struggle to meaningfully balance between the wedding groups (this also applies to corporate MICE) and leisure guests at the property, a resort of 115 rooms will likely be sold at full inventory for the event.

3.2.8 Corporate MICE demand – this is an important demand segment, concentrated during weekdays. Corporate MICE is materially a weekday need and this works beneficially for the demand and supply sides – on weekdays, companies enjoy lower rates at the hotels/ resorts in leisure destinations compared to city hotels; hotels / resorts gain good demand on weekdays when leisure travel is lesser. The lack of adequate banqueting facilities at hotels in Puri limits the demand for residential MICE. However, if appropriate facilities are available at a hotel, corporate MICE demand could be an important business segment. Branding and marketing by a reputed hotel operator will also help draw greater demand from this segment, particularly if the chain has ability to reach out to demand in different regions of India. The proposed Hyatt Regency is positively placed in this context.

3.2.9 The table below represents the typical demand mix at good quality hotels / resorts in Puri area:

Segment	% Demand
FIT / Group Leisure	85%
Weddings	10%
Corporate MICE	2 - 3%
Corporate FIT	1 – 2%

We believe there is potential for the weddings and MICE segment to grow materially, contributing upwards of 20% of total demand in a resort that is planned with the right facilities and has the requisite marketing reach and visibility.

CHAPTER IV: COMPETITIVE HOTEL MARKET

4.1 Competitive Hotels

4.1.1 Several hotels and resorts have been reviewed in order to have a better understanding of the market, market trends and potential. These key resorts include:

Hotel	Rooms
Mayfair Waves	34
Mayfair Heritage	34
Toshali sands	107
Promod Convention Centre	30
Hans Coco Palms	34
TOTAL	**239**

Comments

- At the outset, we must highlight that none of these resorts have the product and standards that are expected to be offered at the proposed Hyatt Regency. Further. These resorts lack the scale and size to catalyse new demand in the manner that a strong chain-affiliated resort can be expected to do; the proposed Hyatt Regency will have 115 rooms and suites which is about half of the aggregate inventory of hotels listed above.
- The two Mayfair hotels are part of the Mayfair group which has significant presence and reputation in eastern India; the hotels are adjacent to each other and materially operate in a combined manner although the layout and appeal of the two properties is different and distinct.
- The other hotels are also independently owned and operated, without any chain affiliation.
- Pride is a recent conversion and although it is a chain affiliated hotel, its product and positioning is distinctly lower than the intended resort; as such, it has not been considered as a competitive hotel.
- We have also not considered The Chariot resort on account of its distinctly mid-market positioning, profile operations and services.

- Only Mayfair resorts have the competitive quality for an Upscale resort, the other properties have moderate and old style products that are worn-out and not kept up-to-date.

Several of the resorts mentioned above have been briefly described in Annexure 1.

4.2 Current Demand Operating Trends

4.2.1 Occupancy and ADR trends for the Mayfair properties are higher than for the other resorts. The Mayfair resorts have operated at above 70% occupancy in the pre-Covid period; these levels have been rapidly regained and exceeded as operations were permitted after the Covid 19 lockdowns. ADR levels at the Mayfair resorts were about Rs 8,500 in 2019-20; post Covid, ADR levels have been very materially higher and are estimated at around Rs. 11,000 for select periods. It must be recognised that season period rates are materially higher, with rates declining to the achieved ADR levels as the hotel pursues slow season business to boost occupancies.

4.2.2 Although the Mayfair hotels have modest overall quality, the lack of any other supply of substance gives it material advantage and the ability to derive ADR levels that are almost twice the level of ADRs derived by other resorts. This aspect is a reflection of the degree of unsatisfied demand in the market for better quality resorts than are available at properties other than Mayfair. Mayfair becomes the singular choice for FIT leisure, weddings and MICE events that are seeking quality.

4.2.3 Other resorts such as Hans Coco Palm and Promod Convention Centre in Puri, and Toshali Sands in Konarak, have barely earned an aggregated ADR of Rs 4,500. Higher rates in the period post pandemic would be an exception due to exceptional market circumstances rather than being normative for the quality of the product and its service.

4.2.4 In Puri, occupancy levels on weekends, Rath Yatra period and during other holiday periods are typically over90%. This is the main operating period for the hotels which derive substantial portion of their demand volume in these periods. Further, the high demand levels also help to secure high room rates, helping build-up the overall average room rate for the year.

4.2.5 Average length of stay in Puri is generally for 2 nights. Visitors usually use Puri as a base to visit temples in Puri, Konark (and sometimes Chilka Lake) and also relax by the beach at hotels which have convenient access. There are very few guests who stay for three nights; we believe this limitation is due to lack of adequate resort facilities for the destination otherwise has the capacity to support a 3-5 nigh holiday package.

4.2.6 Typical of a leisure destination, almost all travel happens on double occupancy. In fact, a significant portion of domestic travel is on triple occupancy because of family travel.

4.2.7 Weddings are an important segment of demand. This demand arises during several months of the year including winters and early summers. Since the room inventory in most hotels and resorts are limited, the demand is shared between 2 or three hotels in the vicinity; beach resorts in established destinations such as Goa would draw residential weddings demand for 125-200 rooms depending on the profile of the group; on occasion, these also book out large hotels with 240 to 300 rooms. This capacity may not occur in Puri immediately and, in any event, relevant resort lands and sizes are not available. Nevertheless, having multiple resorts with 100-150 rooms inventory will be an advantage for the destination. .

4.2.8 Demand for corporate meetings and conferences mainly arised from Bhubaneswar, Raipur, Ranchi and Kolkata owing to ease of access. Currently, the event profile is largely mid-market owing to the lack of quality accommodation at Puri. Only Mayfair can secure higher standard business but this is severely limited in size and by the lack of consistency in accommodation style at the two Mayfair properties.

4.3 Future Demand for resorts

4.3.1 The biggest question for an investor would be around the concern of the lack of sufficient visible demand at hotels in Puri. We have to highlight that the lack of visible demand of reasonable magnitude is mainly because of the lack of supply of meaningful quality and capacity. Currently, the destination simply lacks the supply side to attract and serve quality demand of magnitude.

4.3.2 The lack of development of tourism infrastructure has hindered the growth of Puri as an actively sought tourist destination; the town has remained an essentially pilgrim destination with mid to low end leisure travel that does not contribute well to its growth and economy. On the other hand, Puri carries several positive fundamental characteristics to serve as an attractive leisure destination – beaches, temples, excursions and a large demand base for destination weddings and MICE events. What it lacks is the delivery infrastructure which significantly includes hotels and resorts of suitable standards and quality.

4.3.3 Future demand for hotels and resorts in Puri is expected to predominantly comprise leisure travel, weddings and social events and MICE. Leisure travel will deepen, and can comprise groups, packages and individual travellers. Social events are not yet so visible in Puri but there is sufficient demand occurrence and latent strength in source markets such as Bhubaneswar, Cuttack and other regional centres to create demand for social events (anniversaries, family get-togethers, special birthday celebrations, special occasions, engagements and the like), with demand for 10-20 rooms at different times of year. Social demand is also very valuable from the viewpoint of its occurrence at different times of the year rather than on specific / auspicious wedding dates.

4.3.4 For several years, beach destinations in India have been graded by their ability to attract foreign leisure demand. This parameter is now somewhat less weighty because of the quantum and strength of domestic leisure demand. Domestic demand is seeking greater leisure options and Puri has the possibility of affording such options; it needs investment in resorts and supportive infrastructure – the development of a good highway link to Bhubaneswar is a positive from the infrastructure viewpoint, as is the Marine Drive road link to Konarak. Improvement of the beach infrastructure and quality in Puri would be a major positive benefit if this would occur.

4.3.5 The ability of Puri to draw new demand is based on regional demand (its easy access from cities such as Bhubaneswar and also other regional centres in eastern India), demand from Kolkata and potential demand growth from Delhi, Mumbai, Gujarat and western India.

4.3.6 Corporate MICE demand is an important demand segment with potential to grow in future. This has been constrained by lack of adequate and appropriate facilities at hotels in Puri, particularly of the type and standard that can serve superior demand needs. Most facilities are midscale and lower, which is what the destination profile presently reflects; however, the potential for quality MICE demand is material; if appropriate facilities are available at a hotel, corporate MICE demand could be an important business segment. Branding and marketing by a reputed hotel operator will also help generate demand from this segment, particularly if the chain has the presence and ability to reach out to different demand sources in the country.

4.3.7 With the nature of leisure business and potential for demand growth when newer and betterquality facilities are available, we expect new hotels and resorts in Puri to create additional demand rather than merely redistribute existing demand.

4.4 New Supply

There is limited new supply of hotel products expected in the Puri market, particularly of a quality and positioning that will be competitive to the proposed hotel.

- A luxury Taj hotel with about 90 rooms and suites is under development on a 5 acre land parcel within about 500 metres of the site. This is a beach front site (with a narrow road separating the resort from the beach). This resort is expected to be opened by H1-2024.
- An upscale resort has reportedly been signed, or is under discussion, with an international chain. This is on a site north of the Mayfair properties and will have about 80 -100 keys.
- A residential project close to the junction of the highway from Bhubaneswar and the Puri beach road is expected to have an apartment hotel with about 70 keys. The status of this project is not clear and the branding, if the project is actually pursued, will be of an international upscale standard.

CHAPTER V: SITE ANALYSIS

5.1 Site

The proposed site is located along the New Marine Drive, across the road from the beach. Thus, while guests do not have direct beach access, the beach is only a matter of walking across the road and then having direct beach access.

The site is very close to the Hans Coco Palms which is located about 3 blocks north of the site. The site also has a rear road which is narrow and can be used for services. The site is somewhat rectangular in shape with good frontage on the main road, that will enable entry and exit access and also provide visibility particularly as the hotel is expected to be built as a 6-8 storey property with single loaded corridors.

Presently, the site is a little sunken from the main road level and care will need to be taken that this is properly treated to avoid any water logging and seepage that may arise from rains, floods and cyclones.

The site is well located in terms of being away from the core of the Puri beach area which is crowded and distinctly mid-market; yet it retains proximity to the beach.

The site of the proposed resort is shown in the map below:

The site is well suited for the proposed Hyatt Regency Project.

CHAPTER VI: PROJECT AND FACILITIES

6.1 Project Elements

Considering the demand potential for the market and the development potential on the site, we recommend that the proposed upscale resort comprise of the following main elements:

- 115 guest rooms and suites
- Food and Beverage facilities comprising 4 outlets (a three-meal restaurant, a speciality restaurant, bar and a lounge) besides In-room dining
- Meeting and function space with core capacity for up to 350-500 guests (under different use styles); this should be blended with an open garden to create an additional feature and the ability to handle larger groups if required.
- Recreation Spaces
- An international standard spa
- Sufficient space for car parking by guests; a large number of guests will drive into the resort and will need car parking arrangements.
- Staff accommodation particularly for executive and supervisory staff working at the resort; this accommodation may not be at the site and could be developed / leased in convenient proximity to the site.
- Other services and facilities expected of an upscale resort.

Planning and design work of the hotel will determine the final elements of the project.

6.1.1 Guest Rooms

The resort is expected to have a total of 115 guest rooms. The guest rooms are expected to be comprised as:

Category	No of Rooms	Area including balcony
Deluxe Rooms	93	36 Sqm
Luxury Rooms	12	42 Sqm
Junior Suites	4	54 Sqm
Executive Suites	4	72 sqm
Deluxe Suites	2	108 sqm
Total	***115***	

The hotel is intended to be developed with all rooms facing the Bay of Bengal, supported by a single loaded corridor.

Each room will have twin/ king beds, spacious three fixture bathrooms (four-fixtures for luxury rooms and suites), in-room entertainment, mini bar, coffee maker, electronic safe, wireless internet, two-line telephones, a small work desk / dresser, modern lighting systems, contemporary furnishings, fabrics and fittings, excellent flooring material and tasteful, elegant décor.

All materials, fixtures and fittings will be of modern design and efficiency, aiding power and water savings and guest usage facilitation and will match the branding and positioning of the proposed resort.

6.1.2 Food and Beverage Outlets

The hotel is expected to have

- A Buffet / Three Meal restaurant with 100 seats
- A Speciality Restaurant with 60 seats
- 48 seat bar
- Lobby / Coffee lounge or other lounge area with hot / soft beverages and limited finger food service
- Round the clock Room service
- The restaurants may have some alfresco dining areas, to the extent practicable – this would of course only be used in winter months as the humidity in summer is very high.

6.1.3 Meeting and Function facilities

We recommend a ballroom of about 7.000 sft which should be divisible into 2-3 smaller rooms, subject to design, to accommodate smaller meetings and events. The ballroom should open out into the garden in order to cater to larger functions and a different environ for open air events.

In addition, we suggest a meeting room for 75 guests and 2 smaller meeting rooms for 40 guests each; these will support the MICE needs at the hotel, arising from smaller groups.

These facilities will be supported by adequate pre-function areas and service areas. The meeting and function facilities must be equipped with efficient technology and equipment.

6.1.4 Other Facilities

Other major facilities at the resort are expected to include

- Swimming pool
- Fitness Centre
- In house laundry and valet services
- Car hire and travel services
- Car parking facilities for guest's vehicles.

CHAPTER VII: ESTIMATED UTILISATION AND PRICING

7.1 **Opening date:** We have assumed the opening date of the resort as 1 July, 2025. Projections are for April to March year except the first year is for nine months from 1 July 2025 to 31 March 2026.

7.2 Rooms Department

Our estimations of rooms occupancy, room rates and rooms revenue are set out in the next few paragraphs of this Chapter.

7.2.1 Business Periods

In line with seasonal variations in demand for resorts in Puri we have segmented the calendar into four business periods as summarised in the table below.

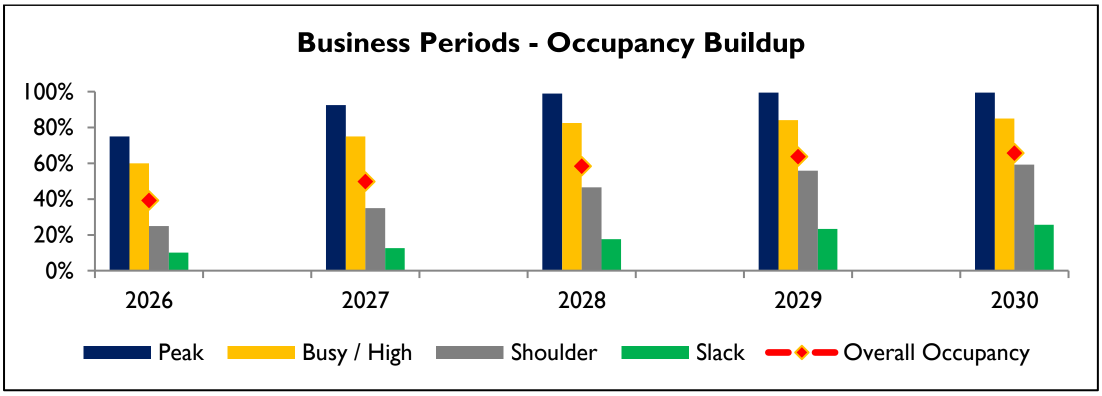
Business Period	Number of days (Stable Level by FY29)	Remarks
Peak	25	Rath Yatra period, Weekends, Holiday periods of Dussera, Diwali, Christmas - New Year holiday period and main Muhurat wedding dates.
High	141	
Shoulder	131	Days before and after High and Peak days, and certain wedding demand days.
Slack	68	Essentially comprises of weekdays during the monsoon period of July – Sep.
Total	**365**	

7.2.2 Hotel Rooms – Seasonal Occupancy Build-Up

The Puri market currently lacks supply of any reasonable size, at the upscale and upper-upscale levels. Accordingly, our projections of occupancy for the resort are based on a seasonal demand build-up, having regard to current demand patterns for hotels and resorts in Puri.

The period wise occupancy projections, expected to be built up over five years, are summarised in the table below:

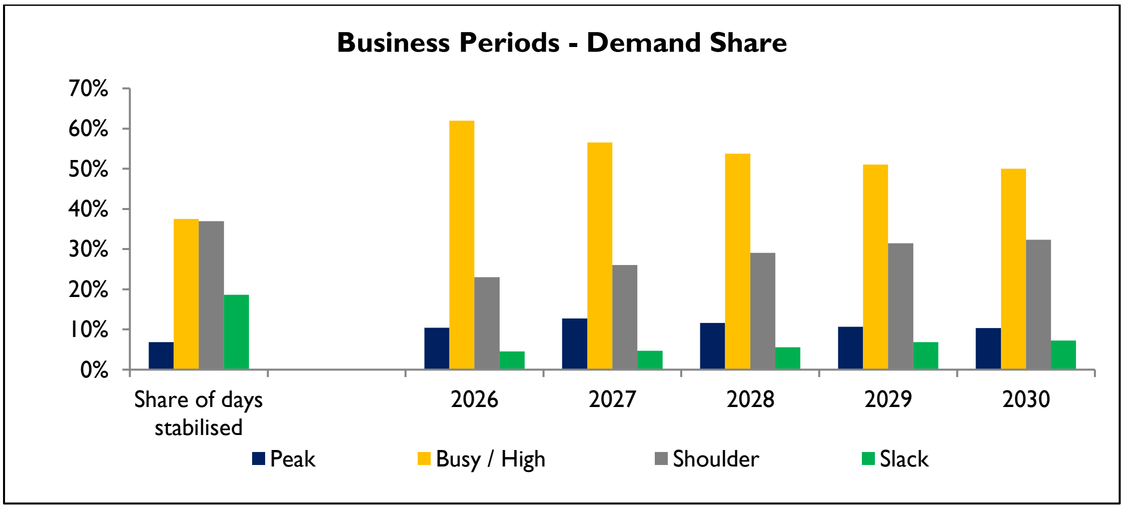
Business Period / FY	2026	2027	2028	2029	2030
Peak	75.0%	92.5%	99.0%	99.5%	99.5%
Busy / High	60.0%	75.0%	82.5%	84.2%	85.0%
Shoulder	25.0%	35.0%	46.6%	55.9%	59.2%
Slack	10.0%	12.5%	17.5%	23.3%	25.6%
Overall Occupancy	***39.2%***	***49.8%***	***58.4%***	***63.7%***	***65.7%***



7.2.3 Seasonal Demand Share

The overall share of demand in different business periods is reflected in the table below. This table will provide an understanding of the relevance of different business periods and of the impact of demand in these periods on the overall occupancy levels and room rates.

Business period	Share of days Stabilised	2026	2027	2028	2029	2030
Peak	*6.8%*	10.5%	12.7%	11.6%	10.7%	10.4%
Busy / High	*37.5%*	62.0%	56.6%	53.8%	51.0%	50.0%
Shoulder	*37.0%*	23.0%	26.0%	29.0%	31.5%	32.4%
Slack	*18.6%*	4.6%	4.7%	5.6%	6.8%	7.3%



Comments on seasonal demand share:

a. Peak and High season comprises over 44% of the year but accounts for between 60% and 73% of total demand. These are the periods when activity will be at its peak. At stabilised level, the demand share for this busy period will be about 60% of total rooms demand; this does not mean a shrinking of demand during the peak and high business periods but reflects the gradually increasing demand during the shoulder period.

b. The shoulder period is about 37% of the total duration and accounts for about 32% of total demand at stable level. The increased demand in this period is extremely important for the hotel to achieve better performance. Improvement in demand share during this period arises from weddings and MICE demand and from improved leisure travel demand.

c. While the slack season forms about 19% of the year, its demand share is expected to stabilise at only about 7%. Slack season demand is not expected to grow substantially due to the seasonality of travel to Puri.

7.2.4 Segmental Demand:

Within the overall demand projections, our estimates of demand from different segments are summarised in the table below:

Year 1 (FY 2026 – 9 months)

Segment	Peak	Busy	Shoulder	Slack	Overall
Leisure FITs	30%	25%	20%	15%	*23.9%*
Leisure Groups / Packages	35%	45%	50%	55%	*45.6%*
Weddings / Social	35%	25%	15%	0%	*22.6%*
MICE - Conferences	0%	5%	15%	30%	*7.9%*
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Year 5 (FY 2030) – Stable level

Segment	Peak	Busy	Shoulder	Slack	Overall
Leisure FITs	28%	23%	16%	12%	*20.2%*
Leisure Groups / Packages	32%	37%	32%	42%	*34.8%*
Weddings / Social	40%	28%	27%	0%	*26.9%*
MICE - Conferences	0%	13%	25%	45%	*17.6%*
Corporates	0%	1%	1%	1%	*0.5%*
Total	**100%**	**100%**	**100%**	**100%**	**100%**

7.2.5 Room Rates – By segment

Our room rates projections by segment and by season are summarised in the Table below. Each segment will have differential pricing, having regard to competitive pricing practices, demand relevance in different business periods, and overall occupancy needs for the resort. The projected room rates are the average rates expected to be derived in each period.

Room rates are exclusive of any breakfast charge and taxes. Revenue from breakfast has been considered separately as a part of Food & Beverage Revenue.

Year 1 (FY 2026 – 9 months)

Segment	Peak	High	Shoulder	Slack	Overall ADR
Leisure FITs	12,500	9,500	6,750	5,500	*9,250*
Leisure Groups / Packages	10,625	8,075	5,063	4,125	*7,301*
Weddings / Social	13,125	9,785	6,919	5,775	*9,888*
MICE - Conferences	10,000	6,888	5,231	4,125	*5,688*
Average Rate	***12,063***	***8,799***	***5,704***	***4,331***	***8,224***

Year 5 (FY 2030)

Segment	Peak	High	Shoulder	Slack	Overall ADR
Leisure FITs	16,991	12,103	8,140	6,367	*11,543*
Leisure Groups / Packages	14,442	10,287	6,512	5,094	*9,123*
Weddings / Social	18,350	12,829	8,548	6,876	*12,290*
MICE - Conferences	14,188	9,077	6,309	4,934	*7,036*
Corporates	12,743	9,682	6,512	5,730	*8,031*
Average Rate	***16,719***	***11,253***	***7,271***	***5,181***	***10,091***

The overall movement in rates over the first five year period and during different business periods reflects as under:

	Peak	Busy	Shoulder	Slack
Overall ADR Year 1	12,063	**8,799**	5,704	4,331
Premium / discount to busy period	37%		-35%	-51%
Overall ADR Year 5	16,719	**11,253**	7,271	5,181
Premium / discount to busy period	49%		-35%	-54%

7.2.6 Room Rates – By Season

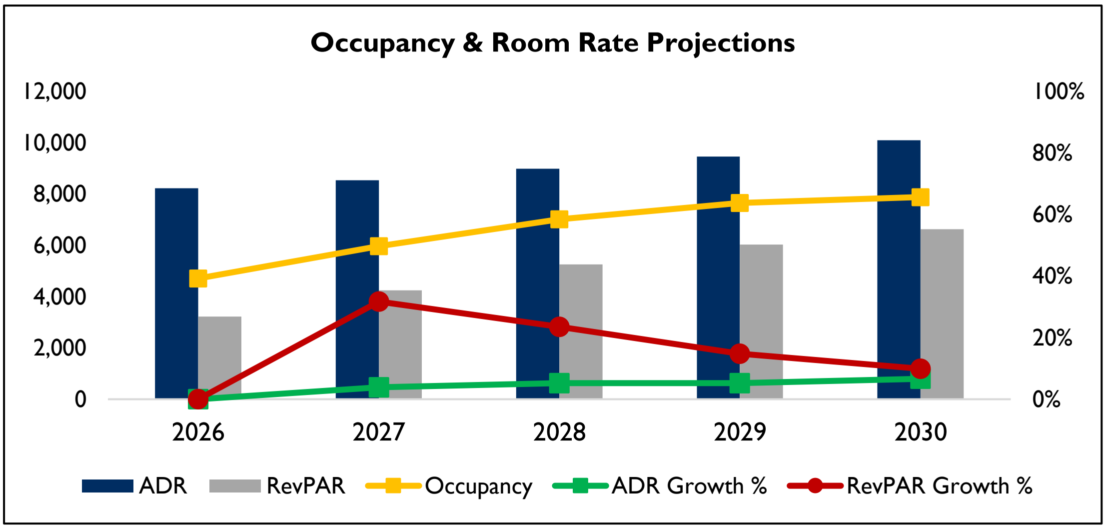
The resultant room rates, by season / business period, are summarised in the Table below:

Financial Year	2026	2027	2028	2029	2030
Peak	12,063	12,845	14,239	15,481	16,719
High	8,799	9,126	9,732	10,442	11,253
Shoulder	5,704	5,917	6,367	6,824	7,271
Slack	4,331	4,331	4,550	4,869	5,181
Average	*8,224*	*8,540*	*8,989*	*9,463*	*10,091*

7.2.7 Resultant Occupancy and Room Rates

The resultant room occupancy and average daily rates are summarised in the table below:

FY	Occupancy	ADR (Rs.)	ADR Growth %	RevPAR (Rs.)	RevPAR Growth %
2026	39.2%	8,224	-	3,227	-
2027	49.8%	8,540	*3.8%*	4,250	*31.7%*
2028	58.4%	8,989	*5.3%*	5,251	*23.6%*
2029	63.7%	9,463	*5.3%*	6,029	*14.8%*
2030	65.7%	10,091	*6.6%*	6,626	*9.9%*



7.2.8 Double Occupancy Factor (DOF)

This leisure and group resort is expected to derive bulk of its business on double occupancy basis from all segments. It is likely that several rooms will be sold on triple occupancy basis. The segment-wise DOF is estimated as:

Segment	DOF
Leisure FITs	1.95
Leisure Groups / Packages	2.05
Weddings / Social	2.10
MICE - Conferences	1.65
Corporates	1.10
Average	***1.97***

7.3 Food & Beverage

Food and Beverage projections are made having regard to the location, character and positioning of the hotel and its guest room demand composition:

- The resort is likely to attract chance F&B business arising from guests staying at other hotels in Puri and also from day visitors to the area; the resort will benefit from its competitive superiority and status in the market.
- Considering that rooms demand at the proposed resort will arise from leisure (FIT, packages and groups), weddings and conferences, several of which will have some pre-arranged F&B components, the F&B revenue projections have been made with reference to the nature of guest room demand, in addition to the demand volumes.
- We have assumed that 40% of the guests, other than for MICE and weddings, will have lunch at the three-meal restaurant, while 35% of these guests will have lunch at the multi-cuisine restaurant. The remaining guests will likely be away on day excursions or local sightseeing.
- We have assumed that 45% of the guests, other than for MICE and weddings, will have dinner at the three-meal restaurant, while 55% will have dinner at the multi-cuisine restaurant.
- The breakfast allocation on an inclusive rate basis, for FY2022, is assumed at Rs. 300 per guest – this will mean that the actual room rate charged to the guest will be higher than the basic room rates earlier projected, by Rs. 300 for single occupancy and Rs. 600 for double occupancy.
- MICE and weddings groups will be on AP (breakfast, lunch and dinner) basis.

Accordingly food and beverage revenue projections for the hotel are summarised in the next few paragraphs. F&B projections are made having regard to the following facilities at the hotel

Outlet	Seats
Buffet / Three meal restaurant	80
Multicuisine / Speciality	60
Bar	30
Lobby / Coffee lounge	
In Room Dining	

Restaurant F&B Revenue

Financial Year	2026			2030		
	High Season	Low Season	Total	High Season	Low Season	Total
(A) Package Meals						
Covers Sold	**7,994**	**3,553**	**11,546**	**12,188**	**7,484**	**19,673**
AP	2,798	2,132	4,929	4,266	4,490	8,756
MAP	5,196	1,421	6,617	7,923	2,994	10,916
APC (Rs.)						
AP	2,183	1,989	*2,099*	2,507	2,285	*2,393*
MAP	1,283	1,179	*1,260*	1,474	1,356	*1,442*
Package Revenue (Rs. '000)	**12,770**	**5,915**	**18,685**	**22,376**	**14,319**	**36,695**
(B) Other Resident Guests						
Covers Sold	**19,691**	**6,671**	**26,362**	**38,022**	**23,777**	**61,798**
Breakfast	10,094	3,155	13,249	21,033	13,547	34,580
Lunch	674	255	929	1,153	665	1,817
Dinner	4,401	1,249	5,650	7,531	3,256	10,787
Light Meals	4,522	2,012	6,534	8,305	6,309	14,615
APC (Rs.)						
Breakfast	275	275	*275*	319	319	*319*
Lunch	1,000	900	*973*	1,147	1,033	*1,106*
Dinner	1,150	1,035	*1,125*	1,320	1,188	*1,280*
Light Meals	850	765	*824*	975	886	*937*
Non Pkg Revenue (Rs. '000)	**12,354**	**3,930**	**16,284**	**26,062**	**14,462**	**40,524**
Breakfast	2,776	868	3,644	6,702	4,316	11,018
Lunch	674	229	903	1,323	686	2,009
Dinner	5,061	1,293	6,354	9,937	3,867	13,804
Light Meals	3,844	1,539	5,383	8,101	5,592	13,693
(C) Walk-ins						
Covers Sold	**1,096**		**1,096**	**4,380**		**4,380**
Lunch	548		548	2,190		2,190
Dinner	548		548	2,190		2,190
APC (Rs.)						
Lunch	1,200		*1,098*	1,390		*999*
Dinner	1,100		*1,126*	1,274		*1,030*
Café Revenue (Rs. '000)	**1,218**		**1,218**	**4,444**		**4,444**
Lunch	602		602	2,188		2,188
Dinner	617		617	2,256		2,256

Total Food Revenue (A+B+C)	**26,342**	**9,845**	**36,187**	**52,882**	**28,781**	**81,663**
Beverage Revenue (Rs. '000)			7,237			16,333
% of Food Revenue			*20%*			*20%*
Total Outlet Revenue (Rs. '000)			**43,425**			**97,996**

Banquet Revenue

Financial Year	2026			2030		
	High Season	Low Season	Total	High Season	Low Season	Total
(A) Residential Weddings						
Covers Sold	**9,944**	**1,793**	**11,737**	**21,013**	**10,116**	**31,128**
Lunch	4,972	897	5,868	10,506	5,058	15,564
Dinner	4,972	897	5,868	10,506	5,058	15,564
APC (Rs.)						
Lunch	1,700	1,530	1,674	2,165	1,948	2,094
Dinner	2,100	1,890	2,326	2,674	2,406	2,910
Gala Dinner Supplement	525	473		668	602	
Revenue (Rs. '000)	**20,198**	**3,278**	**23,476**	**54,346**	**23,546**	**77,892**
(B) Residential Conferences						
Covers Sold	**1,264**	**1,967**	**3,230**	**8,009**	**10,332**	**18,341**
Lunch	632	983	1,615	2,842	5,166	8,009
Dinner	632	983	1,615	5,166	5,166	10,332
APC (Rs.)						
Lunch	1,250	1,125	1,174	1,592	1,432	1,489
Dinner	1,700	1,530	1,696	2,165	1,948	2,185
Gala Dinner Supplement	425	383		541	487	
Revenue (Rs. '000)	**1,931**	**2,705**	**4,636**	**16,405**	**18,093**	**34,499**
Banquet Food Revenue (A+B)	**22,129**	**5,983**	**28,112**	**70,751**	**41,639**	**112,391**
Banquet Beverage Revenue			2,811			11,239
% of Food Revenue			*10%*			*10%*
Total F&B Revenue			**30,924**			**123,630**
Banq Other Revenue			2,474			9,890
% of F&B Revenue			*8%*			*8%*
Total Banquet Revenue (Rs. '000s)			**33,398**			**133,520**

F & B Revenue

Accordingly, the F & B Revenue (in Rs. 000s) is summarized below:

Financial Year	2026	2027	2028	2029	2030
Outlets	43,425	72,348	82,780	91,932	97,996
Banquets	31,404	64,195	96,018	116,820	125,963
Total F & B	74,829	136,543	178,798	208,751	223,959

Note: we have not estimated revenue from the lounge, as the nature and composition of such a lounge would need to be better defined. This would add casual F&B revenue to our estimates.

7.4 Minor Operated Departments (MOD)

Revenue Item	Utilisation Assumption	Average Spend (Rs.)
Communication	3% of roomnights sold	350
Laundry Revenue	5% of Guest Nights Sold	500
Spa	Therapies: 3.5% of GNS in 1st year increasing to 7% in 5th year;	4,000
	Other treatments: 0.5% of GNS	1,500
Other Revenue (travel desk, business centre and other services)	Rs. 1,500 per day in FY26 increasing to Rs. 2,609 by FY30	NA

7.4.1 Total Revenue from Minor Operated Departments

Total MOD revenue from the resort (Rs. in '000s) from FY2026 is summarised below

Financial Year	2026	2027	2028	2029	2030
Communications	130	224	274	310	332
Laundry	620	1,062	1,288	1,453	1,556
Spa	3,657	8,987	14,049	17,039	18,246
Other Revenue	411	684	789	866	952
Total	***5,189***	***11,609***	***17,198***	***20,571***	***22,054***

7.5 Total Revenue

Accordingly, our estimates of Total Revenue for the first five years of operation are summarised below:

Financial Year	**2026**	**2027**	**2028**	**2029**	**2030**
Rooms	115	115	115	115	115
Occupancy %	39.2%	49.8%	58.4%	63.7%	65.7%
Avg. Daily Rate (Rs.)	8,224	8,540	8,989	9,463	10,091
Revenues (Rs. '000)					
Rooms	101,675	178,382	221,033	253,050	278,146
Food and Beverage	74,829	136,543	178,798	208,751	223,959
Minor Operated Departments	5,189	11,609	17,198	20,571	22,054
Total	***181,693***	***326,534***	***417,029***	***482,372***	***524,160***

 # nine months operation

CHAPTER VIII: OPERATING CASH FLOW PROJECTIONS

8.1 Operating Expenses

We have made estimates of operating expenses. Our assumptions relating to operating expenses are summarised below:

Sr	Expense Item	Expense Basis	2026	2030
A	**Direct Expenses**			
1	Rooms Expense	Per Occupied Room (Rs)	850	985
2	F&B Outlet Food Cost	% of F&B Outlet Revenue	*26.0%*	*24.0%*
3	F&B Outlet Expenses	% of F&B Outlet Revenue	*11.0%*	*10.0%*
4	Banquet Food Cost	% of Banquet Revenue	*23.0%*	*21.0%*
5	Banquet Expenses	% of Banquet Revenue	*11.0%*	*9.5%*
6	Other Operated Dept. Costs	% of MOD Revenue	*45.0%*	*40.0%*
B	**Payroll**			
7	No. of staff / executives		127	138
8	Average Annual Cost per person		324,000	389,136
9	Total Payroll Cost (Rs Mn)		44.4	75.3
C	**Undistributed Expenses**			
10	Administration and General	Per Available Room	100,000	115,861
11	Heat, Light and Power	Per Available Room	240,000	290,293
12	Advertising and Sales Promotion	Per Available Room	100,000	116,986
13	Property Operation & Maintenance	% of Total Revenue	2.25%	4.00%
D	**Chain Fees / Costs**			
14	Base Management Fee	% of Total Revenue	2.0%	2.0%
15	Group Marketing Contribution	Per Contract		
16	Incentive Fees	% of AGOP#	4.0%	8.0%

 # AGOP = GOP less Base Management Fee

 # assumes additional cost for management personnel / key executives

8.2 Allocation to Replacement Reserve

The annual allocation to Replacement Reserve is projected at the following levels

Year	% of total revenue
1 - 2	2%
–3 - 4	3%
– 5 and thereafter	4%

Based on the revenue projections for the hotel, the aggregate allocation to Replacement Reserve over the first ten operating years is expected to be Rs. 175.4 million, exclusive of interest accruals on the reserve.

8.3 Total Expenses

It is important to recognise that our estimates of costs have in certain cases assumed higher annual cost increase for several initial years, in view of growth in occupancy and business levels. Accordingly, our estimates of Total Expenses for the first five years of operations are summarised below:

8.3.1 Departmental Expenses

Departmental expenses (Rs. In '000s) for FY26 to FY30 are summarised below:

(Rs. '000)

Financial Year	2026	%	2027	%	2028	%	2029	%	2030	%
Total Revenue	**181,693**		**326,534**		**417,029**		**482,372**		**524,160**	
Rooms Exps	21,164	*20.8%*	33,418	*18.7%*	38,830	*17.6%*	42,538	*16.8%*	45,223	*16.3%*
F&B Exps	40,065	*53.5%*	65,502	*48.0%*	79,356	*44.4%*	88,407	*42.4%*	94,333	*42.1%*
Minor Operated Dept. Exps	3,667	*70.7%*	7,115	*61.3%*	8,934	*51.9%*	10,380	*50.5%*	11,081	*50.2%*
Total Dept. Expenses	***64,897***	***35.7%***	***106,035***	***32.5%***	***127,120***	***30.5%***	***141,325***	***29.3%***	***150,637***	***28.7%***

Ratios for departmental expenses are calculated as % of respective departmental revenues

Ratio for total expenses is calculated on total revenue

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Hotel, Tourism and Leisure

8.3.2 Undistributed Expenses

Undistributed expenses (Rs. In '000s) for first five years of operations are summarised below:

(Rs. '000)

Financial Year	2026	%	2027	%	2028	%	2029	%	2030	%
Administrative and General	17,513	9.6%	24,454	7.5%	26,053	6.2%	27,158	5.6%	28,388	5.4%
Information and Communication	3,897	2.1%	5,230	1.6%	5,482	1.3%	5,693	1.2%	5,928	1.1%
Marketing*	20,452	11.3%	29,495	9.0%	31,956	7.7%	33,787	7.0%	35,493	6.8%
Property Ops and Maintenance	7,953	4.4%	15,425	4.7%	20,081	4.8%	24,774	5.1%	29,252	5.6%
Energy Costs	20,719	11.4%	28,566	8.7%	29,994	7.2%	31,794	6.6%	33,384	6.4%
Total Undistributed Expenses	***70,534***	***38.8%***	***103,171***	***31.6%***	***113,567***	***27.2%***	***123,206***	***25.5%***	***132,443***	***25.3%***

* *includes Systems costs contribution*

8.4 Summary of Projections

A summary of the projections from FY 2026 through FY 2030 is provided below. Detailed projections are attached as Annexure II

(Rs. '000)

Financial Year	2026	%	2027	%	2028	%	2029	%	2030	%
Rooms	115		115		115		115		115	
Rooms Available	31,510		41,975		41,975		41,975		41,975	
Rooms Sold	12,363		20,887		24,589		26,741		27,564	
Occupancy	39.2%		49.8%		58.4%		63.7%		65.7%	
ADR (Rs.)	8,224		8,540		8,989		9,463		10,091	
Rooms RevPAR (Rs.)	3,227		4,250		5,251		6,029		6,626	
Total RevPAR (Rs.)	5,766		7,779		9,935		11,492		12,487	
Operating Revenue	181,693		326,534		417,029		482,372		524,160	
Departmental Expenses	64,897	36%	106,035	32%	127,120	30%	141,325	29%	150,637	29%
Departmental Profits	**116,796**	**64%**	**220,499**	**68%**	**289,909**	**70%**	**341,047**	**71%**	**373,523**	**71%**
Undistributed Optg. Exp.	70,534	39%	103,171	32%	113,567	27%	123,206	26%	132,443	25%
GOP	**46,263**	**25%**	**117,329**	**36%**	**176,342**	**42%**	**217,842**	**45%**	**241,079**	**46%**
Management Fees	5,339	3%	10,963	3%	21,781	5%	26,303	5%	28,931	6%
Prop Tax & Insurance	3,006	2%	4,045	1%	4,106	1%	4,167	1%	4,230	1%
EBITDA	***37,917***	***21%***	***102,321***	***31%***	***150,455***	***36%***	***187,371***	***39%***	***207,918***	***40%***
Replacement Res	3,634	2%	6,531	2%	12,511	3%	14,471	3%	20,966	4%
EBITDA less Replacement Res	**34,283**	***19%***	**95,790**	***29%***	**137,945**	***33%***	**172,900**	***36%***	**186,952**	***36%***

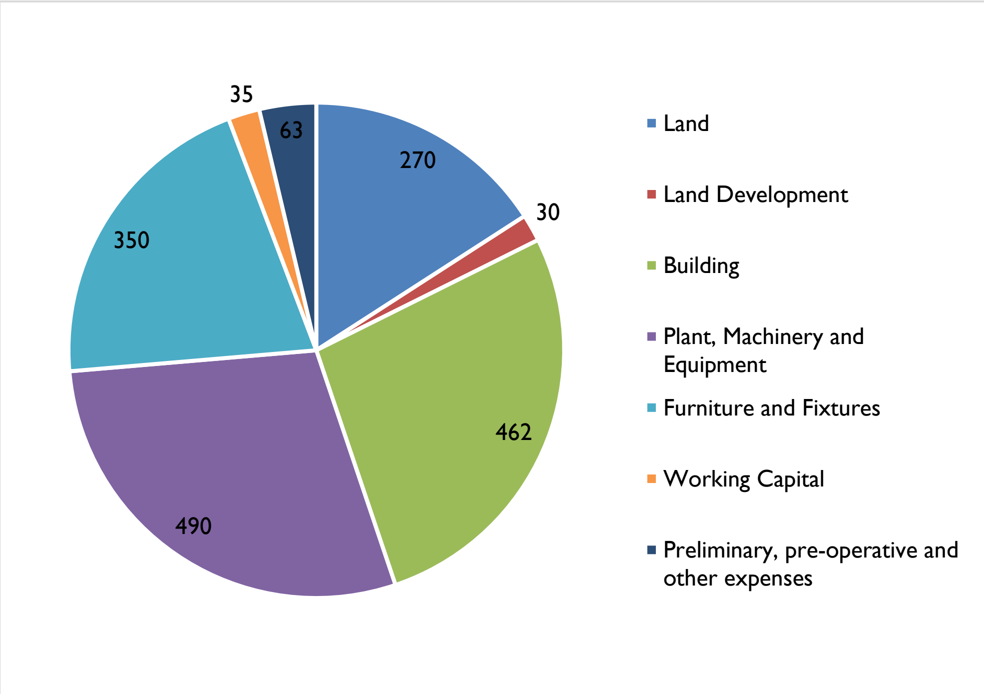
CHAPTER IX: FINANCIAL PROJECTIONS: BASES AND ASSUMPTIONS

9.1 Project Development Cost

For the purpose of this report and the financial projections contained therein, the development cost for proposed hotel is estimated at Rs. 14.8 million per key aggregating to Rs.1,700 million (including cost of land, land development and interest during construction). This is consistent with the project cost estimates for an upscale resort.

The Project cost for the hotel has been allocated between major asset heads as shown in table below, for the purpose of depreciation calculations

Asset Head	Rs. Million
Land (including land development Rs. 30 million)	300
Building	462
Plant, Machinery and Equipment	490
Furniture and Fixtures	350
Working Capital	35
Preliminary, pre-operative and other expenses	63
Total	**1,700**



9.2 Project Finance - Resort

We have assumed that the project development shall be financed through a mix of debt and equity. The means of financing adopted for our projections is summarised below:

Source	% of total	Rs. Million
Term Debt	50%	850.0
Equity	50%	850.0
Total	**100%**	**1,700.0**

Term debt is expected to carry interest at 8.5% per annum and to be repayable in 44 structured instalments starting from the quarter ending 30 June 2026. The detailed repayment schedules for the loans are summarised in the table below:

Term Loan Repayment Schedule (Rs. '000s)

Term Loan Repayment Schedule (Rs. '000s)

Year ending 31 March	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Opening Balance	850,000	850,000	845,170	806,534	729,261	632,670	536,080	439,489	342,898	246,307	149,716	53,125
Repayment Q1	0	1,207	9,659	19,318	24,148	24,148	24,148	24,148	24,148	24,148	24,148	13,281
Net at end of Q1	850,000	848,793	835,511	787,216	705,114	608,523	511,932	415,341	318,750	222,159	125,568	39,844
Repayment Q2	0	1,207	9,659	19,318	24,148	24,148	24,148	24,148	24,148	24,148	24,148	13,281
Net at end of Q2	850,000	847,585	825,852	767,898	680,966	584,375	487,784	391,193	294,602	198,011	101,420	26,562
Repayment Q3	0	1,207	9,659	19,318	24,148	24,148	24,148	24,148	24,148	24,148	24,148	13,281
Net at end of Q3	850,000	846,378	816,193	748,580	656,818	560,227	463,636	367,045	270,455	173,864	77,273	13,281
Repayment Q4	0	1,207	9,659	19,318	24,148	24,148	24,148	24,148	24,148	24,148	24,148	13,281
Net at end of year	850,000	845,170	806,534	729,261	632,670	536,080	439,489	342,898	246,307	149,716	53,125	0
Total Repayment	0	4,830	38,636	77,273	96,591	96,591	96,591	96,591	96,591	96,591	96,591	53,125
%age repaid	0.0%	0.6%	4.5%	9.1%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%	6.3%

Interest calculations in Rs. '000 relating to debt service, during the operating term are summarized below.

FY	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Q1	0	18,063	17,960	17,139	15,497	13,444	11,392	9,339	7,287	5,234	3,181	1,129
Q2	12,042	18,037	17,755	16,728	14,984	12,931	10,879	8,826	6,773	4,721	2,668	847
Q3	18,063	18,011	17,549	16,318	14,471	12,418	10,365	8,313	6,260	4,208	2,155	564
Q4	18,063	17,986	17,344	15,907	13,957	11,905	9,852	7,800	5,747	3,695	1,642	282
Total	**48,167**	**72,096**	**70,608**	**66,092**	**58,908**	**50,698**	**42,488**	**34,278**	**26,067**	**17,857**	**9,647**	**2,822**
Instalment Value	19,318											
Interest Rate	8.5%											

9.3 Debt – Service coverage ratio:

On the aforesaid basis, the debt service coverage for the term debt reflects

- Average DSCR of 1.63
- Minimum DSCR of 0.77 in the first operating period
- Maximum DSCR of 3.99 in the twelfth operating period

The DSCR calculations (in Rs. '000s) are summarized in the table below:

(Rs. in '000)

Year ended March	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	Total
Interest	48,167	72,096	70,608	66,092	58,908	50,698	42,488	34,278	26,067	17,857	9,647	2,822	499,729
Repayment	0	4,830	38,636	77,273	96,591	96,591	96,591	96,591	96,591	96,591	96,591	53,125	850,000
Total (A)	**48,167**	**76,926**	**109,244**	**143,365**	**155,499**	**147,289**	**139,079**	**130,869**	**122,658**	**114,448**	**106,238**	**55,947**	**1,349,729**
Profit After Tax	-138,960	-59,009	-15,384	24,071	45,290	59,468	75,042	75,737	73,210	96,728	114,774	145,228	496,195
Add: Depreciation	124,254	81,598	81,598	81,598	81,598	81,598	81,598	81,598	81,598	81,598	74,137	48,348	981,117
Add: Interest	48,167	72,096	70,608	66,092	58,908	50,698	42,488	34,278	26,067	17,857	9,647	2,822	499,729
Add: Replacement Reserve	3,634	6,531	12,511	14,471	20,966	21,839	22,721	23,445	24,230	25,041	25,937	26,788	228,114
Total Funds Available (B)	**37,095**	**101,215**	**149,333**	**186,232**	**206,762**	**213,603**	**221,848**	**215,057**	**205,105**	**221,224**	**224,495**	**223,186**	**2,205,155**
Annual DSCR (B/A)	**0.77**	**1.32**	**1.37**	**1.30**	**1.33**	**1.45**	**1.60**	**1.64**	**1.67**	**1.93**	**2.11**	**3.99**	
Average DSCR	***1.63***												

9.4 Depreciation

For the purpose of the financial statements attached, we have assumed depreciation to be provided in the books at the following rates, under the straight line method.

For taxation purposes, the depreciation allowance is calculated at the ruling depreciation rates permissible for taxation purposes.

Asset	Books Depreciation	Depreciation Rate – Income tax
Building	1.63%	10%
Plant, Machinery and Equipment	8.33%	15%
Furniture and Fixtures	9.50%	10%
Pre-operative expenses	100% i.e. written off on opening the hotel	10%

The depreciation rates assumed for assets other than building are higher than rates prescribed under the Companies Act, in order to reflect the effective used life of the assets. Accordingly, plant and machinery is depreciated over 12 years, furniture and fixtures over 9 years and vehicles over 5 years.

9.5 Income Tax

Income tax projections have been made after adjusting the book profits for the difference between the tax depreciation and the book depreciation, calculated on the basis aforesaid. The calculations also assume renovation and replacement spends to occur from the replacement reserve; such spends will typically start occurring from the seventh operating year and will have no impact on the cash flows since the requisite amounts will be drawn from the replacement reserve created each year.

9.6 Working Capital

The parameters adopted for estimation of working capital are:

Item	Parameter (number of months)
F&B Inventory	**2**
Operating Supplies Inventory	**2**
Receivables	**1**
Payroll	**1**
Energy and Insurance	**0.5**
Maintenance costs	**4**
Advances – other expenses	**1**
Vendor credit for procurement	**1**
Credit for other expenses	**0.5**

Working capital estimates are summarised in Annexure III.

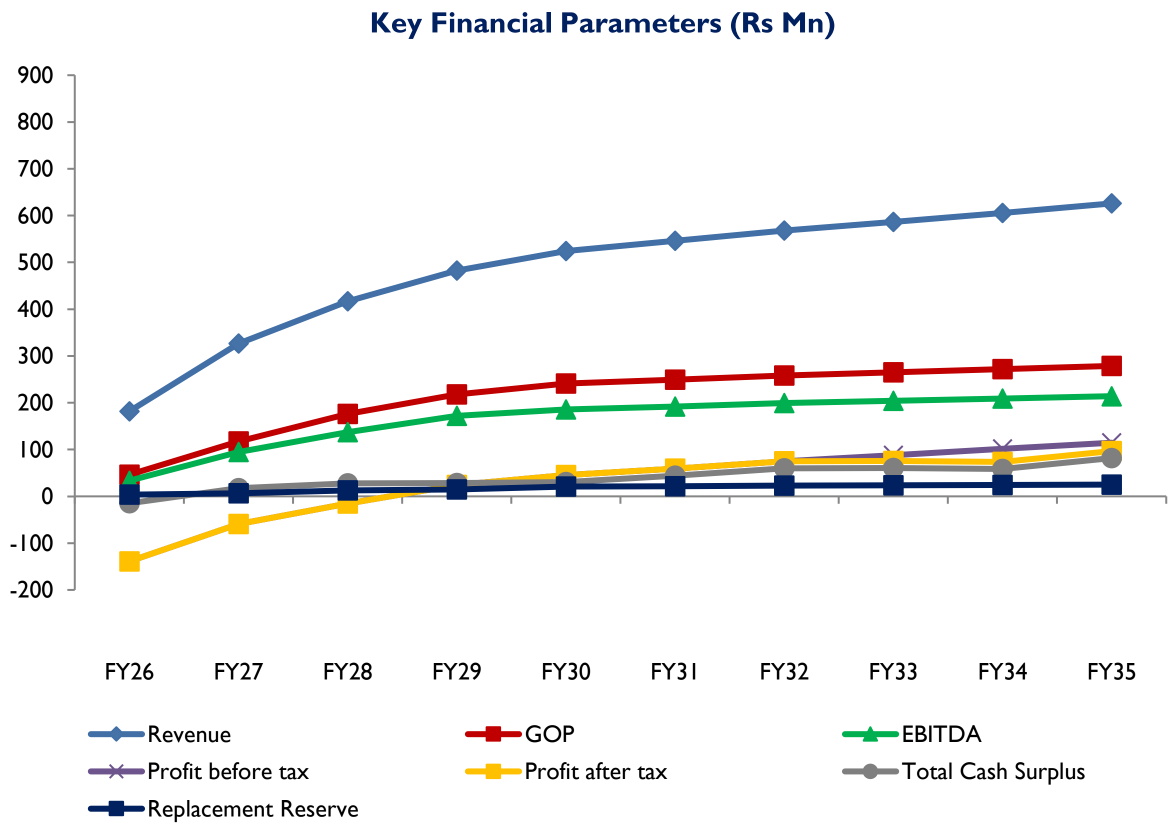
9.7 Projected Balance Sheet and Cash Flow statement are attached as Annexure IV.

9.8 Principal Financial Parameters

The principal financial results and parameters pertaining to the hotel are summarised below:

Item	Profile	Rs. '000s
Total Operating Revenue	11.75 years	6,182
Total GOP	11.75 years	2,702
Total EBITDA	11.75 years	2,093
Total Profit before Tax	11.75 years	759
Total Profit after Tax	11.75 years	608
Replacement Reserve	11.75 years	228
Cumulative Cash Surplus	11.75 years	499
Project Cost	11.75 years	1,700
Equity IRR - 5 years post tax		16.6%
Project IRR – 5 years		14.0%
Terminal Value of Hotel	end Yr. 5	2,898
Equity Value	end Yr. 5	2,324

Value appreciation - Hotel	end Yr. 5	170%
Value appreciation - Equity	end Yr. 5	273%
DSCR	11.75 years	1.63
Cash break-even point		38.2%
Operating break-even point		33.1%
Payback period – project level		10.1 years
Payback period – equity level		11.7 years



Annexure I – Hotel Descriptions

Mayfair Heritage

Located close to Puri beach, Mayfair Heritage is a 34 keys hotel with four categories of rooms: Deluxe category (265 sft), Cottages (370 sft), Deluxe suites (680 sft) and Family suite (816 sft).

The hotel has three F&B outlets comprising of two restaurants and a bar. Two states restaurants is popular amongst tourists and it offers menu with Odia and Bengali dishes with Thali option. The Verandha, a multi-cuisine restaurant that offers special sea food menu. In terms of banqueting facility hotel has a boardroom with a capacity of 15 pax and Mayfair Hall with capacity of 70 pax. It also has an open lawn that is utilised for open air events, mostly beach side weddings and can accommodate approximate 2000 pax.

Mayfair Waves

Mayfair Waves is adjacent to Mayfair Heritage and is separated by a narrow road (which leads to the beach). It has a total of 34 rooms with two categories – Premium rooms and Premium suites. Premium suites are beach facing with two bedrooms and a balcony. The rooms are fairly spacious with a size of about 450 sft excluding the balcony.

Samudra, a multi-cuisine restaurant at the hotel, with signature sea food dishes. The Shack is the bar, located by the pool and overlooks the beach. Mayfair Waves has three banqueting venues, Konark Hall is a small meeting space with capacity of 30 pax, Chilka Hall with capacity for approximate 240 pax and Pool side is also offered for social events.

Amongst other facilities offered at the hotel are Mayfair SPA, steam room and a adjoining fitness centre. Mayfair Heritage and Waves are popular and has a sizeable wedding and related demand. For all practical purpose they operate as a single hotel – for example: Breakfast is served in Mayfair waves for guests of both hotels.

The Hans Coco Palms

It is one of the older properties in in Puri. Located close to New Marine Drive road, this hotel has total of 33 rooms under Deluxe category. Over the years, the rooms have worn out and is in need for a facelift. Ocean café is the multi-cuisine restaurant, offering variety in sea food and barbeque dishes and Ocean Bar offers beverages along with finger food at the outlet are popular F&B options. Hotel has one boardroom with conferencing facilities for meetings, gathering and seminar purpose. Lawns and pool side hosts a good number of weddings and social events. The resort is located approximately 500m from the proposed resort.

Proposed Hyatt Regency, Puri, MGM Group

Profit & Loss Projections

Opening Date	**1-Jul-25**									**(Rs. in '000)**		
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Year ending 31 March	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
No. of days	**274**	**365**	**366**	**365**	**365**	**365**	**366**	**365**	**365**	**365**	**366**	**365**
No. of Rooms	115	115	115	115	115	115	115	115	115	115	115	115
Rooms Sold	12,363	20,887	24,589	26,741	27,564	27,564	27,640	27,564	27,564	27,564	27,640	27,564
Occupancy	39.2%	49.8%	58.4%	63.7%	65.7%	65.7%	65.7%	65.7%	65.7%	65.7%	65.7%	65.7%
Average Daily Rate (Rs.)	8,224	8,540	8,989	9,463	10,091	10,595	11,019	11,350	11,690	12,041	12,402	12,774
ADR growth		*3.8%*	*5.3%*	*5.3%*	*6.6%*	*5.0%*	*4.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Rooms RevPAR (Rs.)	3,227	4,250	5,251	6,029	6,626	6,958	7,236	7,453	7,677	7,907	8,144	8,389
RevPAR growth		*31.7%*	*23.6%*	*14.8%*	*9.9%*	*5.0%*	*4.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*
TOTAL REVENUE	**181,693**	**326,534**	**417,029**	**482,372**	**524,160**	**545,985**	**568,020**	**586,125**	**605,745**	**626,035**	**648,426**	**669,693**
ROOMS REVENUE	101,675	178,382	221,033	253,050	278,146	292,053	304,568	312,848	322,233	331,900	342,794	352,113
ROOMS EXPENSES	10,508	18,286	22,389	25,322	27,146	28,232	29,441	30,535	31,757	33,027	34,442	35,722
% of Rooms Revenue	*10.3%*	*10.3%*	*10.1%*	*10.0%*	*9.8%*	*9.7%*	*9.7%*	*9.8%*	*9.9%*	*10.0%*	*10.0%*	*10.1%*
ROOMS PAYROLL	10,656	15,131	16,441	17,216	18,077	18,980	19,984	20,926	21,972	23,071	24,291	25,436
% of Rooms Revenue	*10.5%*	*8.5%*	*7.4%*	*6.8%*	*6.5%*	*6.5%*	*6.6%*	*6.7%*	*6.8%*	*7.0%*	*7.1%*	*7.2%*
TOTAL ROOMS EXPENSES	21,164	33,418	38,830	42,538	45,223	47,212	49,426	51,461	53,729	56,098	58,733	61,158
ROOMS PROFIT	**80,511**	**144,965**	**182,203**	**210,512**	**232,924**	**244,841**	**255,142**	**261,386**	**268,504**	**275,802**	**284,060**	**290,955**
% of Rooms Revenue	*79.2%*	*81.3%*	*82.4%*	*83.2%*	*83.7%*	*83.8%*	*83.8%*	*83.6%*	*83.3%*	*83.1%*	*82.9%*	*82.6%*
FOOD & BEVERAGE REVENUE	74,829	136,543	178,798	208,751	223,959	230,986	239,572	248,454	257,685	267,264	277,955	289,073
Outlets	43,425	72,348	82,780	91,932	97,996	99,984	103,330	106,763	110,326	114,011	118,571	123,314
Banquets	31,404	64,195	96,018	116,820	125,963	131,002	136,242	141,692	147,359	153,254	159,384	165,759
F & B COST	18,513	32,210	40,511	46,596	49,971	51,507	53,410	55,378	57,424	59,546	61,928	64,405
% of F&B Revenue	*24.7%*	*23.6%*	*22.7%*	*22.3%*	*22.3%*	*22.3%*	*22.3%*	*22.3%*	*22.3%*	*22.3%*	*22.3%*	*22.3%*
F & B EXPENSES	8,231	14,378	18,294	20,291	21,766	22,444	23,276	24,137	25,032	25,960	26,999	28,079
% of F&B Revenue	*11.0%*	*10.5%*	*10.2%*	*9.7%*	*9.7%*	*9.7%*	*9.7%*	*9.7%*	*9.7%*	*9.7%*	*9.7%*	*9.7%*
F & B PAYROLL	13,320	18,914	20,551	21,520	22,596	23,726	24,980	26,157	27,465	28,839	30,364	31,795
% of F&B Revenue	*17.8%*	*13.9%*	*11.5%*	*10.3%*	*10.1%*	*10.3%*	*10.4%*	*10.5%*	*10.7%*	*10.8%*	*10.9%*	*11.0%*
TOTAL F & B EXPENSES	40,065	65,502	79,356	88,407	94,333	97,676	101,666	105,673	109,921	114,345	119,290	124,278
FOOD & BEVERAGE PROFITS	**34,764**	**71,041**	**99,442**	**120,345**	**129,626**	**133,310**	**137,906**	**142,782**	**147,765**	**152,920**	**158,665**	**164,795**
% of F&B Revenue	*46.5%*	*52.0%*	*55.6%*	*57.6%*	*57.9%*	*57.7%*	*57.6%*	*57.5%*	*57.3%*	*57.2%*	*57.1%*	*57.0%*

Opening Date	1-Jul-25									(Rs. in '000)		
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Year ending 31 March	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
No. of days	**274**	**365**	**366**	**365**	**365**	**365**	**366**	**365**	**365**	**365**	**366**	**365**
OTHER OPERATED DEPT REVENUE	5,189	11,609	17,198	20,571	22,054	22,946	23,881	24,823	25,826	26,871	27,677	28,508
OTHER OPTD. DEPT. EXPENSES	2,335	5,224	6,879	8,228	8,822	9,178	9,552	9,929	10,331	10,748	11,071	11,403
% of Other Optd. Dept. Revenue	*45.0%*	*45.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*
OTHER OPTD. DEPT. PAYROLL	1,332	1,891	2,055	2,152	2,260	2,373	2,498	2,616	2,747	2,884	3,036	3,179
% of Other Optd. Dept. Revenue	*25.7%*	*16.3%*	*11.9%*	*10.5%*	*10.2%*	*10.3%*	*10.5%*	*10.5%*	*10.6%*	*10.7%*	*11.0%*	*11.2%*
TOTAL OTHER OPTD. DEPT. EXP	3,667	7,115	8,934	10,380	11,081	11,551	12,050	12,545	13,077	13,632	14,107	14,582
OTHER OPTD DEPT PROFITS	**1,522**	**4,494**	**8,264**	**10,190**	**10,973**	**11,395**	**11,830**	**12,278**	**12,749**	**13,239**	**13,570**	**13,925**
% of Other Optd. Dept Revenue	*29.3%*	*38.7%*	*48.1%*	*49.5%*	*49.8%*	*49.7%*	*49.5%*	*49.5%*	*49.4%*	*49.3%*	*49.0%*	*48.8%*
GROSS OPERATING INCOME	**116,796**	**220,499**	**289,909**	**341,047**	**373,523**	**389,546**	**404,878**	**416,446**	**429,018**	**441,960**	**456,296**	**469,675**
% OF TOTAL REVENUE	*64.3%*	*67.5%*	*69.5%*	*70.7%*	*71.3%*	*71.3%*	*71.3%*	*71.1%*	*70.8%*	*70.6%*	*70.4%*	*70.1%*
UNDISTRIBUTED EXPENSES												
A&G	17,513	24,454	26,053	27,158	28,388	29,674	31,104	32,426	33,897	35,436	37,148	38,730
% of Total Revenue	*9.6%*	*7.5%*	*6.2%*	*5.6%*	*5.4%*	*5.4%*	*5.5%*	*5.5%*	*5.6%*	*5.7%*	*5.7%*	*5.8%*
INFORMATION & TELECOM SYS	3,897	5,230	5,482	5,693	5,928	6,095	6,284	6,444	6,627	6,816	7,029	7,211
% of Total Revenue	*2.1%*	*1.6%*	*1.3%*	*1.2%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*
UTILITIES	20,719	28,566	29,994	31,794	33,384	34,719	36,108	37,552	39,054	40,616	42,241	43,931
% of Total Revenue	*11.4%*	*8.7%*	*7.2%*	*6.6%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.4%*	*6.5%*	*6.5%*	*6.6%*
PROPERTY OPS. & MAINTENANCE	7,953	15,425	20,081	24,774	29,252	33,269	34,790	35,967	37,329	38,746	40,392	41,794
% of Total Revenue	*4.4%*	*4.7%*	*4.8%*	*5.1%*	*5.6%*	*6.1%*	*6.1%*	*6.1%*	*6.2%*	*6.2%*	*6.2%*	*6.2%*
ADVT. & SALES PROMOTION	13,517	18,895	20,008	20,827	21,739	22,556	23,471	24,292	25,213	26,170	27,241	28,204
% of Total Revenue	*7.4%*	*5.8%*	*4.8%*	*4.3%*	*4.1%*	*4.1%*	*4.1%*	*4.1%*	*4.2%*	*4.2%*	*4.2%*	*4.2%*
SYSTEMS COSTS	6,935	10,600	11,948	12,961	13,754	14,194	14,590	14,852	15,148	15,454	15,799	16,093
% of Total Revenue	*3.8%*	*3.2%*	*2.9%*	*2.7%*	*2.6%*	*2.6%*	*2.6%*	*2.5%*	*2.5%*	*2.5%*	*2.4%*	*2.4%*
TOTAL UNDISTRIBUTED EXPS	**70,534**	**103,171**	**113,567**	**123,206**	**132,443**	**140,507**	**146,347**	**151,532**	**157,269**	**163,238**	**169,850**	**175,962**
% OF TOTAL REVENUE	*38.8%*	*31.6%*	*27.2%*	*25.5%*	*25.3%*	*25.7%*	*25.8%*	*25.9%*	*26.0%*	*26.1%*	*26.2%*	*26.3%*

Opening Date	1-Jul-25									(Rs. in '000)		
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Year ending 31 March	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
No. of days	**274**	**365**	**366**	**365**	**365**	**365**	**366**	**365**	**365**	**365**	**366**	**365**
GROSS OPERATING PROFIT	**46,263**	**117,329**	**176,342**	**217,842**	**241,079**	**249,040**	**258,531**	**264,913**	**271,749**	**278,722**	**286,445**	**293,713**
% OF TOTAL REVENUE	*25.5%*	*35.9%*	*42.3%*	*45.2%*	*46.0%*	*45.6%*	*45.5%*	*45.2%*	*44.9%*	*44.5%*	*44.2%*	*43.9%*
MANAGEMENT FEES												
BASE MANAGEMENT FEE	3,634	6,531	8,341	9,647	10,483	10,920	11,360	11,722	12,115	12,521	12,969	13,394
% of Total Revenue	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
INCENTIVE FEES TO OPERATOR	1,705	4,432	13,440	16,656	18,448	19,050	19,774	20,255	20,771	21,296	21,878	22,426
% of AGOP	*4.0%*	*4.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*	*8.0%*
TOTAL MANAGEMENT FEES	**5,339**	**10,963**	**21,781**	**26,303**	**28,931**	**29,969**	**31,134**	**31,978**	**32,886**	**33,817**	**34,847**	**35,819**
% OF TOTAL REVENUE	*2.9%*	*3.4%*	*5.2%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.4%*	*5.4%*	*5.4%*	*5.3%*
REPLACEMENT RESERVE	3,634	6,531	12,511	14,471	20,966	21,839	22,721	23,445	24,230	25,041	25,937	26,788
% of Total Revenue	*2.0%*	*2.0%*	*3.0%*	*3.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*
INSURANCE AND TAXES	3,828	5,151	5,228	5,307	5,386	5,467	5,549	5,632	5,717	5,803	5,890	5,978
% of Total Revenue	*2.1%*	*1.6%*	*1.3%*	*1.1%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*
EBITDA	**33,461**	**94,684**	**136,822**	**171,761**	**185,796**	**191,764**	**199,127**	**203,858**	**208,917**	**214,061**	**219,772**	**225,128**
% of total revenue	*18.4%*	*29.0%*	*32.8%*	*35.6%*	*35.4%*	*35.1%*	*35.1%*	*34.8%*	*34.5%*	*34.2%*	*33.9%*	*33.6%*

Opening Date	**1-Jul-25**									**(Rs. in '000)**		
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Year ending 31 March	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
No. of days	**274**	**365**	**366**	**365**	**365**	**365**	**366**	**365**	**365**	**365**	**366**	**365**
DEPRECIATION												
BUILDINGS	5,653	7,531	7,531	7,531	7,531	7,531	7,531	7,531	7,531	7,531	7,531	7,531
P & M	30,641	40,817	40,817	40,817	40,817	40,817	40,817	40,817	40,817	40,817	40,817	40,817
F & F	24,960	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,250	25,790	0
PRE-OPERATIVE EXPENSES	63,000											
TOTAL	**124,254**	**81,598**	**81,598**	**81,598**	**81,598**	**81,598**	**81,598**	**81,598**	**81,598**	**81,598**	**74,137**	**48,348**
TERM LOAN INTEREST	48,167	72,096	70,608	66,092	58,908	50,698	42,488	34,278	26,067	17,857	9,647	2,822
PROFIT BEFORE TAX	**-138,960**	**-59,009**	**-15,384**	**24,071**	**45,290**	**59,468**	**75,042**	**87,983**	**101,252**	**114,606**	**135,988**	**173,958**
LESS: INCOME TAX	0	0	0	0	0	0	0	12,246	28,041	17,879	21,214	28,730
PROFIT AFTER TAX	**-138,960**	**-59,009**	**-15,384**	**24,071**	**45,290**	**59,468**	**75,042**	**75,737**	**73,210**	**96,728**	**114,774**	**145,228**
LESS: PRINCIPAL REPAYMENT	0	4,830	38,636	77,273	96,591	96,591	96,591	96,591	96,591	96,591	96,591	53,125
ADD: DEPRECIATION	124,254	81,598	81,598	81,598	81,598	81,598	81,598	81,598	81,598	81,598	74,137	48,348
CASH GENERATION	**-14,705**	**17,759**	**27,578**	**28,396**	**30,296**	**44,475**	**60,048**	**60,743**	**58,217**	**81,734**	**92,320**	**140,451**
CUMULATIVE CASH SURPLUS	**-14,705**	**3,053**	**30,631**	**59,027**	**89,323**	**133,798**	**193,846**	**254,589**	**312,807**	**394,541**	**486,861**	**627,312**

CASH FLOW STATEMENT **(Rs. In '000s)**

Year ending 31 March	Project	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
SOURCES OF FUNDS													
Share issue	850,000												
Secured Loans taken	850,000												
PBIT		-90,793	13,087	55,224	90,163	104,198	110,166	117,530	122,260	127,319	132,464	145,635	176,780
Replacement Reserve		3,634	6,531	12,511	14,471	20,966	0	0	0	0	0	0	0
Depreciation		124,254	81,598	81,598	81,598	81,598	81,598	81,598	81,598	81,598	81,598	74,137	48,348
Total	**1,700,000**	**37,095**	**101,215**	**149,333**	**186,232**	**206,762**	**191,764**	**199,127**	**203,858**	**208,917**	**214,061**	**219,772**	**225,128**
DISPOSITION OF FUNDS													
Capital Expenditure	1,602,000												
Increase in working capital	30,019	2,840	9,694	10,852	7,968	5,447	3,290	2,858	2,449	2,654	2,751	3,029	2,894
Preliminary Expenses	63,000												
Spend from Replacement Reserve					10,165	47,948							
Loan Repayments		0	4,830	38,636	77,273	96,591	96,591	96,591	96,591	96,591	96,591	96,591	53,125
Interest - term loans		48,167	72,096	70,608	66,092	58,908	50,698	42,488	34,278	26,067	17,857	9,647	2,822
Taxation		0	0	0	0	0	0	0	12,246	28,041	17,879	21,214	28,730
Total disposal of funds	**1,695,019**	**51,007**	**86,619**	**120,096**	**161,498**	**208,895**	**150,579**	**141,937**	**145,564**	**153,354**	**135,077**	**130,481**	**87,570**
Cash generation for the year	**0**	**-13,912**	**14,596**	**29,237**	**24,734**	**-2,133**	**41,185**	**57,190**	**58,294**	**55,563**	**78,984**	**89,291**	**137,557**
Balance Cash	**4,981**	**-8,931**	**5,665**	**34,902**	**59,636**	**57,503**	**98,689**	**155,879**	**214,173**	**269,736**	**348,720**	**438,010**	**575,568**

WORKING CAPITAL REQUIREMENTS

(Rs 000s)

Year ending 31 March	Project	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Stocks													
F & B	4,114	4,114	5,368	6,752	7,766	8,329	8,584	8,902	9,230	9,571	9,924	10,321	10,734
Operating Supplies	4,683	4,683	6,315	7,927	8,974	9,622	9,976	10,378	10,767	11,187	11,623	12,085	12,534
Total Stocks	**8,797**	**8,797**	**11,683**	**14,679**	**16,740**	**17,951**	**18,560**	**19,280**	**19,997**	**20,757**	**21,547**	**22,407**	**23,268**
Debtors	7,066	20,188	27,211	34,752	40,198	43,680	45,499	47,335	48,844	50,479	52,170	54,035	55,808
Wages and salaries	4,934	4,934	5,254	5,709	5,978	6,277	6,590	6,939	7,266	7,629	8,011	8,434	8,832
HLP, & insurance	1,364	1,364	1,405	1,468	1,546	1,615	1,674	1,736	1,799	1,865	1,934	2,005	2,080
Repairs and maintenance	1,817	1,817	2,830	4,170	5,628	6,989	8,190	8,520	8,792	9,086	9,391	9,726	10,045
Other operating needs	14,576	8,430	9,511	11,279	12,459	13,448	14,206	14,790	15,293	15,846	16,421	17,058	17,648
TOTAL CURRENT ASSETS	**38,554**	**45,530**	**57,894**	**72,057**	**82,548**	**89,960**	**94,720**	**98,600**	**101,990**	**105,663**	**109,473**	**113,666**	**117,681**
LESS: CURRENT LIABILITIES													
Trade Credits on													
F & B	2,057	2,057	2,684	3,376	3,883	4,164	4,292	4,451	4,615	4,785	4,962	5,161	5,367
Operating Supplies	2,342	2,342	3,157	3,964	4,487	4,811	4,988	5,189	5,383	5,593	5,811	6,043	6,267
Other expenses	4,136	8,272	9,500	11,313	12,805	14,164	15,330	15,993	16,575	17,214	17,878	18,612	19,303
TOTAL CURRENT LIABILITIES	**8,535**	**12,671**	**15,341**	**18,652**	**21,175**	**23,140**	**24,611**	**25,632**	**26,573**	**27,592**	**28,652**	**29,815**	**30,937**
NET WORKING CAPITAL	**30,019**	**32,859**	**42,553**	**53,405**	**61,373**	**66,820**	**70,109**	**72,967**	**75,417**	**78,071**	**80,821**	**83,851**	**86,744**
Cash required for Initial Operations	4,981												
WORKING CAP REQUIRED	**35,000**												

Balance Sheet

As at	**1-Jul-25**	**31-Mar-26**	**31-Mar-27**	**31-Mar-28**	**31-Mar-29**	**31-Mar-30**	**31-Mar-31**	**31-Mar-32**	**31-Mar-33**	**31-Mar-34**	**31-Mar-35**	**31-Mar-36**	**31-Mar-37**
Inventory	8,797	8,797	11,683	14,679	16,740	17,951	18,560	19,280	19,997	20,757	21,547	22,407	23,268
Receivables	0	20,188	27,211	34,752	40,198	43,680	45,499	47,335	48,844	50,479	52,170	54,035	55,808
Advances	1,364	8,114	9,489	11,347	13,151	14,881	16,455	17,195	17,857	18,581	19,335	20,166	20,957
Cash & Bank	33,374	-500	15,176	46,181	72,095	70,951	112,895	170,669	229,465	285,582	365,141	455,068	593,216
Other Current Assets	43,535	36,599	63,559	106,959	142,184	147,463	193,408	254,479	316,163	375,399	458,193	551,677	693,249
Relacement Reserve Bank balance							21,839	44,560	68,005	92,235	117,276	143,213	170,001
Fixed Assets Cost	1,602,000	1,602,000	1,602,000	1,602,000	1,602,000	1,602,000	1,602,000	1,602,000	1,602,000	1,602,000	1,602,000	1,602,000	1,602,000
Depreciation	0	61,254	142,852	224,449	306,047	387,644	469,242	550,840	632,437	714,035	795,632	869,770	918,117
Net Fixed Assets	1,602,000	1,540,746	1,459,148	1,377,551	1,295,953	1,214,356	1,132,758	1,051,160	969,563	887,965	806,368	732,230	683,883
Preliminary Expenses	63,000												
Total Assets	**1,708,535**	**1,577,345**	**1,522,708**	**1,484,509**	**1,438,137**	**1,361,818**	**1,348,006**	**1,350,199**	**1,353,731**	**1,355,599**	**1,381,837**	**1,427,120**	**1,547,132**
Long Term Loans	850,000	850,000	845,170	806,534	729,261	632,670	536,080	439,489	342,898	246,307	149,716	53,125	0
Current Liabilities	8,535	12,671	15,341	18,652	21,175	23,140	24,611	25,632	26,573	27,592	28,652	29,815	30,937
Share Capital	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000
Resrves and Surplus		-138,960	-197,969	-213,352	-189,282	-143,992	-84,524	-9,482	66,254	139,465	236,193	350,966	496,195
Replacement Reserve		3,634	10,165	22,675	26,982	0	21,839	44,560	68,005	92,235	117,276	143,213	170,001
Total shareholders Funds	850,000	714,674	662,196	659,323	687,701	706,008	787,316	885,078	984,260	1,081,700	1,203,469	1,344,180	1,516,196
Total Capital and Liabilities	**1,708,535**	**1,577,345**	**1,522,708**	**1,484,509**	**1,438,137**	**1,361,818**	**1,348,006**	**1,350,199**	**1,353,731**	**1,355,599**	**1,381,837**	**1,427,120**	**1,547,132**