Operator: Ladies and gentlemen, good day and welcome to the Chalet Hotels Limited Q1 FY27 earnings call. Please note, this conference call may contain forward-looking statements about the company which are based on the belief, opinion, and expectation of the company as of the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I will now hand the conference over to Mr. Shwetank Singh, Managing Director and CEO. Thank you, and over to you, sir.

Shwetank Singh – Managing Director and CEO: Thank you, Ryan, and a very good morning to all. I'm delighted to have you join us on this call. We appreciate this forum because it allows us to share our take on the macro and the micro factors that shape not only our current performance, but also our strategy and road map ahead. Further, I would like to highlight that we appreciate your queries and insights as they help us stay grounded, concentrated, and in sync as we work to create long-term value for all our stakeholders.

Q1 has set a good tone for the full year. Overall performance has been strong despite the challenging geopolitical situation. The demand scenario saw a mixed sentiment this quarter. Air traffic stayed flat for April to June, indicating some recovery in sentiment post the peak disruption in March. However, international business, excluding crew, remained flat year-on-year due to the West Asia conflict. As we had mentioned on previous earnings calls as well, business foreign tourist arrivals will take 60 days to normalize once the West Asia conflict nears resolution. We saw some stabilization this quarter, before more recently, the situation has erupted again as the fragile peace treaty was tested again and again.

On the other hand, domestic and leisure witnessed strong demand driven by the strength of the domestic industry, rising affluence, changing consumer preferences, and growing discretionary spend. Thus the industry saw an increase in occupancies in leisure and in locations where business demand is inclined towards domestic travelers. This is reflected in our asset performances as well. The leisure portfolio delivered a strong 19% RevPAR growth with a healthy mix of occupancy and ADR increase. Pune, a strong market driven by domestic demand, also witnessed high double-digit RevPAR growth. While Hyderabad, which is largely an FTA-driven market, saw flat occupancy. Bangalore, another FTA-dominated market, saw lower occupancy year-on-year, partly due to lower group bookings and partially due to reduced relocation business which tends to cluster in Q1 of each fiscal. I would like to highlight here that while occupancy was subdued in these markets, there was sustained growth in the average daily rates.

For Mumbai, demand was moderate due to fewer events but recovered somewhat in June. Mumbai for us is also being impacted due to ongoing construction activity at Powai. Thus, to help your analysis, I would highlight that JW Marriott Sahar saw good ADR growth as we continued to beat the

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market with steady occupancies. The Mumbai metropolitan region RevPAR was pulled down by Powai and Vashi, which is more than 60% of our total inventory in MMR. They saw lower occupancies due to construction at Powai and renovation at Vashi. The good news here is that our Vashi property is now completely ready and we shall be able to announce the rebranding in the coming few weeks. Also, the work at Powai is in full swing and our porch as well as the connectivity to the western banquet shall be in place by the end of this quarter, helping us to capitalize on the wedding season in H2 of this fiscal. Also, as most of the noisy work is nearing an end, we shall endeavor to regain the occupancy there.

Speaking about the Powai complex, I want to talk about the strategic importance of this asset. While we have seen some lag there in recent quarters, the complex is a clear example of value creation. We started off with two hotels in the early 2000s and we upgraded from Renaissance to Westin in 2022. We further added 0.9 million square feet of commercial office space in 2024, which is now over 90% occupied and already showing an annual EBITDA of close to 1,300 million. We are in the process of further adding another 0.9 million square feet in the current fiscal. The complex has been quietly transforming itself into an integrated one with a revenue potential reaching 9-10 billion.

There have also been upgrades that have aided us in the revenue growth, like the addition of Nox, a sky lounge that used to be a dead space and now clocks circa 10 million a month in revenue within the first year of opening. We have also added gaming and sports facilities and more. Several more changes are work in progress, including the widening of the approach roads and the expansion of the banquet facility, which alone will 3x our facilities and become one of the largest in the MMR. With these refreshes and upgrades, we expect the complex to regain significant business and become one of the growth drivers for Chalet Hotels Limited over the next few years.

In that context of the macro environment and the overall industry and our micro markets, let me speak about the performance for this quarter. Excluding the residential business, our revenue grew by 10% year-on-year to 5,140 million with an EBITDA of 2,400 million, up 15% year-on-year. Importantly, EBITDA margin improved by 231 basis points to 46.7%.

Let me now touch upon the hospitality business performance that is the core of our platform. RevPAR increased by 6.5% year-on-year, largely driven by 8.5% year-on-year growth in average daily rates. Compared to business hotels, resorts did better this quarter with 19% RevPAR growth. Westin Rishikesh delivered a strong performance. Araiya Khandala continues to ramp up. We are doing multiple marketing events to create market awareness, which are being appreciated by the guests and target customer base. One such theme is Riva by Araiya, which has received a very encouraging response. The pickup in occupancy with ADR sustaining north of 15,000 gives us the confidence that the monsoons in the upcoming wedding season will be very strong.

Hospitality revenue grew by 9%, while EBITDA stood at 1,784 million, up 11% year-on-year, reflecting a 92 basis points improvement in EBITDA margin on the back of resilient pricing dynamics and efficiency measures. Moving on to our commercial real estate business. During the quarter, we signed an LOI for an additional 66,000 square feet at Bangalore taking the overall occupancy level to 91%. Our June run rate for rentals reached 290 million per month, slightly higher than March. As I have mentioned, the commissioning of Cygnus 2 at our Powai complex in FY27-28 will bring a

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major impetus to this business.

Let me now talk about the updates on live projects. Work is in full swing at Cygnus 2 Powai, and we are on track for substantial completion in FY27. We expect to launch a minimum of 70 rooms at the Taj project at Delhi International Airport in Q4 FY27 with the balance inventory to be launched in a phased manner thereafter, but within the first quarter of the next financial year. Mindspace has begun its excavation at Hyderabad and Airoli; both these projects are well on track. We are evaluating expansion potential at our Udaipur resort and we shall soon be able to give you the details for the same.

Finally, I am delighted to share that we have achieved 8th rank among mid-sized workplaces by Great Place to Work. This is an important milestone as we are focused on attracting and retaining best talent in the industry by providing them inclusive growth. Hospitality is a people-oriented business, and our talent pool ensures that we stay ahead of our peers and maintain strong customer scores. Before I hand over to Nitin, who will take you through the financials in detail for the quarter, I want to emphasize that the Indian hospitality industry performance over the last 4-5 months reflects strong growth potential. The industry has delivered positive growth despite a challenging geopolitical situation that has impacted international air traffic. This is a clear indication of the strength of the underlying domestic market. This drives our confidence forward towards long-term growth. At Chalet Hotels Limited, we continuously invest in our growth pipeline. Our strong cash flows and balance sheet are well aligned to fuel this expansion. We continue to focus on disciplined execution, operational excellence, and prudent capital allocation as we move forward. With that, I now hand over to Nitin.

Nitin: Good morning to everyone on the call. I'm pleased to walk you through our financial performance for the quarter ended June 30, 2026, and provide perspective on key financial and performance drivers, balance sheet strength, and capital allocation.

Before I begin with the financial performance, I want to highlight that consolidated financials are not comparable year-on-year due to the one-time recognition of our residential project at Koramangala last year in the same quarter. Excluding the residential segment, core business revenue grew 10% year-on-year to 5,140 million while EBITDA increased 15% year-on-year to 2,400 million. EBITDA margins expanded by 231 basis points to 46.7%, driven by strong performance across assets and efficiency measures which we have implemented. Our net profit for the quarter stood at 861 million.

For the quarter, the hospitality segment gave a strong performance despite the headwinds from the West Asia conflict impacting our inbound FTAs. We delivered 9% growth in revenue year-on-year to 4,185 million and 11% growth in EBITDA reaching 1,784 million—a strong performance by any measure. The shortfall in foreign arrivals was offset by robust MICE demand reflecting both the resilience of our portfolio and our ability to pivot quickly to existing demand. EBITDA margins stood at 42.6%, higher by 92 basis points.

As I have been highlighting over the past few quarters, our hospitality EBITDA margin was being impacted by the stabilization period of resort properties. Given the ramp-up at Westin Rishikesh and also continued improvement at Araiya Khandala, we have seen margin expansion this quarter. Also, our continuous efforts towards enhancing operating efficiency are helping toward this

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purpose. We remain focused on maintaining cost-efficient operating structures, project productivity, and exercising disciplined asset-level cost control as the portfolio scales.

Turning to the commercial real estate business, this segment continues to provide high-margin, stable cash flows. The monthly rental exit run rate in June 2026 stood at 290 million. Revenue for the quarter stood at 865 million, up 18% year-on-year, driven by higher occupancy. EBITDA stood at 735 million, up 21% year-on-year with an EBITDA margin of 85%, up 193 basis points versus Q1 FY26. The current portfolio committed is at approximately 91%. We expect monthly rentals to scale up to 300-320 million during FY27.

Cygnus 2 at Powai will also lead to a step change in growth from FY28 onwards. The current yearly rentals potentially give us a leverage advantage of 2,000 crore eligibility for LRD. These rentals also help us service the entire interest cost as it stands today, effectively freeing up our hotel assets to generate cash, which could then be utilized for acquisitions, upgrades, and the execution of our announced pipeline.

During the quarter, we handed over the remaining units at our Koramangala residential project, marking the completion of Phase 1. Revenue recognition for the quarter is 73 million with EBITDA of 31 million. Now, 168 units of Phase 2 are pending handover, which shall be done during the course of FY27.

As mentioned earlier, the Koramangala commercial space of approximately 160,000 square feet is under construction and shall be leased by FY28 post completion. Net debt as on June 30, 2026, stood at 2,405 million, slightly higher versus March 2026 as we completed a few acquisitions. We have added 129 keys in Bangalore and refurbished and expanded our Khandala asset and the Cygnus 2 Powai commercial project without any increase in leverage for the last eight quarters. 10,914 million of net debt is actually allocable to assets under construction or which are yet to be operationalized. Two major projects included are Cygnus 2 at Powai and the Taj at Delhi International Airport. Commissioning of these two assets shall significantly aid growth in the coming years.

We continue to maintain a comfortable liquidity position of around 4 billion as of June 30. The average cost of finance declined marginally to 7.4% as of June 30 versus 7.5% as of March 31, indicating the strength of our practices, leverage mix, cash flows, and overall balance sheet strength.

Looking ahead, we have outlined a planned capex of approximately 30 billion over FY27 to FY29 across our hospitality and commercial real estate portfolio. This includes committed investments and, importantly, is expected to be largely funded through internal accruals, underscoring our focus on maintaining balance sheet discipline. Overall, our balance sheet continues to provide adequate headroom and financial flexibility to grow and pursue strategic opportunities as they arise.

While I speak about growth, I would also like to highlight that we are a leading real estate developer in the country. It helps us in multiple ways, including identifying potential growth markets and making an entry through mixed-use assets. Some great examples are Westin Hyderabad Mindspace, conversion of mall assets to higher-yielding Cygnus commercial assets in Bangalore, and utilizing the Powai complex FSI for commercial business.

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The construction cost for us is at the lowest due to project management and construction efficiencies supported by smart procurement. Our execution capabilities are reflected in some of the projects we have executed in the recent past as well, such as the upgrading and rebranding of The Dukes Retreat to Araiya with an additional 67 keys and facilities within a record time.

The hospitality portfolio shall be north of 5,000 keys and generally generate strong organic cash flows. This combination creates a robust, sustainable, and stable free cash flow base to add inventory of 500 or more keys every year and support our long-term growth strategy. With that, I would like to open the floor for questions. Thank you.

Operator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use your handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We take the first question from the line of Karan Kanna from Ambit Capital. Please go ahead.

Karan Kanna – Ambit Capital: Yeah, hi. Thanks for the opportunity. Just a couple of questions from my side. First, on MMR, we've seen several quarters of relative RevPAR underperformance. If you can talk a bit about the strategy here, how are the bookings looking, and more importantly, any big MICE activities that you're expecting? And some thoughts on how competition is ramping up, specifically the Fairmont next to JW Marriott Sahar.

Management: Thank you, Karan. As we have always said, within MMR, if you look at our portfolio, it's basically three hotels. There is the FPS, there is the Powai hotel, and then there is JW Marriott Sahar. JW Marriott Sahar has always been an outperformer; we continue to outperform on the average rate side and occupancies have stayed steady at a very high level. So that doesn't bother us at all.

If you look at Powai, we have been under construction, but this is a pain that we are going through for the gain of the future. As I spoke in my opening statement, this is a complex that is transforming itself. With 0.9 million square feet of office space in play and another 0.9 million under development, the potential of this campus is very high. We are going through this pain as the construction is ongoing on two accounts. One is that the porch is not available, which is why customers stay away from us. We have managed to cover up for some of that pain by taking smaller groups. Having said that, we have also lost some crew from that particular complex because of the noisy work that is going on.

As we speak, the porch work will come to an end by the end of this quarter. For the second half of the year, we are very confident that we will be picking up business in the social segment. Even the noisy work is coming to an end, and by the end of another quarter or quarter and a half, we should be finished with that and will only be doing fit-outs within the building. So Powai should come back rolling again, even though it has underperformed in the last few quarters.

Having said that, FPS was also under renovation, as you're well aware. We have invested 93 crores in that particular hotel and we have a fresh new product which is ready to be fully launched. We are at the fag end of that process; the rooms have been handed over to operations and we will be

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announcing the rebranding over the next week or so. My sense is that the current quarter will already show improvement, but next quarter onwards, we should be back to the high levels of performance that can be expected from us and has always been the case.

With respect to the competition, it would be difficult for me to talk about Fairmont in particular, but I can tell you that in general the supply seems to have been absorbed and there is no major supply coming through at least in the next year or two. We do expect that market to start to grow back again, and we will be participating in that growth.

Karan Kanna – Ambit Capital: Sure. Second, if you look at the leisure part of the portfolio, including all the three resorts which have done well this quarter, will that lead to any change in the long-term guidance of 20% of your portfolio towards leisure? Would you look to allocate more in terms of expansion here? And on the Udaipur residency, given that it currently has about 144 keys with scope for expansion, how much expansion potential are you seeing here and what are the timelines for that?

Management: Very quickly on the leisure side, yes, it has done very well for us and we continue to have faith in the resilience of the leisure market. It doesn't mean that we are changing our strategy quickly. We are in a very long-gestation business, and changing strategy because of a quarter's performance, or even two quarters, is not the best strategy. So we continue to work on the same strategy as we have always had. 20% of our portfolio should be leisure and we'll stay in that space.

Coming to Udaipur, we are very excited about that acquisition. We are clearly looking at expansion potential there. The reason why I refrain from telling you an exact number is because we have submitted plans for planning permissions. Once we have clarity on that, we will come back to you. There are two steps of approvals that are required for this hotel. One is from the local authorities, and the second is from the army cantonment which is around us. We are in full dialogue with them and we hope to bring good news to you. It will be difficult to give you a direct timeline right now because there is a process that we have to go through, but we should expect all of this to get clarified over the next quarter or two. At that stage, we'll come back, and I'm sure you'll be happy to note that the returns on this hotel are going to be very exciting. While we are waiting for these approvals, we are not at a standstill. We have already started working on the internal designs, and for the existing building, we have the right to start working, which we are doing as we speak. So there will be progress on the existing building; it is just the expansion that we are waiting to hear about from the authorities and the army.

Operator: Thank you. Participants, please note, in the interest of all others, we request you to restrict to two questions per participant and re-enter the question queue. We take the next question from the line of Vikas Ahuja from Antique Stockbroking. Please go ahead.

Vikas Ahuja – Antique Stockbroking: Hi, thank you for the opportunity. My first question is that we have three tailwinds on occupancy getting into FY27: Bangalore stabilization, Powai and Vashi construction renovation, and the resort ramp-up. We started with muted occupancy in Q1, but do we think with most properties stabilizing, it will help us to go back to 70% plus occupancy by the end of FY27 or the first half of FY28? Additionally, resort occupancy trended at 51% this quarter and we have guided it toward 60%. Is this tracking ahead of what we were estimating earlier?

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Management: Thank you, Vikas. I'm glad you picked up on our expansion potential in the portfolio. Clearly, we are very hopeful on all those three accounts. I can tell you that we are continuing to track well and the run rate of growth we are seeing is very exciting. We do expect all of these to stabilize and give us the growth impetus we are looking for. With respect to resorts, the only thing is that in a fully stabilized situation, they generally operate at anywhere between 60% and 65% occupancy. That's what we are trending toward and that is where we see the potential. If we look at our resort occupancy for this quarter, it was about 51%, and we expect that to continue to improve and slide upward.

We are particularly excited about Araiya because we have seen great traction. We have positioned it very well. In Khandala specifically, I would like to let you all know that we are creating a new market. Currently, specifically in the MICE segment, that market operates at a very different price level and we are educating the market that what we have to offer must come at a premium price. That is taking a little more time. On the weekends, we are already getting more than our fair share of business and have managed to maintain the rates north of 15,000. So we are very excited about that property.

Operator: Thank you. We take the next question from the line of Achal Kumar from HSBC. Please go ahead.

Achal Kumar – HSBC: Yeah, hi. Thanks for taking my question. Coming back to MMR, could you please give us some color on the ARR and occupancy performance excluding the Powai property? And what kind of delta are you expecting in terms of revenue at your Powai property once the Cygnus 2 completes?

Management: We are surprised and a little worried that the community is so focused on the last few quarters of MMR performance. Please don't write us off; we are on a path of creating long-term value, and that is why we don't get worried by these temporary blips. We knew we had to go through some pain while the construction is ongoing and we are willing to take that pain. Just as a quick reminder, another 0.9 million square feet is being added. Cygnus 1 is already more than 90% occupied and the last run rate of rents we had is north of 150. We have already started getting good traction in that particular complex. The addition of another 0.9 million square feet will give us a very steady income which will help add further to the bottom line of the company.

We are very clear that we are in the business of creating value in this particular complex. With respect to the hotel, I think most of the pain is behind us now. As I said earlier, with the porch back, the second half of the year from a social perspective should be good. We should start getting larger groups as well. We have also looked at expanding our banquet facilities. Once we get planning permission on that, we should be able to share more details, but that should become one of the most major banqueting facilities in MMR. With that, we should add even further value to that particular complex. So, we are not worried. We are watching this space closely, but it doesn't bother us.

Achal Kumar – HSBC: Right. My second question is regarding Araiya. You mentioned that you are doing a lot to increase awareness and doing marketing campaigns. But are you also thinking about doing something with the sales and distribution strategy, or perhaps some kind of agreement with Marriott for this property? Is that going to help? What exactly are you thinking about regarding

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Araiya and your resort properties in general?

Management: Let me talk about Araiya Khandala in particular, as this is a conversation we constantly have in our boardrooms. Araiya Khandala, which was earlier The Dukes Retreat, is a hotel that has been largely fed by domestic business, mainly from the Mumbai Metropolitan Region and Pune. Having said that, we have no plans as of now to tie up with any other brand. This is our experiment at setting up Araiya, and from the signs we have seen, we are very encouraged. We continue to invest in the marketing side, and as I said, we have already received great traction on the weekends. We are getting more than our fair share and have managed to hold our rates. Where we still need work is during the weekdays, because that is largely MICE, and for MICE you need to knock on doors and let them know we exist. As I said earlier, we are educating the market in the process because that market operated at a lower rate, but we believe that we have the product and we want to position it at a higher level. What gives us the most confidence is our customer reviews, which are approaching 500 online with a 4.9 plus rating. We have been accepted by our customers, and that fantastic feedback is what gives us the most confidence regarding this resort and Araiya in general.

Operator: Thank you. We take the next question from the line of Prashant Tani from Elara Capital. Please go ahead.

Prashant Tani – Elara Capital: Yeah, thank you for the opportunity. Sir, can you give some granular details on Westin Rishikesh and Marriott Hyderabad and how they are doing? You have elaborated on Araiya, but how are the other resort properties faring?

Management: Westin Himalayas has been performing exceptionally well this year and we are growing year-on-year quite substantially there. We have once again managed to hold the rates while growing occupancy, which has always been our target. When we acquired this hotel, we wanted to reach a certain revenue number to get adequate returns, and we are well on track. In fact, we were tracking early against the feasibility study we put in place and we are bang on schedule. We are very encouraged by the performance there.

If we carry that same thinking forward to Marriott Aravalli, which used to be the Courtyard and we have just rebranded, we will look at how to reposition it. We have added a clubhouse, further guest facilities, and even created new meeting spaces. That should all start to kick in as we speak. We have even upgraded the area around the swimming pool and bath facilities to a much higher level. We would expect a higher rate positioning as we go into the year. That is how we are viewing both properties, and as I have always maintained, the leisure portfolio is very exciting for us.

Prashant Tani – Elara Capital: Right. On the Udaipur asset, while we are awaiting approvals for the expanded portfolio, what is the commercial timeline for the existing property? When will we start to operate it?

Management: One of the biggest mistakes we can make in portfolios is to partially open a property. While we can finish the interior works much sooner, we would like to open it in its totality, especially because we are looking to brand it under Araiya. We want to properly launch this place. What we are doing with the property will be a complete transformation and the look and feel would be several notches higher than what it is right now. We want to take maximum advantage of that

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particular market which is largely driven by socials. We are creating fantastic facilities, both open and closed, with banquet facilities, rooftops, and open spaces. We are adding villas, a fantastic swimming pool at the center of it all, and a great F&B offering. The whole thing is looking very good, and as soon as it all comes into play, it will be a major revenue addition to our leisure portfolio and overall portfolio as well.

Operator: Thank you. We take the next question from the line of Jainesh Joshi from PL Capital. Please go ahead.

Jainesh Joshi – PL Capital: Yeah, thanks for the opportunity. Sir, my question is on the ARR growth. I just wanted to know how much commission we end up paying for our GDS and OTA bookings. How much of this growth of 8.5% is a function of the changes in the distribution channel mix versus actual price hikes? It might be difficult to quantify, but some color would help because the share of OTA bookings is down to about 7% this quarter.

Operator: Hello, am I audible? Ladies and gentlemen, we have lost the line of the management. Please stay connected while I reconnect the management.

[Hold music]

Thanks for your patience, ladies and gentlemen. We have the management line reconnected. Jainesh, if you could please repeat your question for the management.

Jainesh Joshi – PL Capital: Sure. Sir, I just wanted to know how much commission we pay for GDS and OTA bookings, and how much of this ARR growth of 8.5% is a function of the change in the distribution channel mix versus actual price hikes.

Management: Thank you, Jainesh. I had answered this question but I think I was speaking to a dead phone. First, on the commission side, having tied up with large chains like Marriott or Accor, we are very confident that the commissions we pay on any of the channels are at the bottom end of the market. If you look at our EBITDA margins and our room margins, you could clearly see that we are at the top end of the industry. It wouldn't be correct to talk about specific contracts publicly, but I can tell you we are paying at the lowest end of the overall payouts.

Regarding what is happening with segmentation or distribution channels, we haven't seen a major change; it is pretty similar to last year. From a segmentation perspective, we have small groups coming in, social movements as usual, and crew occupancy has gone up. We have also gone back to the special corporates and given them slightly more attractive rates so that we can keep them within our property and not lose them to the competition. All in all, we have managed to maintain almost all of our segments and hold on to what we had so that we can continue our growth despite the disruption in foreign tourist arrivals.

Jainesh Joshi – PL Capital: Sure sir, just one last question from my side. Regarding the hotels under construction, we have highlighted progress on all hotels except South Goa. We are planning to open that by FY28. Can you share the progress in terms of the construction timeline?

Management: South Goa is a hotel that has continued to elude us. It is notoriously hard to start pouring concrete in Goa. But in the interim, we are ready from a design and contracting

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perspective to hit the ground as soon as we get the approvals. As we speak, we have taken baby steps. We still hope to start construction by the end of this quarter, essentially once the rainy season is behind us. We know we can build fast as it is a G+1 structure, and therefore we hope to finish this sooner than a typical 200-room hotel. More on this once we start pouring concrete. Please forgive us some leeway on this.

Operator: Thank you. We take the next question from the line of Vaibhav Mule from Haitong Securities. Please go ahead.

Vaibhav Mule – Haitong Securities: Great. My first question was on our leisure portfolio. We have done a fantastic job of expanding occupancy by more than 500 basis points. Is this sustainable, and when do you think we can reach the 60-65% mark of stabilized occupancy? Especially considering the background that the entire leisure industry has seen a sharp improvement, part of which is shifting from foreign outbound to internal destinations. Is there a chance of a trend reversal once the global situation normalizes?

Management: That is where different portfolios work differently. We are not yet a stabilized portfolio in our leisure setup, so growth up to the 60% mark is a given. The question is how quickly we get there, and that is where the work of our asset management teams and operators comes into play. All the dynamics of a leisure portfolio are at play. Social and MICE are starting to move again, and individual travelers continue to fill up the weekends. We are looking at strong growth for the leisure portfolio and we still have headroom on the occupancy side. All in all, we expect this part of our portfolio to continue its growth trend.

Vaibhav Mule – Haitong Securities: My second question was on our customer and distribution mix. We have seen a bit of a decline in the transient mix and the OTA mix on the distribution front, while the rest of the industry has seen improvement. Why is this a different trend for us?

Management: These trends are not necessarily permanent; they can be very dependent on specific micro markets. I wouldn't necessarily see this as a trend that will continue; it could go up and down. A lot of this is driven by what is happening in other segments. The percentage moves because another segment goes up—for example, if group or special corporate bookings go up, the percentages of other segments look different. I wouldn't read too much into it. We are focused on maximizing revenue, and it doesn't bother us if the percentages change by a few points here or there.

Operator: Thank you. We take the next question from the line of Pratik Kumar from Jefferies. Please go ahead.

Pratik Kumar – Jefferies: Yes sir, your metro hotels have a strong skew toward corporate and business travelers. Business travel has seen some moderation. Are you seeing opportunities to drive incremental leisure demand into these properties through things like staycations or weekend packages? Also, what is your current business versus leisure mix for a metro hotel?

Management: I wish that were fully the case and we would love to do that. We are attempting that now, particularly in Powai, which are essentially small oases within large metropolitan areas. With the lake and excellent views, we are adding leisure facilities, including a pickleball court and other

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sporting facilities in areas we converted from former record rooms. That is indeed our thought. We hope people use us on weekends in larger cities, but in some places like Whitefield in Bangalore, there is no way to trigger leisure demand. It is a trend we watch for, but I wouldn't expect a major shift because of it. We don't want to dilute our positioning by going very low on rates because it is hard to trigger genuine demand just with pricing.

Operator: Thank you. We take the next question from the line of Akash Gupta from Nomura. Please go ahead.

Akash Gupta – Nomura: Hi sir, congratulations on a good performance. My first question is on your MMR portfolio. ADR is growing 8% year-over-year but occupancy is coming down. How are we seeing this trend in July so far?

Management: Why don't you ask that question to Mr. Trump, please? On a serious note, it is an up and down situation daily. Only yesterday I saw even the Saudis getting involved, so this is getting very broad based. This particular quarter started strongly, but it is getting increasingly hard to forecast our business because situations change every few days. August is overall positive and looking good, but September is still far out. Our hope is that we will continue on that growth pattern. It would be remiss of me to give any specific guidance now because we are monitoring the situation on a day-to-day basis.

Operator: Thank you. We take the next question from the line of Abhishek Khanna from Kotak Securities. Please go ahead.

Abhishek Khanna – Kotak Securities: Yes sir, I had one quick question on the leased assets. Could you share details of the lease rentals you are paying to K Raheja Corp and the lease deposits paid to them?

Management: The only asset currently in play where lease rentals are active is the Westin Hyderabad Mindspace. Even though it is a group company, everything is at arm's length and we pay rentals based on what is prevalent in the market. To give a specific number wouldn't be appropriate, but you can judge based on what is going on in the market and take a lead from that.

Operator: Thank you. We take the next question from the line of Anuj Upadhyay from Investec. Please go ahead.

Anuj Upadhyay – Investec: Hi, thanks for the opportunity. Regarding Westin Hyderabad Mindspace, I believe we had a three-year contract with Deloitte which was supposed to expire in the current fiscal. Can we get an update on whether that is continuing?

Management: We have renewed it for one more year. It has been a learning curve for both us and Deloitte. They have been monitoring the occupancy. One thing that changed is that they used to not insist on Deloitte people staying at our hotel, but since the situation in the Middle East became difficult, they have collated their customers from other hotels and are having them stay with us. We have renewed for one year and we will revisit this by the end of the fiscal to see where we want to take this in terms of revenue growth and their interest level. Right now, the conversation is very positive as a partnership.

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Operator: Thank you. We take the next question from the line of Rahul Jain from Phillip Capital. Please go ahead.

Rahul Jain – Phillip Capital: Hi sir, my question pertains to the MMR portfolio. From a medium-term perspective, how do you see the occupancy shaping? What could be the occupancy ceiling? Can it breach previous highs of 77%?

Management: That is a great question. Look at this in two parts. The supply side is not impacting JW Marriott Sahar; we continue to have strong occupancies there. Powai and Vashi have had temporary sufferance mainly because of the construction we initiated for the future. We should definitely come back to where we were originally. If we were at 77%, there is no doubt we will build back to that. We have been market leaders in both hotels against our comp set for a long time. At Vashi, for example, our fair share of the market was almost 140% going into refurbishment. There is no reason why we shouldn't hit those numbers and go beyond as the market becomes stronger. At Powai, with construction ending soon and the commercial business helping us, the revenue growth should be phenomenal.

Operator: Thank you. We take the next question from the line of Deepak Saha from Ashika Institutional Equities. Please go ahead.

Deepak Saha – Ashika Institutional Equities: Hi, thanks for the opportunity. Domestic travel has given a strong push to the industry. How long can this continue and is it sufficient to offset the foreign tourist loss?

Management: The strength of the Indian consumer is still not fully realized. If you look at trends in per capita income and the growth of the high-earning base, people are very keen on traveling and valuing experiences post-COVID. I don't think we are anywhere near the peak of that capability. A great surrogate for this is the Indian stock market—when foreign investors pulled out, you saw what happened with Indian domestic investors supporting the market. We are not at all worried about domestic consumption weaning to a point where it becomes a concern.

Operator: Thank you. We take the next question from the line of Omkar from Motilal Oswal Financial Services Limited. Please go ahead.

Omkar – Motilal Oswal Financial Services Limited: What is the MMR share of the hospitality revenue?

Management: I think it is close to 43%.

Operator: Thank you. Ladies and gentlemen, we take that as the last question and conclude the question and answer session. I now hand the conference over to Mr. Shwetank Singh for his closing comments.

Shwetank Singh – Managing Director and CEO: We appreciate your insightful suggestions and queries. We hope we have been able to respond to all of them. In case you need further clarifications, please contact our Investor Relations and we shall be able to help you. Thank you and good day.

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Operator: Thank you. On behalf of Chalet Hotels Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.

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