

**November 19, 2025**

To, The Secretary, Listing Department BSE Limited P. J. Towers, Dalal Street Mumbai – 400001 <b>Scrip Code: 543591</b>	To, The Listing Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C – 1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 <b>Symbol: DREAMFOLKS</b>
--	--

**Subject: Transcript of Earnings Conference Call conducted on November 14, 2025**

Dear Sir(s)/ Madam(s),

This intimation is being provided in continuation of earlier communication regarding the Earnings Conference Call for the quarter and half year ended September 30, 2025, in compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI LODR Regulations”).

The Board of Directors of the Company at its meeting held on November 14, 2025, inter alia approved the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2025. The Company hosted Earnings Conference Call on November 14, 2025. In this connection and in compliance with Regulation 30 read with Para A of Part A of Schedule III of the SEBI LODR Regulations, we enclose herewith the transcript of the ‘Dreamfolks Services Limited Q2 FY26 Earnings Conference Call’.

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

You are hereby requested to take the above intimation on record.

Thanking you!

Yours faithfully,

**For Dreamfolks Services Limited**



**Harshit Gupta**  
**Company Secretary and Compliance Officer**

**Encl:** as above



“Dreamfolks Services Limited  
Q2 FY26 Earnings Conference Call”  
November 14, 2025

Disclaimer: E&OE. This transcript has been edited for factual errors. In case of discrepancy, the audio recording uploaded on stock exchange on 14th Nov 2025, will prevail.

**MANAGEMENT: MS. LIBERATHA KALLAT – CHAIRPERSON AND  
MANAGING DIRECTOR  
MR. BALAJI SRINIVASAN – EXECUTIVE DIRECTOR AND  
CHIEF TECHNOLOGY OFFICER  
MR. SHEKHAR SOOD – CHIEF FINANCIAL OFFICER  
MR. SANDEEP SONAWANE –CHIEF BUSINESS OFFICER**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Dreamfolks Services Limited Q2 FY26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

From the management, we have with us Ms. Liberatha Kallat, Chairperson and Managing Director; Mr. Balaji Srinivasan, Executive Director and Chief Technology Officer; Mr. Shekhar Sood, Chief Financial Officer; Mr. Sandeep Sonawane, Chief Business Officer. I now hand the conference over to Ms. Liberatha Kallat, Chairperson and Managing Director, for the opening remarks. Thank you, and over to you, ma'am.

**Liberatha Kallat:** Good evening everyone and thank you for joining us for DreamFolks Q2 & H1 FY26 earnings call. As we reflect on the second quarter of FY26, this period is defined by significant transition and resilience. We have navigated a pivotal period in our journey — one defined by strategic evolution and purposeful transformation. The quarter saw us take decisive steps to realign our business with the changing dynamics of the industry, including the thoughtful transition of a key business stream that had served us well in the past. These were not just necessary decisions, but forward-looking ones — guided by a clear vision of where the industry is headed and where DreamFolks can create the most enduring value. While the impact of these decisions would be visible in our numbers in the short-term, but the actions we have taken have strengthened our foundation and positioned DreamFolks for its next phase of growth — one that is more diversified, resilient, and in sync with the aspirations of modern travellers and experience-driven consumers.

DreamFolks' forward strategy is closely aligned with the evolving landscape of India's travel industry — one defined by rapid railway modernization, accelerated highway development, and the growing appetite for international travel and premium lifestyle experiences driven by rising disposable incomes. These transformative trends collectively create a strong demand for premium lounge access and lifestyle services across railway stations, highways, and international destinations, catering to the needs of today's discerning and globally connected travellers.

Before we dive deeper into the results for the quarter ended September 30, 2025, I am delighted to announce our recent acquisition of Ten11 Hospitality LLP, which marks a significant milestone in DreamFolks' growth journey. Having redefined travel and lifestyle hospitality in India by democratizing lounge access and serving over 11 million passengers in FY25, DreamFolks is now poised to bridge the premiumization gap that exists in railway travel. With more than 7.15 billion passengers using Indian Railways in FY 2024–25 and large-scale infrastructure upgrades underway, the railway lounge segment represents a substantial and fast-emerging growth frontier.

Through the acquisition of Ten11 Hospitality, which has a presence at key railway lounge locations such as Chennai, Mumbai, and Vadodara — with Chennai already operational and the other two set to commence soon — DreamFolks secures direct ownership and operational control over premium railway lounge infrastructure. This strategic move reinforces our

integrated travel ecosystem and accelerates long-term value creation. By vertically integrating lounge operations, we strengthen our partnerships across the value chain, enhance service reliability, and mitigate the business risks associated with third-party dependencies, while laying the groundwork for rapid expansion into additional high-traffic railway hubs across the country.

Taking about our performance in the quarter ended 30th September 2025, our revenue for the quarter stood at ₹205.5 crores, Gross Profit came in at ₹ 29.2 crores, with a margin of 14.2%, EBITDA came in at ₹ 16.1 crores, with margin of 7.8% and PAT came in at ₹ 11.2 crores at a margin of 5.5%. While our revenues experienced a decline, our Gross EBITDA and PAT margins have shown healthy year-on-year expansion. Our strong balance sheet continues to provide the financial resilience and flexibility needed to invest in technology, pursue strategic partnerships, and drive growth — both organically and through selective inorganic opportunities.

In response to these shifts, DreamFolks is executing a well-defined strategic shift built around four key pillars which are: Global Expansion, Client Diversification, Premium Lifestyle Services Addition and Technological Transformation; which will help in positioning us strongly for a long-term and sustainable growth.

Our efforts on Global expansion have also started reaping benefits. All the major lounges in the SouthEast Asia and Middle East market are now under our coverage. Our monthly Global lounge transaction volume has already more than doubled from Q1 FY26, and we expect it to grow manifold in the coming quarters. We now have 900+ Global airport touchpoints outside India.

On the client diversification side, we are focused on creating strong, recurring revenue streams with high retention. Over the past year, we have added more than 30 new enterprise clients across the fintech, travel, and lifestyle sectors. To enhance engagement and loyalty, we are offering curated bundles that include global lounge access, social club memberships, coffee-at-mall benefits, travel dining, and a range of wellness and entertainment services, enabling our partners to deliver differentiated experiences to their customers and employees.

We continue to reduce dependency on one service by scaling adjacent and innovative offerings such as Access to members-only social clubs, Golf, Railway lounges, Coffee-at-malls and Highway Dining, all designed to serve the modern traveller and urban customer beyond airport touchpoints. Our non-lounge services also continues to grow, validating our strategy of evolving from a lounge aggregator into a broader travel and lifestyle experience platform. Our premium offering, Access to members only Social club was also made live with one of the leading global bank during the quarter.

As we expand our service portfolio, we are also accelerating investments in our backbone, our tech infrastructure, ensuring our platform becomes increasingly agile, scalable, and aligned to the dynamic needs of our partners.

Our new offerings are designed to meet the rising demand for premium, everyday conveniences and lifestyle experiences. By continuously expanding our service portfolio, we are evolving the customer value proposition for our clients and their customers, from just travel-focused services

to a comprehensive travel & lifestyle-mobility ecosystem. We will soon see a huge upgrade in the benefits being offered by the credit card companies.

Moving on, during the Global Fintech Fest in October 2025, we executed a major strategic pivot, leveraging our core aggregation capabilities to expand our direct-to-consumer and digital offerings. This comprehensive initiative was headlined by three critical launches:

First, the introduction of DreamFolks Club 2.0, our premium B2C membership platform. This represents a significant shift from being purely travel-centric to becoming a holistic lifestyle platform, consolidating global lounge access with a comprehensive suite of benefits including social club memberships, golf privileges, and wellness services, significantly broadening our addressable market and driving sustainable margins.

Second, we reinforced our fintech integration strategy through a partnership with WSFx Global Pay forex card. This initiative strategically embeds our extensive lounge and travel privileges, such as Meet & Assist and airport transfers, directly into their payment ecosystem, ensuring a seamless, integrated experience for travellers using forex and travel payment solutions.

Finally, we collaborated with The Card Company to power 'Wallet α', India's first premium digital wallet on PPI rails. This pioneering product democratizes access to elite experiences—including our global airport lounge access and premium experiences across the entire consumer lifecycle.

Now coming to the industry dynamics, over the next four years, India's credit cards issuance is projected to double to approximately 200 million cards by FY2028–29, supported by a ~15% CAGR. Credit card transaction volume and value are both expected to expand by 21% and 18% respectively.

India's premium private club market is expanding rapidly, driven by rising affluent consumers seeking exclusive, high-quality lifestyle and networking experiences. The sector is projected to grow from ₹576 crore in 2024 to ₹941 crore by 2029 at a close to 18% CAGR. These clubs are evolving from recreational venues into sophisticated community hubs for socializing, business, wellness, and fine dining. With the continued growth in high-net-worth households, demand for premium membership-based lifestyle offerings is set to accelerate further.

The global lounge industry is also expected to grow significantly. Global passenger traffic is forecasted to exceed 12 billion by 2030, driven by growth in APAC & Middle East regions. The global airport lounges market is also projected to grow at 14.1% CAGR from 2025-33, fueled by business travelers, leisure passengers and airline loyalty memberships.

The already talked about railway lounge industry is expected to see a boom in the coming years due to the government's initiatives to modernize the railway network of the country as well as increasing awareness of the consumers. INR 2,400 billion capex is allocated to railways in FY25. Also, India is expected to account for 40% of global rail activity by 2050.

We intend to play key role in exploiting these industry macros and we are well positioned to take advantage of the same.

To summarize, while this quarter's financial performance reflects a period of transition, we view it as a stepping stone towards stronger, more diversified growth. The coming quarter may continue to reflect the short-term impact of recent industry disruptions affecting lounge access at select locations in India; however, we remain confident in our ability to navigate this phase effectively. Our Global Lounge business continues to scale rapidly, and with the introduction of new-age benefits on credit cards and enterprise programs, we are well-positioned to regain momentum and deliver sustainable growth in the quarters ahead.

At DreamFolks, we are not merely facilitating travel — we are reimagining how people experience movement, comfort, and lifestyle across the world. We are excited about the opportunities that lie ahead and remain deeply committed to shaping the future of premium travel and lifestyle experiences alongside our partners, clients, and investors. Thank you for being part of this journey. Over to you Sandeep.

**Sandeep Sonawane:**

Thank you, Liberatha.

As we look back at the second quarter of FY26, it stands out as a defining phase of transition and determination. This quarter has challenged us in ways few others have, as we navigated fundamental changes in our industry landscape, reassessed our operating model, and made the strategic decision to scale down a legacy revenue stream that once played a central role in our business. These choices were made thoughtfully and with conviction — shaped by a forward-looking view of market evolution and a clear understanding of where our competitive strengths will deliver lasting advantage.

DreamFolks was inceptioned with the vision of redefining travel services, and over the years, we have successfully established ourselves as industry leaders. Today, the company has evolved into a comprehensive travel and lifestyle benefits platform, continually broadening the portfolio of services. Our strong and long-standing client relationships continue to be one of our biggest assets. We are further strengthening these partnerships by working closely with our clients to jointly develop new CVP models that go beyond conventional airport offerings.

We have also recently launched our revamped Club Memberships. It is a step in manifesting our founding belief to make premium travel and lifestyle experiences accessible to all aspirants. We are now extending premium travel and lifestyle benefits like Access to members-only clubs, Golf, Railway Lounge, Global Lounge, Beauty & Grooming, Healthcare, etc. to a wider range of customers.

During the second quarter, one of our premium offering, Access to members only social clubs has been made available to one of the global bank's premium customers. We continued to build a strong and expansive network. Our global footprint also expanded, now offering access to over 900 global airport touchpoints worldwide ensuring seamless travel experiences for our customers wherever they go. Geographical expansion continues to be a core strategic pillar for

us. Within India, we are deepening our footprint across emerging cities and travel hubs, benefiting from rapid infrastructure development and increasing aspirational travel. Internationally, we now enable access in 100+ countries through 3,000+ touchpoints, spanning lounges, wellness experiences, golf access, meet & assist and other premium services. This broad network not only enhances our customer reach but also strengthens business resilience, allowing us to diversify demand across markets and platforms.

In lifestyle access services, our golf portfolio showed strong momentum. We added 200 new touchpoints, expanding our global network to 850+ clubs and increasing our Indian presence to 73 clubs. Our new premium services like Coffee at Malls where more than 100 outlets have gone live in the second quarter and Access to 3000+ members only social clubs are also becoming increasingly popular.

In summary, the four pillars which are Global Expansion, Client Diversification, Premium Lifestyle Services Addition and Technological Transformation form the foundation of our forward strategy. They reduce category dependence and open up pathways for sustainable, high margin growth.

Q2 FY26 has been a quarter where we have made a paradigm shift in our business strategy and our approach going forward. As we continue to execute with clarity and discipline, we remain confident in the strength of our platform, the depth of our partnerships, and the direction we're heading to. Over to you, Balaji.

**Balaji Srinivasan:**

Thank you, Sandeep.

I'm pleased to share how our strategic investments in technology and innovation are driving tangible results - enhancing client solutioning, end-consumer experience, and optimizing operational performance, and reinforcing our position as a trusted partner across multiple industries.

We are at an inflection point in our technological evolution. Our strategic transformation is built on a modern, cloud-based platform that enables rapid solutioning and fast-go-live for our clients. Critically, we are integrating AI and machine learning models into our technology framework, unlocking new capabilities in personalization, analytics, and automated operational processing. The recent updates has elevated our platform from a purely benefit aggregation tech, to a Consumer Value Proposition designer, allowing our clients to leverage it as a strategic differentiator - delivering specific, intuitive, and personalized experiences for our clients' increasingly digital-first customers. The adaptability of our in-house technology positions us for sustainable growth as we expand our client and service base into new verticals and geographies.

A particularly powerful capability is our ML-driven intelligent orchestration system, which gives our clients unprecedented flexibility in personalized service selection, pricing, and consumption. This technology leverages the tools to enable dynamic selection and combination of both traditional and next-generation services, allowing clients to target and configure solutions for specific consumer cohorts, that align precisely with their objectives, preferences, and budget parameters.

This strategy leverages our fundamental competitive advantage: our platform that is already class-leading with technologies like cohort-based benefits, spend-based models, usage-based models, fungibility of benefits, benefit aggregation etc., and which is already integrated into client ecosystems.

Now I will hand over to Shekhar for an update on the financials for the quarter ended on 30th September 2025. Over to you, Shekhar.

**Shekhar Sood:**

Thank you, Bala, and a very good evening to everyone. I will begin by giving you the Q2 FY '26 highlights first. The company reported a revenue of INR205.5 crores compared to INR316.9 crores in Q2 FY '25. Gross profit stood at INR29.2 crores in Q2 FY '26 as compared to INR39.2 crores in Q2 FY '25. Gross profit margin was at 14.2% in Q2 FY '26 compared to 12.4% in Q2 FY '25. Adjusted EBITDA was at INR15.6 crores compared to INR25.4 crores in the same quarter of the last year. Adjusted EBITDA margin was at 7.6% as against 8.0% in Q2 FY '25. Profit after tax was at INR11.2 crores as compared to INR16 crores in the same quarter of the last year. PAT margin is at 5.5% in Q2 FY '26 from 5.1% in Q2 FY '25.

We continue to have a strong balance sheet with our net worth currently at INR333.1 crores, up by 25.8% compared to the same time last year. Our cash and cash equivalent balance as at quarter end stood at INR141 crores.

Now moving to highlights for the H1 FY '26. The company reported a revenue of INR554.5 crores against INR637.7 crores last year. Gross profit for H1 FY '26 was at INR75.8 crores from INR76.8 crores in H1 FY '25. Gross Profit margin was 13.7% in H1 FY '26 versus 12% in H1 FY '25. Adjusted EBITDA for the H1 FY '26 was at INR46.1 crores as against INR51.1 crores in the same quarter last year. Adjusted EBITDA margin was at 8.3% in H1 FY '26 as compared to 8% in H1 FY '25. PAT stood at INR32.5 crores in H1 FY '26 and INR33.2 crores in H1 FY '25. PAT margin in H1 FY '26 was at 5.9% versus 5.2% in H1 FY '25. The diluted earnings per share for H1 '26 stood at INR6.

Our commitment to delivering sustainable growth remains strong, supported by key factors: a robust financial history and an agile tech platform. These trends, combined with strategic initiatives, promise a reliable long-term revenue stream. Now with that, I would like to close my remarks, and we are happy to open the floor for questions.

**Moderator:**

Thank you very much. We will now begin with the question and answer session. Our first question comes from the line of Ashish Bahety an investor. Please go ahead.

**Ashish Bahety:**

I have two questions here. First of all, I want to congratulate the team who is working very hard in this difficult time you have gone through over the last H1, and you are trying your best. So that's good. One observation was our employee cost as compared to last quarter of the same period, it has slightly came down.

Are we doing any specific changes there to reduce the employee cost or it is because of these changes in the -- I mean, segment we are doing? Second question is our cash and bank balance have gone down almost by, INR90 million, put together cash and bank balance. overall cash



flow also in working capital almost about INR41 crores as invested into operation. So I want to ask about the reason for this two?

**Shekhar Sood:**

Okay. So for the employee cost, if you see like majorly, there is a reversal for the ESOP cost for the employees who had left. And so that's a major thing that is there. Otherwise, there is no headcount is leaving or something like this that has happening. Mostly the things are in control, and this is what we see. Employees are fully confident on Dreamfolks.

Regarding your second point, which you are asking for cash and cash equivalents. So here, you have to see the cash and cash equivalents in complete, including the investment. So on the investment front, so there are investment that we have done in the debt mutual fund.

So that is there. And coming to another question, which was regarding payment of the creditors. So yes, so as per the MSME Act, we have to release our payments to the vendors. So all the small vendors and other vendors, they were made payment as per the schedule. So that's why you see that there is a payment happening on the creditors front.

However, on the trade receivable front, we are yet to receive our funds. So in the 30 days or like in the similar time period, we will be getting the inflows. So that's why you would see that even compared to last quarter, in total, when you will see all these cash and cash equivalents, including with the investments, then the fund flow has actually increased.

So now it stands at nearly INR141 crores as compared to last quarter, it was only INR48 crores. And we will see this trend happening because if you would have analyzed our balance sheet more deeply, our current liabilities have reduced quite a lot, whereas our receivables, so we will just be now collecting the money and then our cash flow will keep on increasing. And if you would have seen our net worth also, so it stands at INR333 Cr in console numbers. So we are about to reach to that balance even in fund flow.

**Ashish Bahety:**

Okay. That is helpful. And just one more suggestion. On Page 13 of Investor Relationship (Presentation), the India's map, the POK is not shown as a part of India. So please take care going forward. That's it. Thank you.

**Moderator:**

Thank you. Our next question comes from the line of Nilesh Doshi from Prospero Tree Asset Management.

**Nilesh Doshi:**

First of all, I would like to say best luck to the team of Dreamfolks for their success in the company's transformation. It happens in the business. So I like your courage and transformation process. I would like to know what percentage of revenue in the quarter 2 is from the airport lounge access, number one.

Number two, do we have still any contract live with the domestic airport lounges or we are completely exited from that business? That is my first question. And second, are we shifting our asset-light model to asset-based model because just recently, we have acquired some stake in the company which (operates) railway lounge. That's two questions from my side?

**Liberatha Kallat:** So the majority of the business or the revenue is from the India airports in Q2. So that is to respond to your first question. Your second question in terms of the continuation of the business in airports in India domestic lounges. So I would say that you would have actually seen and we actually communicated to you that, yes, the domestic program is discontinued. However, our contracts with all our bank partners are still live.

And that's the only reason what we were mentioning about initiating or starting the new services, what we were speaking about. And you will start seeing that in a couple of months, these programs will also go live. In terms of our lounge business, the global lounges are growing. And yes, our same clients which were working for our domestic lounge are also migrating and working with us closely for the global lounges as well.

To your question about the business, which is an asset-light and now we are moving to a different business (model). So to talk about this, I would say that, yes, as a company, we have actually taken this move, one, because we have also learned one of the biggest things in terms of the risk to the business because the dependency on the operator was huge.

Secondly, right now, in terms of investment into railways would not be as heavy what it would be at the airport lounges. So that is also one of the things we thought that, okay, and it is the right time right now because it is at a very initial stage in terms of privatization, in terms of getting the infrastructure changes at the railways. So at a minimal cost, I think we are entering at this point. And I think this will actually secure and we would be risk-free in the business what we are getting into.

**Nilesh Doshi:** So can we expect the same run rate of quarter 2 in the coming quarter or will it be much less than the INR205 crores?

**Liberatha Kallat:** It would be much lesser because as I told you that the majority of the volume in Q2 is from domestic airport lounges. So of course, the Q3 will not have these numbers. It would (say) the top line will drop.

**Nilesh Doshi:** All the best from my side and be confident, definitely, we will rise again.

**Liberatha Kallat:** Thank you so much.

**Moderator:** Our next question comes from the line of Mehul Panjuani from 40Cents.

**Mehul Panjuani:** I would like to understand what kind of investments we have made in the railway segment because I'm not aware? I am audible?

**Shekhar Sood:** Yes. So we have done investment of INR11.46 crores.

**Mehul Panjuani:** Okay. And what have we invested?

**Shekhar Sood:** Yes, so we have acquired a stake of 50.01% with the effective control there.

**Mehul Panjuani:** I'm still not clear what asset have we purchased?

- Liberatha Kallat:** So if you actually look at the lounges, these are taken on lease. So it is in the same model the way the airport lounges are. So the airport actually gives on lease for 9 to 12 years. Similarly, it's the same process at the railways. The railways is giving it to the operator on lease for (period) starting from 5 years to 7 to 9 years onwards. And that property on lease is then given to the operator. The operator actually builds the lounge and then also -- I mean, takes care of the operations as well. So the whole and sole business at that place during the lease period would be with that operator.
- Mehul Panjuani:** Sorry, I'm not able to hear you very well.
- Liberatha Kallat:** Sorry, you were asking something.
- Mehul Panjuani:** Yes, I was just trying to clarify, ma'am. So in this case, when you said the operator for the railway sector, are we the operator or I mean, what is our goal?
- Liberatha Kallat:** Yes. So Ten 11 is the operator, which company where we have actually done the acquisition. So yes, now we become the operator.
- Mehul Panjuani:** Okay. How much stake have we bought in Ten 11?
- Liberatha Kallat:** It is 50.01%.
- Mehul Panjuani:** 50.01%. Okay. what kind of access does it give? We present in which cities in the railways?
- Liberatha Kallat:** So presently, it is in Chennai, Mumbai and Vadodora. So Chennai is an operational lounge. Mumbai should be operational in the next 10 to 15 days and Vadodora in, I would say, in a couple of months.
- Mehul Panjuani:** Okay. And ma'am, so if I understand correctly, so the same banks will be having their clients coming here to these lounges, and we would be serving these clients, right? Is that correct?
- Liberatha Kallat:** Yes. So it is not just going to be limited to the card holders only. There would be walk-ins and there were other programs as well. So yes, it would be in the similar lines the way the bank program is. which we were already running it from past 5 years. So if you actually see railways was also part of our lounge program.
- Mehul Panjuani:** How long we have been in the railway lounges?
- Liberatha Kallat:** So we were running this for almost 5 years now.
- Mehul Panjuani:** Okay. And it was at Chennai?
- Liberatha Kallat:** No. So there are a total of 12 railway lounges where we had partnered. But now this company where we have done the acquisition, they own and operate the lounges in 3 locations. So Chennai is the one which is operational presently, yes.
- Nilesh Doshi:** So does it mean now we have access to 15 lounges railways?

- Liberatha Kallat:** We already have access to 15 lounges. Now the 3 would be owned by us.
- Mehul Panjuani:** Right. Okay. And how many lounges are there in the global airport sector?
- Liberatha Kallat:** So now we have around 900-plus touch points globally.
- Mehul Panjuani:** Okay. And what was our revenue in Q2, what is our revenue percentage from the global airport sector?
- Liberatha Kallat:** So in Q2, it was around 13%.
- Mehul Panjuani:** 13%. And the remaining was more or less from the domestic lounges?
- Liberatha Kallat:** Yes, yes.
- Moderator:** Our next question comes from the line of Deepesh from Maanya Finance.
- Deepesh:** Okay. Where is this -- so you're going to open a new one in the Mumbai railway station, which railway stations are we looking at? Or we are looking at multiple railway stations of Mumbai?
- Liberatha Kallat:** This is at Mumbai Central.
- Deepesh:** Mumbai Central. Okay. And going ahead, what guidance would you like to give to the shareholders? Is most of the pain out of the system? Or do you still see some going forward in the few quarters?
- Sandeep Sonawane:** So I think it was already answered. It was -- if you were to look at the results of Q2, the entire impact is not seen because as mentioned by the Liberatha the lounges were operational for most of the quarters. In the coming quarters, yes, it will have the impact.
- Deepesh:** And the new businesses, how much revenues do you see going forward as not right now, maybe in FY '27, FY '28?
- Sandeep Sonawane:** See, I'll give you an example of, say, a country like China or Russia, where the ecosystem across the railways is really developed. I mean China alone offers close to 600, 700 lounges, railway lounges that I'm talking about. Similarly, in a vast network, I mean, rail network of Russia, again, Russia also has similar kind of lounges.
- With the kind of focus that the Prime Minister is given to the infrastructure development, beautification of the railways. We see a bright future, and that is why we thought that it is the right time to enter into this market. While currently, it is only 12 to 14 lounges. I think in the coming months with the push by the government, we feel that it is very, very exciting space. It is going to be a very, very exciting space.
- And yes, it will take time. I mean you also saw the lounge, Airport lounge also took so many years. So we feel that it will be faster, much, much faster than what airport became -- airport lounge became very, very akin to every individual. I think this will also become plus Vande

Bharat trains overall infrastructure. I think we are excited, and that's why we invested in this company.

**Deepesh:** Any entry barriers do you think this will be presented to future competition? And what will be our moat in terms of railway business?

**Balaji Srinivasan:** Yes. So what we are doing is what Liberatha mentioned earlier. Now instead of doing the aggregation only, we're also getting into the services space, which is why we have invested in a company like Ten11 Hospitality

**Moderator:** Our next question comes from the line of Tanmoy Roy an Investor. Please go ahead.

**Tanmoy Roy:** I am audible?

**Moderator:** Yes Tanmoy sir you are audible. Please proceed with your question.

**Tanmoy Roy:** So first I wanted to ask regarding what was mentioned to earlier participant that the full impact is supposed to come in the next quarter. So assuming now this quarter, we have 13% around from the international lounge business. So basically, out of INR200 crores revenue which you have, so INR26 crores would be revenue from the other streams. So is it safe to assume that next quarter or a few quarters, this INR160-170 crores of revenue will be completely null?

**Sandeep Sonawane:** See, we do not want to answer that way. But I'll tell you in terms of guidance that, yes, the India Airport lounge will have significant impact in the coming quarters till such time that we actually compensate or overcompensate by the new business, which is the global lounge business.

So global lounge business, I think we have already given in terms of the growth. We have already doubled in the Q2, the revenue that used to come from global lounges versus Q1 has already doubled. We foresee that these will -- this revenue will multiply many folds in every single quarter, and you will hear from us. So I do not want to really forecast in terms of how much that is going to be in terms of absolute number. But to answer your question, yes, the impact of India Lounge is not fully seen in Q2. It will be seen in Q3 and maybe Q4 as well.

**Tanmoy Roy:** So when do you see like the revenue at least flattening, not decreasing? That's what I'm just trying to understand. I mean we can understand that impact will be in the next two quarters, but I mean, next 4 quarters or 5 quarters, maybe you have some internal this thing. if you like to share, it's fine. I mean when do you see it flattening the curve?

**Liberatha Kallat:** So see, it is just the beginning right now in terms of the other services and the new thing what we are starting, which is into railways. So I would say it would take some time. So it would -- it is too early for me to actually give you this guidance. But for sure, in next quarter, we will try and give you some guidance because we'll have some clarity. But right now, I think it's too early for me to give any clarity on this.

**Tanmoy Roy:** Sure, ma'am. I absolutely understand that. So second one, this thing is like now we are investing into asset heavy model like railways. So our IndAS expenses also will go up eventually, right,

from next few quarters, the moment you start accelerating on the railway launches because we are leasing more than 3 years.

- Shekhar Sood:** Sorry, can you please repeat your question?
- Tanmoy Roy:** So now we are investing into the railway lounges, right, which are like asset heavy, like we are leasing for more than 3 years. So pre-IndAS also will go up, right, expenses?
- Shekhar Sood:** Yes. So investment, yes, there will be the investment that we will be making. But considering the future of this business, we foresee that we will be able to get the return of investment quite quickly from these.
- Tanmoy Roy:** That's fine. I'm not saying that you may get it, but that expenses as IndAS expenses also will go up, right, in terms of the depreciation and then interest.
- Shekhar Sood:** Yes, for sure.
- Tanmoy Roy:** Okay. Those things also will go up, right? Okay. Just one more last question that our employee expenses, so what is the current attrition ratio?
- Balaji Srinivasan:** Attrition, there is no change in the normal number. It is exactly like last year. So there is no special cause of attrition right now.
- Shekhar Sood:** So there's no (major) attrition, it's only like maybe 4% or 5% max.
- Tanmoy Roy:** Okay. So basically, you are not anticipating like some employee expenses going up even if we start accelerating on other businesses than the airport lounges?
- Liberatha Kallat:** There could be some additional cost coming in because we are expanding into other services and also new geographies. I would say that eventually, the cost -- employee cost will increase.
- Tanmoy Roy:** Okay. Thank you. That's it from my side and all the best ma'am for your fight.
- Liberatha Kallat:** Thank you.
- Moderator:** Thank you. We will take that as the last question for today. I now hand the conference over to Ms. Liberatha Kallat for closing comments.
- Liberatha Kallat:** Thank you all for joining our earnings conference call. We hope your queries have been answered. For any further queries or information, please contact our Investor Relationship team. On behalf of the company, I thank you all once again for your time and participation. Do take care of yourself and goodbye. Thank you.
- Moderator:** Thank you. On behalf of Dreamfolks Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.