**Revenue Drivers**

1. **Increased Capacity and Improved Services**: The loan will facilitate renovations at the Galadari Hotel in Colombo. Upgrades and modernizations can increase room capacity or improve service quality, attracting more guests, especially high-paying ones, which drives revenue.
2. **Enhanced Brand Image**: A renovated facility can enhance the hotel's brand image, making it more attractive to international tourists and business travelers. This can lead to higher occupancy rates and potentially allow the hotel to command higher prices.
3. **Attracting Events and Conferences**: Upgraded facilities are more likely to attract larger events, conferences, and gatherings, which are significant revenue drivers for major hotels.

**Cost Structure**

1. **Capital Expenditure**: The primary cost impact is the capital expenditure required for the renovation. While this is a substantial immediate cost, it is an investment into the property’s long-term viability and profitability.
2. **Loan Repayment Obligations**: The loan from Mashreq Bank will add to the hotel's financial liabilities. Regular interest payments and the principal repayment will be significant recurring costs.
3. **Operational Costs**: Initially, operational costs might rise due to the scale of renovations, potentially disrupting current business. However, once renovations are completed, operational efficiencies could improve, reducing long-term costs.

**Cost-Revenue Relationship**

* **Return on Investment (ROI)**: The key metric to watch post-renovation will be ROI. If the renovations lead to significant increases in revenue through higher occupancy rates and more events, the ROI could justify the initial high costs. However, this is contingent upon effective management and marketing post-renovation.
* **Breakeven Point**: The hotel will need to calculate the breakeven point post-renovation, i.e., how much additional revenue needs to be generated to cover both the ongoing operational costs and the new costs of the loan.
* **Risk of Overleveraging**: There is a risk associated with borrowing significant sums, especially in volatile economic conditions. If the expected increase in revenue doesn't materialize, the hotel could face financial strain from its debt obligations.