November 12, 2026

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051.
Scrip Code: CHALET

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.
Scrip Code: 542399 (Equity)
976529 (Non-Convertible Debentures)
732697 (Commercial Paper)

Dear Sir / Madam,

Subject: Transcript of the Earnings Call in respect of the Unaudited Financial Results for the quarter and six months ended September 30, 2026

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please find enclosed herewith the transcript of the Earnings Call held by the Company on November 5, 2026, in respect of the Unaudited Financial Results for the quarter and six months ended September 30, 2026.

Further, pursuant to the provisions of Regulation 46 of the Listing Regulations, the aforesaid transcript will also be disclosed on the website of the Company i.e. www.chalethotels.com.

Request you to take the same on record.

Thanking You.

Yours faithfully,
For Chalet Hotels Limited
CHRISTABELLE BERNADETTE BAPTISTA
Digitally signed by CHRISTABELLE BERNADETTE BAPTISTA
Date: 2026.11.12 18:36:50 +05'30'
Christabelle Baptista
Company Secretary and Compliance Officer

Enclosed: As above

“Chalet Hotels Limited Q2 FY'27 Earnings Conference Call”

November 05, 2026

MANAGEMENT: MR. SHWETANK SINGH – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER,
MR. NITIN KHANNA – CHIEF FINANCIAL OFFICER,

Moderator: Ladies and gentlemen, good day and welcome to the Chalet Hotels Limited Q2 FY 2027 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 Moderator by pressing "*" then "0" on your touchtone phone.

With us we have today Mr. Shwetank Singh – MD and CEO, and Mr. Nitin Khanna – CFO.

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

Shwetank Singh: Thank you, Rutuja, and a very good morning to everyone. Welcome to our Q2 FY27 Earnings Conference Call to discuss not only our performance this quarter, but also the larger industry trends that shaped it and guided our business strategy.

As always, we appreciate your queries, insights, and suggestions, which help us stay the course as we strive towards creating long-term value for our stakeholders.

If I had to sum up this quarter in one word, it would be "Readiness". Our core assets are emerging from a period of planned disruption. Navi Mumbai has relaunched as ATHIVA Pulse, and the porch at Powai is back in service. Construction at CIGNUS 2 Powai and Taj at Delhi International Airport is as per schedule and expected to start contributing to our growth story soon. Our own brand, ATHIVA, is scaling.

Also, our total pipeline now stands at 2,036 keys, about 60% of our current operating portfolio. Today, I want to speak about how each of these positions Chalet for its next phase of growth.

As committed, we have rebranded our Navi Mumbai business hotel from Four Points by Sheraton to ATHIVA Pulse Navi Mumbai, an Autograph Collection. We have also redefined the wellness offering at ATHIVA with The Daily Club, a dedicated 30,000 square feet floor for Wellness and Rejuvenation. As we have mentioned in our earlier conversations, we have invested close to INR 1 billion in this upgrade and are happy with the final product. I can now add that we are encouraged with the immediate response that ATHIVA Pulse has received from our patrons in the form of increased average daily rates and, more importantly, guest feedback, a validation for the brand and its offerings.

Now, let me talk about the industry trend during the quarter and then move on to our performance.

Quarter 2 has been a remarkable quarter for the Indian Hospitality industry. On the one side, the industry continued to face global headwinds given the ongoing geopolitical situation in West Asia and the resulting increase in fuel prices, airfares, as well as rationalization of flights on

select routes. On the other hand, robust demand from MICE and domestic business led to very strong growth in certain micro-markets. For example, New Delhi, where we are not operating today, but will be next year onwards, delivered an extraordinary September on the back of the BRICS summit, as is evident from the publicly available industry and peer data.

This trend is in line with Chalet's strategy of “Big Boxes” in major business cities and thus provides further boost to our confidence as we continue to expand our footprint under our own and global brands.

Quarter 2 witnessed year-on-year contraction in air traffic among major markets. While Delhi witnessed increased traffic, Mumbai, Bangalore, and Hyderabad saw a decline. This is visible in the on-ground market dynamics as well. Our business hotels in MMR, Hyderabad, and Bangalore saw mixed trends through the quarter, while our Leisure portfolio witnessed strong demand and delivered 34% RevPAR growth with a good mix of Occupancy and ADR. Among key business locations, MMR saw a weaker July due to heavy rains, but the business picked up in August and September on the back of large MICE events. Within MMR, JW Sahar continues to get its fair share of growth vis-à-vis its competition.

Powai continued to be impacted by construction activity at the CIGNUS 2 tower. The good news, however, is that as committed in our last call, the porch is back in service, restoring the direct entry to the banquets, enabling us to host large MICE and social business once again. Also, as the construction enters final stages now, we expect the business to start improving from this quarter.

In an immediate win, we have signed a Crew contract already of 20 rooms per day. Just to remind you, we had lost about 100 rooms per day of Crew business at Powai due to the ongoing construction activity. Both Hyderabad and Bangalore witnessed reduced air traffic. However, Hyderabad saw a strong RevPAR growth driven by GCC and corporate demand. Bangalore witnessed moderate growth as the market is more foreign tourist arrival dependent, even as the new keys that we put in the market have started to get absorbed. Pune market continues to grow at a healthy pace on the back of strong demand from corporates as well as retail.

With that context about the macro environment for the overall industry and our micro-markets, let me now talk about our performance for this quarter.

Like I mentioned in Quarter 1, I would highlight again that our consolidated year-on-year financials are not comparable as we had booked income from our non-core business, i.e. Phase-I our Koramangala residential project in Q2 FY26, with no corresponding handover in Q2FY27. The Phase-II is ready to handover, and we shall be commencing the handover process soon.

The revenue shall be booked in H2 FY27, so do expect a spike in our performance.

So, for the purpose of this call, we shall be discussing financials for our core business segments only, Hospitality and Commercial Real Estate, excluding Residential Business.

Our core business grew by 11% year-on-year to INR 5,110 million, with EBITDA of INR 2,274 million, up 13% year-on-year. Importantly, EBITDA margin improved by 110 bps to 45%.

Let me now touch upon the Hospitality business performance:

RevPAR increased 7.2% year-on-year, largely driven by 11.3% growth in ADR. Compared to business hotels, resorts did better this quarter with 34% RevPAR growth. All three resorts delivered strong growth as we moved towards stabilization, with resort occupancies on a blended basis at 41.2% against 32.6% last year.

Hospitality revenue grew 8% year-on-year, while EBITDA stood at INR 1,691 million, up 11% year-on-year, reflecting 110 ps improvement in EBITDA margin on the back of resilient pricing dynamics, efficiency measures, and better performance by our resort properties.

On to Commercial Real Estate business:

Our September‘26 run rate for rentals reached INR 300 million, marginally higher than June ‘26, with occupancies at 91%. The commissioning of CIGNUS 2, with approximately 1 million square feet of leasable area at our Powai complex in FY27-28, will bring a major growth milestone for this business.

Let me now talk about our live projects:

Two major projects that are nearing completion are CIGNUS 2 tower at Powai and Taj at Delhi International Airport. Both the projects are important in multiple ways.Not only will they drive our growth next year but will also help us build a stronger portfolio overall.

For CIGNUS 2 Powai, we remain on track for substantial completion by FY27 end, and for Taj, we expect to launch the entire inventory in early FY’28. The property is on track for previously announced timelines. However, we are closely monitoring the recent developments on GRAP restrictions in the National Capital Region to reassess the completion date.

The Ritz-Carlton at Hyderabad and Hyatt Regency at Airoli, both are being developed by Mindspace and are on schedule. All other key projects are on track as per our earnings presentations that we have published.

Before I hand over to Nitin, who will take you through the financial details for the quarter, I want to reemphasize on two points:

1. The industry outlook.
2. How Chalet is gearing up.

The industry outlook:

Half one has reinforced that what we said always about India, that India continues to have the supply being outpaced by demand, and the MICE and domestic demand would continue to fuel growth. The industry in last six months has grown despite a difficult geopolitical backdrop, and that gives us the confidence to invest ahead of the cycle. We are doing this on two fronts:

- First, ATHIVA, with Khandala and Navi Mumbai operational and approximately 900 keys already in the pipeline across five properties in four locations, ATHIVA is on route to become a 1,200-key portfolio. Being named most promising experiential hotel brand at Today's Traveller Awards 2026 is an early validation of our efforts on this front.
- Second, our broader pipeline of 2,036 keys, we play to our proven strength, efficient "Big Boxes", fast execution, best-in-class asset management, and deep partnerships with global brands.

Together, these put us on track for a portfolio of 5,500 keys and beyond within the next five years with a strong Leisure and geographic mix. We will fund this growth from our Hospitality cash flows and stable Commercial Real Estate annuity business, as our recent credit rating upgrade to IND AA, or AA, reflects. Disciplined execution and capital allocation remain our guardrails.

With that, now I will hand over to Nitin.

Nitin Khanna: Thank you, Shwetank, and good morning to everyone on the call.

I am pleased to walk you through our financial performance for the Quarter and Half Year ended 30th September 2026 and also provide a perspective on key financial and performance drivers, balance sheet strength, and capital allocation.

As mentioned by Shwetank, we shall discuss financials for our core business segments only, which is Hospitality and CRE, excluding the residential business, to make them comparable year-on-year.

For the quarter ended 30th September 2026, excluding the residential segment, revenue grew 11% year-on-year to INR 5,110 million, while EBITDA increased 13% year-on-year to INR 2,274 million. EBITDA margins expanded by 110 basis points to 45%, driven by strong performance by Leisure assets, higher annuity income, and efficiency measures. Our net profit after tax for the quarter stood at INR 2,163 million.

168 units of Phase-II of Koramangala residential project is near completion. The RERA date for handover is December 2026. We shall begin handover soon and subsequently book the revenue in Q3FY27. As mentioned earlier, the commercial space of approximately 160,000 square feet

is under construction and shall be leased once completed. Target for that is FY28. Since we have not done unit handover, the revenue booked during the quarter reflects only the CAM charges.

For the half year ended 30th September 2026, excluding the residential segment, revenue grew 10% year-on-year to INR 10,250 million, while EBITDA increased 14% year-on-year to INR 4,674 million. EBITDA margins expanded by 170 basis points to 46%. Net profit after tax stood at INR 3,024 million.

I would want to highlight that during the quarter, we have decided to exercise the option available under Section 206 of the Income Tax Act, 2025, which provides us with benefits of concessional tax regime at tax rate of 25.17%, in lieu of regular corporate tax of 34.94%. Accordingly, we have remeasured the net deferred tax liabilities as of 1st April 2026 and resulting a tax credit of INR 1,125 million. Hence, tax expense for the quarter and six months ended 30th September 2026 is not comparable with other reported periods. Please refer to our LODR disclosures in this regard.

Let me now cover the Hospitality segment:

For the quarter, our blended ADRs grew 11.3% year-on-year. This reflects our leadership position and pricing power in these markets. Non-MMR occupancy was strong.

MMR was subdued because of ongoing construction activity at our Powai property, which Shwetank has already covered in detail. Our blended RevPAR grew 7.2% year-on-year, leading to total Hospitality revenue of INR 4,115 million, a year-on-year growth of 8%, with EBITDA of INR 1,691 million, up 11% year-on-year. EBITDA margin for the quarter stood at 41%, higher by 110 basis points. Our EBITDA margins are a function of our efficiency and strong asset management practices.

Over the past few quarters, the margins were optically soft due to new additions and Leisure assets operating below critical occupancy. This has reversed in H1 as per our commitment. Margins in our city hotels have remained steady, while our Leisure portfolio and new additions have led to this improvement as they start to stabilize. Our continuous effort towards enhancing efficiency is also helping towards this purpose.

I would highlight here that we were able to take quick action to mitigate the cost pressures due to West Asia war and deliver higher margins. We remain focused on maintaining cost-efficient operating structures, project productivity, and exercising disciplined asset-level cost controls 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 September 2026 stood at INR 300 million, marginally higher than INR 290 million for

June 2026. Revenue for the quarter stood at INR 901 million, up 22% year-on-year, driven by higher occupancy. EBITDA stood at INR 750 million, up 23% year-on-year, with an EBITDA margin of 83%, up 95 bps versus Q2FY26. Current portfolio committed is at approximately 91%. We have just closed an LOI for the entire remaining space at Bangalore. With this LOI, our occupancy on available leasable area stands at 95%.

Also, there are multiple ongoing discussions for CIGNUS 1 Powai. With these, we expect monthly rentals to scale up further to INR 320 million by March'27. Commissioning of CIGNUS 2 at Powai will lead to a step change in growth towards FY28 onwards.

Another key aspect of CRE business is how it helps our cash flow and balance sheet. The current yearly rentals potentially give us a leverage advantage of INR 25 billion eligibility for LRD. Lease rentals also help us in debt servicing as it stands today, effectively freeing up our hotel assets to generate cash, which could then be fully utilized for execution of our announced pipeline as well as any value-accretive acquisition.

Now, let me talk about some balance sheet, debt, and capital allocation:

During the quarter, we received credit rating upgrade from India Ratings. Our long-term facilities are now rated as AA versus AA-, reflects the strength of our treasury practices, leverage mix, cash flows, and overall balance sheet. Our net debt has remained stable over last seven quarters, despite having CAPEX, multiple acquisitions, and repayment of preference capital, highlighting the strong cash flow generation from the underlying business.

As of September 2026, our net debt stood at INR 21 billion, approximately INR 14 billion of this allocable to assets under construction or not operationalized yet. Two major projects included are CIGNUS Tower 2 at Powai and Taj at Delhi International Airport. Commissioning of these two assets shall significantly aid growth in coming years. We continue to maintain a comfortable liquidity position. The average cost of finance remained broadly stable at 7.47% as of September 2026 versus 7.41% as of June 2026.

Looking ahead, we have outlined a planned CAPEX of approximately INR 34 billion-INR 36 billion over FY27 to FY29 across our Hospitality and Commercial Real Estate portfolio. The change in CAPEX guidance is due to addition of two ATHIVA properties at Hyderabad and Pune. The guidance 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 pursue strategic opportunities as they arise.

As Shwetank mentioned in his opening remarks, we expect to have an operational portfolio of 5,500 keys and beyond in five years. That means 75%-80% capacity addition.

In this context, I want to highlight that execution of large Greenfield and Brownfield projects is one of our key strengths.

We not only build at lowest cost per key cost in the industry, but also build for efficiency to ensure high EBITDA margins once the asset is operational. The expansion and rebranding of The Dukes Retreat to ATHIVA and the repurposing and expansion of our Bengaluru assets are some examples of this execution prowess. Another example is Taj at Delhi International Airport. We are delivering a luxury hotel of 380 keys in less than four years at a critical location like Delhi International Airport. Moreover, all our acquisitions, whether it is Novotel Pune or Westin Himalayas or any other asset, all have performed quite well and in line with our business case.

While speaking of growth, I would highlight that our balance sheet is aligned with our roadmap ahead. Strong operating cash flows from Hospitality business are complemented by stable inflows from CRE business. This enables us to execute the announced pipeline and look to grow beyond, including value-accretive inorganic opportunities.

To summarize, Q2 delivered a 13% EBITDA growth in our core business with credit rating upgrade, while our pipeline expansion and execution remained on track. Given the long-term growth opportunity and our readiness to capitalize on the same, we are excited as we look ahead and continue to create long-term value for all our stakeholders.

With that, I would like to open the floor for questions. Thank you.

Moderator: First question is from the line of Dipak Saha from Ashika Institutional Equities.

Dipak Saha: My first question is, when we look at the RevPAR number, 7% kind of a number versus 10% kind of a room revenue, but F&B and other segments kind of being laggard. So, just talking from next couple of quarters and H2 point of view, if you can give some color how the F&B and other segment would pick up versus room revenue, because room revenue is still the divergence between RevPAR and room revenue continues. Just three parts from H2 point of view. One is the divergence between RevPAR and room revenue that buoyancy remains, and how potentially we are looking forward for F&B and other revenue to pick up.

Shwetank Singh: Sorry, I am not sure we picked up all parts of your query, but I think there were two parts. One was to do with, is the room revenue growing in line with the RevPAR growth? I think the second part of your query was, where is F&B growth headed? I would proceed with that kind of a summary of what you just said. So, just on the F&B side, the thing that we wanted to point out is that we have grown on F&B at about 6.4% year-on-year. Whilst our outlets have done very well, we did have some setbacks, particularly on the MICE and large group sites, because in general, that is a segment that has not grown at the pace that we would expect. Actually, that particular segment has barely grown 4% for us.

If we were to look at the wedding scenario, the wedding scenario continues to stay strong, so it will be in the second half of the year as well. So, that is a segment that does not concern us overall. So, hence, just in summary, outlets did very well and grew significantly. Larger groups did not grow at a pace that we had expected it to grow, and hence we did not get an overall growth that we would have otherwise expected. With respect to room revenue versus RevPAR, our RevPAR growth for this quarter has been close to 7.2% on a combined basis, whereas the rooms revenue has grown by about 9.7%. That is fine because sometimes the underlying inventory available also varies from one quarter to another, same time last year versus this quarter. Therefore, the multiplier may not be exactly in line with the RevPAR percentage growth. Have we answered your query?

Dipak Saha: Yes. So, basically, what I got a sense from H2 point of view, you are saying that divergence between RevPAR and room revenue, where room revenue is growing higher than RevPAR, that should continue, and F&B should also pick up, given the MICE and socials that we have in the second part of the year. Is that a fair interpretation?

Shwetank Singh: Yes, that's right.

Dipak Saha: The last question from my end. If we see CIGNUS Tower 2 should be over by the end of the year. ATHIVA, Vashi is already running. Next year, on top of that, we have Q1FY28 Taj Delhi coming in, and Hyderabad and Bangalore already, you mentioned in your PPT, the spillover impact of West Asia crisis in terms of limited FTA inflows have already started easing off. Given all these things on base of FY27, high-teen to kind of a (+20%) kind of a revenue growth for FY28. I know you can't probably formally give an outlook, but directionally speaking, then isn't it pretty reasonable to assume that FY28 will be significantly higher given all the levers that we have? That's my last question. Thank you.

Shwetank Singh: Let me say it in one sentence. You are not wrong.

Dipak Saha: If you can elaborate a bit, that would be helpful. Thank you.

Shwetank Singh: Yes. I think what you have absolutely understood what is going to happen over the next few quarters. With these two significant projects coming online, it should contribute minimum double-digits to our revenue growth. If our existing portfolio continues to grow the way we anticipate it to be, not expecting any of the impacts of the geopolitical setbacks that we had had from this year, that is the minimum we would expect.

Dipak Saha: Fair enough. Last part, just to again check in very quickly. FY29, three properties you have announced, almost 625 keys, 18% of your total owned rooms currently that we have. If you can share some timeline, whether first half, second half, how those are lined up in FY29, those three properties, two Hyderabad, one other property.

Shwetank Singh: Yes, normally we do not like to get to the exact quarter in terms of project deliveries. There are too many moving parts. All I can say is that we are in line to deliver it within the financial year. Let us get closer to the date and then make a comment on it, please.

Moderator: Next question is from the line of Sumit Sinha from Macquarie.

Sumit Sinha: Couple of questions. One is, you have heavy reliance on foreign travelers. With the news coming out of the U.S. yesterday was basically there was a potential things could stabilize, maybe that area could become less volatile, so maybe foreign travelers start to come back, increase their travel to India. Can you give us a sense of, first, is that reasoning correct? The second is, how much do you think I know that anecdotally, I have heard that last November, December, things had started to stabilize, and travelers had started to come back, but then the war happened and things slowed down. Can you give us a sense of, are you already seeing some of that for different reasons, or what can we expect over the next year because if domestic traffic is good and foreign travelers come back, I think it sets up pretty well for a strong couple of years. The second is, you obviously have a very heavy pipeline for FY29 and FY30. From an operational perspective, and especially because half of those, that pipeline is going to be your own brand, so there is a higher level of scrutiny, higher level of accountability. Just wanted to kind of qualitatively understand how you are set up to kind of handle that delivery. Thank you.

Shwetank Singh: Yes, sure. Believe me, we have been holding our breath on the U.S. midterm elections as well, and thankfully, what has come through is the best of a bad situation, so we are very happy with what has happened there. Hopefully, the position will stabilize as we speak. With that, if I were to just sort of dissect what happened last year when things went south, or in the last two quarters when things went south in the Middle East, the impacts were in two fronts. One was just that the U.S.-centric companies decided to go a bit more conservative on the travel side. The second, the fact that almost 50% of these connections were through the Middle East, and nobody wanted to touch a very volatile market on the way over to India.

We need actually both these situations to sort of calm down. Thankfully, the two seemed interlinked, and therefore, we do expect a calm down. The good thing is that the green shoots of that are already visible. Hyderabad is clearly picking up and coming back online with the expected trends with the GCCs led business going. What has happened in Bangalore, unfortunately, is that we have missed the high season of large business that we used to get for project-related travel. But all is not lost. The business seems to be picking back up, and our growth in Bangalore is coming back online. Unfortunately, with Bangalore, what had also happened, just to remind you, is that we had released the additional rooms during the period as the Middle East crisis started. So, our stabilization, therefore, took slightly longer than what we had anticipated.

But now, with that additional 130 rooms inventory, we are in a good shape to take full advantage of that. If you look at the business on books for Q3, it is a very clear positive, and we are looking

at a very decent growth. In Q4, the wedding dates are also higher, so we do expect weddings to be strong, and so do we expect the large MICE groups to start to return with the situation improving in the U.S. So, overall, all are looking good, very good for H2 of the year.

With respect to project delivery, we are very much in line to deliver our projects on time and on schedule to cost and quality. The two biggest ones that we are releasing are at the end of this year and going into Q1 of next year, which is with DIAL and CIGNUS 2. Both are likely to add a very significant growth to our Revenue and EBITDA lines. So, we are very excited with what's going to happen on that front as well. So, improving macros, improving geopolitical situation, a strong India domestic story backed by a growth in our portfolio only bodes well for us.

Moderator: Next question is from the line of Karan Khanna from Ambit Capital. Please go ahead.

Karan Khanna: Thanks, team, and congrats on a strong RevPAR performance in the Resorts business. Firstly, just a clarification, Shwetank and Nitin. You emphasize a lot on project deliveries and execution. But if I look at the current pipeline, it appears there have been some changes in commissioning dates for both Varca, Goa, and Hyatt Regency Versus last quarter, it seems that the commissioning dates have changed for both, especially Varca, which has seen a slippage of two years. Also, if I look at Mindspace REIT, they have indicated Q2FY29 and Q1FY30 for The Ritz-Carlton and Hyatt Regency building completion respectively, while your timelines are FY29 and FY30. Just curious to understand if fit-out completion will happen in such a short period for both these assets.

Shwetank Singh: Let me talk about the second part of your question first. Even delivery along with Mindspace is you don't necessarily need to see the completion date from Mindspace side, because as these buildings go up, we enter for fit-out very early. Just to give you an example with DIAL, as we were on second floor of the building, we were already in the basement tinkering around and putting in the MEP. So, the two parts practically run in parallel, and therefore, the gap between building completion and actual hotel opening is not necessary as long as you would imagine, particularly if they are worked out in series. A lot of work goes on in parallel.

In terms of Varca, as we have always said that Goa is notoriously hard to sort of work in, and we knew that whilst we had taken ambitious targets to sort of complete the project, we did account internally for a delay in approvals, and we have met with exactly that. Now that it's two years since we acquired Varca and we have still not started pouring concrete is indeed disappointing, but it's not for lack of effort. The good thing is that we have now started to make some baby steps in that direction, and we should be starting construction in Varca definitely in Q4 of this financial year. That's how it looks like at this point in time. The other thing that I would like to point out is that it's only a G+1 structure, so we should go really fast in executing this project and taking it to operations. So, that is something that I would point out for Varca.

In terms of Airoli, we are all heaving a huge sigh of relief. It was a project that was stuck for five to six years. So, I think a delay of a quarter here and there is something that does not worry us. Having said that, once again in Airoli, we will enter, unfortunately in Airoli, since the entire building is not just the hotel, it's also commercial. The hotel only starts from 25th or 26th floor. So, we have to wait for the building to get to that point. But as the building comes up above that floor, we will certainly enter into the public area and start working from there. We will try to mitigate some of these time losses as much as possible. Overall, we are not worried and very much in line with the timelines that we had promised to deliver.

Karan Khanna: Secondly and lastly, just on MMR, we have seen a few quarters of RevPAR underperforming, but you spoke about FY28. How should we think about 3rd Quarter and 4th Quarter in terms of the growth rates here now that the construction activity is largely done at Powai? Should we start seeing a sequential improvement in terms of the RevPAR performance here? How does the MICE calendar look like for Powai specifically now that the post-expansion is completely behind us?

Shwetank Singh: No. Powai is exactly as to be expected. In fact, I also said in my opening statement that some of the Crew that we had lost nearly 100 rooms per day, out of that 20 is already back. You can start to see that some of the business that we had lost, and particularly in Powai, is coming back. I would not say that we have underperformed in Sahar in particular. We continue to get our fair share against the competition, and we are exactly where we are vis-a-vis the competition as earlier. It may look like a lower growth overall, but that is because our base is very high. I would not read too much into it. The good news is that with ATHIVA Pulse coming online and now fully operational under Autograph Collection, we expect that to ramp up very quickly. And ATHIVA Khandala, which also is part of our MMR portfolio, is entering very strong phase of ramp-up, and we expect a good growth coming from there as well. Overall, MMR will come back online and even grow stronger from where it was earlier.

Karan Khanna: Great. Thank you, and Happy Diwali to everybody.

Shwetank Singh: Happy Diwali to you too.

Moderator: Next question is from the line of Abhay Khaitan from Axis Capital.

Abhay Khaitan: Yes. Hi. Thank you for the opportunity. Just a couple of quick points from my end. Firstly, on the resort side, we have seen a very strong improvement, particularly in a seasonally weak quarter for Leisure. So, if you can point out which properties have led to this sort of an occupancy expansion, I think that would be useful. The second thing is on the Taj property. So, earlier, I thought a part of it was supposed to come within this financial year and the rest in FY28, but now in the presentation, everything is pointing towards FY28. So, has that thing changed, or are we expecting opening now? The second part to that is, now that we are so close to the opening of Taj, what sort of ARR and RevPAR are we expecting for the first year?

Shwetank Singh: Oh, that's our entire business plan in one question. Anyways, let's look at our resort properties. Yes, we have indeed grown by nearly 34% year-on-year in the last quarter. It is a tale of two parts. One is clearly in The Westin in Rishikesh, or Westin Himalayas, as we like to call it. We have seen a very strong rebound, and that rebound has come, from the fact that business in general in the domestic resort market side has picked up but more importantly, our new leadership team that we employed there at the end of last year has come into play, and therefore, the focus has increased quite dramatically there. In fact, our growth in that resort would be upward of 50%, 55% against last year, without sort of giving away the exact numbers.

Whilst we were growing in the resort in the Himalayas, we have a steady rate of growth in revenue as we are stabilizing in Khandala and that brings to the last resort that we have, which is the Marriott in Aravali. Marriott in Aravali has actually not grown that much, but it has been steady, and the second half of the year is very strong there. So, at the end of this financial year, once again, overall for the resort, we have been in very good shape.

Coming to Taj, we have changed the number from what we had earlier indicated. That does not mean our intent has been less in any case. We had indicated 70 rooms opening in the last quarter of this financial year.

We have unfortunately had a setback with the GRAP measures in Delhi, and fortunately, all of us, I think, who have joined the call, most of us are in a relatively cleaner environment. If you are part of Delhi right now with an AQI of 400, I think we would be more bothered about breathing clean air than construction activity going on. Having said that, with that also in play, our intent continues to be to deliver to what we had said. It's a very small impact overall because we had only expected these 70 rooms to come in the second half of the quarter. So, even if we were to slip into the 1st Quarter next year, we will use this time to bring in more inventory than we had promised. So, we had promised 70. At this stage, if we get that little bit of extra time, I'm sure we'll easily double that inventory that we'll bring to the market. So, there wouldn't be in any way an overall loss to the investor coming out of this potential delay that we are facing in Delhi.

Moderator: Next question is from the line of Jinesh Joshi from PL Capital.

Jinesh Joshi: Thanks for the opportunity. Sir, my first question is with respect to our gross debt, which increased by about INR 400 crore when I compare it with March 26. If I heard you right, you also mentioned on the call that our CAPEX guidance has increased to about INR 3,400 crore to INR 3,600 crore over the next three years, which I think earlier was at about INR 3,000 crore. While you have highlighted that a large part of this CAPEX will be funded by internal accruals, given the fact that in 1H, we have seen an increase come through and our overall guidance has also increased, how to think about leverage from here on? What can be the steady number where it can settle maybe say in next one to two years?

Nitin Khanna: Hi, Jinesh, Nitin here. There are two things. One, you asked the question about gross, from a gross debt perspective. What I would request you to also look at liquidity which is there as on the closing day. There are certain CPs which we took as on the last day. My net debt, if I see from the last three quarters, has been more or less stable between INR 1,900 crore to INR 2,100 crore. That is number one. The second question on the capital allocation and the increased guidance. The guidance has been increased because in the last quarter, if you remember, there were two assets which we added and then we announced. We still maintain the same fact that our internal accruals are stronger enough. With a little bit waiting on the leverage, we will be able to meet our capital commitments.

Shwetank Singh: I would like to add, Shwetank here again, just to add, just be rest assured that none of the increase in CAPEX guidance is coming out of a cost increase in any of our projects. We are very much along the lines of what we had budgeted, and we have had literally no change on the cost to complete for any of the projects, just for clarity.

Jinesh Joshi: Understood. My second question is with respect to MMR. We highlighted that in second half, we might see an improvement come through in RevPAR. If I have to specifically look at occupancy, I think there were two-three reasons that were impacting us. One was flat international demand, and second was the construction at Powai that you highlighted also, the renovation which was ongoing at Navi Mumbai. I think even in the previous quarter, you had mentioned that the mounting work at Powai is more or less over, and the renovation at Navi Mumbai is also complete, as we have stated in our presentation. But if I look at our occupancy, that continues to remain in that band of about mid-60s. Just wanted to kind of get some sense. Is the recovery, which, say, for example, in a steady state was in the mid-70s, linked largely to international demand, which has been relatively flat due to the Middle East crisis? In that context, how should we think about the recovery in occupancy to come through second half, given the fact that our ADR in MMR was quite decent in this quarter?

Gaurav Singh: Hi Jinesh. This is Gaurav, the Chief Operating Officer here. I thought let me add a little bit of flavor to what you just asked. During the last quarter gone by, we have seen the disruptions through foreign travel, which we touched upon, which has continued to impact the MMR region. Shwetank, in his earlier opening remarks, did mention about some of the changes that is coming through, particularly in nature, the ramp-up of our ATHIVA Pulse in Navi Mumbai, with the fact that there is a proposed change of the airport movement that is happening from the old terminal one to the new Navi Mumbai terminal that has just been launched, and a lot of air traffic which is going to move there. We believe that the Navi Mumbai property will see a good uptake from the movement taking shape there.

At the same time, with Powai, we have already touched on the fact that we have had considerable construction that has been going on, which is now towards the fag end of its journey, and we have been announcing the CIGNUS completion also coming in the coming quarter. Given all of those things, we have extremely positive trends coming out. I must also add that large MICE on

the whole has been restricted during the time of the West Asia crisis. Also, the last quarter did not have major wedding dates. As we go into the festive season, we see that the wedding dates are coming back. Some early shoots of MICE have been seen through the regions, including MMR. Even last month, there was a large MICE event which happened in Mumbai, which was the Fintech Summit, which took place in the Jio Convention Center.

And it saw MMR perform on the whole extremely well during that time, much like Delhi did during **BRICS**. That impact is largely towards the central Mumbai region rather than the Sahar or airport region. So, those micro-market differences that come about by large events such as this does impact our potential of growth. Though on the whole, with the total rebound and the latest news of the U.S. midterm elections, which have just completed, I think we are on track for positivity in the future.

Moderator: Next question is from the line of Prashant Biyani from Elara Capital..

Prashant Biyani: Yes, thank you for the opportunity. Sir, on Varca, I think when we acquired that piece of land, it came with all approvals, and that was also one of the reason why we acquired it. What kind of approvals are still pending? Follow-up on Udaipur, there also I think the plan is to start it post-expansion of one, the remaining keys that we are thinking, and approvals are also pending. So, how certain are we to start the Udaipur property by FY29?

Shwetank Singh: Okay. Let's talk about Varca first. You have asked a very dangerous question. Now get ready for a full lesson in approval. So, in terms of Varca, we did have the approvals, but there is a particular rule in Goa that says that if you are impacted by the CRZ line, then you have to go to the MoEF in Delhi. That particular approval was not necessarily taken seriously by the previous owner, and we had to make it absolutely kosher for us to start construction. Therefore, we had to get that approval. We got the CRZ line approved, and then the file is now to move to MoEF in Delhi. It's only post that that we can start construction. The rest of the things have been closed there. So, we have made very good progress there and should start in the Q4 of next year.

With respect to Udaipur, there are two parts to the construction there. One part is to actually refurbish the existing rooms, and that part of the work has already started. In fact, we are very close to finishing our mockup room on site. So hence our construction there is already started on the 141-room base. There is a potential for expansion, but we will see how that goes. That is the piece that we are holding up on, and therefore, we are holding on to the news of where exactly we are heading with that property. Having said that, just the refurbishment part of the existing property, which gives us 141 rooms, is not really a problem. We should be able to do that very quickly.

Moderator: Next question is from the line of Achal Kumar from HSBC Securities.

Achal Kumar: I wanted to understand, how has been your experience since you converted Four Points by Sheraton to ATHIVA Pulse in terms of overall demand? I am assuming that this hotel is no more using Marriott sales and distribution channel. How did that make a difference? In that context, I also wanted to understand your strategy around branding. I mean, do you think it could be better to have a city hotels attached to the Marriott distribution channels and maybe the Leisure to the ATHIVA? Any branding strategy you have, and any color on that would be helpful, please.

Shwetank Singh: No, so let me start by saying the assumption is not correct. Because we have actually tied up with Marriott, we continue to stay as a part of their portfolio because we are part of an Autograph Collection, which allows us access to their distribution and loyalty program. Hence, that part of the business stays unchanged. What has changed is that we have refurbished it with very beautiful designs. We have invested INR 100 crore in that property, and we have also upped its positioning from where it was. It used to be a Four Points Sheraton. We have now converted it into an ATHIVA Pulse, an Autograph Collection, which allows us to actually position it much higher than what it originally was. The demand has been brilliant. The guest feedback has been off the charts. We have been receiving great feedback.

We have taken a lot of effort to create a whole wellness and wellbeing program there. I said it as a part of our opening conversation as well. We have a 30,000 square feet floor, which gives full experience to our guests and even to walk-ins, both from a spa perspective, longevity experience perspective. We have sports there, and we have an ultra-modern gym as well. So, we have made a lot of effort to create a great experience for our guests there. From what we are hearing, we are hearing some fantastic views from our guests. In fact, if you are Mumbai-based, I would urge you to go there and experience it for yourself. You can call up Deepak, and I think he will help you book an experience for you and your family, I think. I would strongly urge that you go there and experience it.

In terms of our strategy, our strategy for whether or not to tie up with Marriott along with ATHIVA is actually more than it being Leisure-based or city-based, is actually based on the fact that where is the customer coming from. If the customer is largely domestically fed, then we will tend to stay on a standalone ATHIVA without the soft branding. If it is international market fed, as was the case with Navi Mumbai, we will focus on tie-ups with the likes of Marriott.

Moderator: Next question is from the line of Vaibhav Muley from Haitong Securities India..

Vaibhav Muley: I had a two-part question related to our execution strategy. Firstly, on occupancy, we have seen sharp expansion in occupancy in our resort portfolio, but occupancy still remains at a lower end at around 41%, and we have guided for occupancy to reach early 60s over the next few years. So, what kind of initiatives are we implementing in our resort portfolio, especially in ATHIVA, and of course, in Marriott as well, to expand this occupancy further? Second part was related to our business portfolio, where again, occupancy in multiple assets has taken a hit because of some

company-specific issues. So, again, what kind of initiatives are you planning to implement over there to again recover the occupancy back to normal, especially in Goa as well as in Bangalore?

Shwetank Singh: We have always guided that anywhere between 60% and 65% is our ideal scenario when it comes to our resort portfolio. We are sticking by that. There are two, three things that I would call into play before you sort of make up your mind on where we are with occupancy. With resorts, there is a clear seasonality. First half of the year is normally never as strong as the second half of the year when marriages kick in or when the social calendar kicks in. What you are seeing as half one at 46.1% or Q2 at 41.2% for the resort. Please expect a sharp jump in that occupancy, even organically. That is the first thing. The second thing that I would say is that the ATHIVA in Khandala is still in its actually just the first year of operation. No matter how proud we are of the brand, we are still a relatively unknown brand. It will take us some time to ramp up to the numbers that we expect to be. Good thing is that we have already hit our fair share in the market and beyond for the weekends. The weekdays is something that we are working on, which is largely MICE-driven and social calendar-driven. The social calendar piece also we have managed to sort of tie up on and started to see a very good ramp up on. The MICE piece is something that we will work on, and that means more doors to be knocked, sales teams to perform better, and it all takes a bit of time.

Even on that, the trend is very encouraging, and on a blended basis we are almost 80% of our fair share in the market already. It is all going in the right direction. Please give us some time to sort of ramp up and wait for the best to come.

Moderator: Next question is from the line of Heer Gogri from Choice Institutional Equities.

Heer Gogri: Thank you for the opportunity. While most of my questions are answered, just one on the CRE business. Monthly rental or rental run-rate increased to INR 300 million in September with occupancy at 91%. What is the scope to increase this run-rate over the next 12 months, excluding the CIGNUS Tower 2?

Nitin Khanna: Thanks for your question, Heer. Currently, our occupancy is around 91% on a weighted average basis. If I look at the current LOI which we have signed, we are expecting close to INR 32 crore of exit in the month, by March end. By the time, when we start looking at CIGNUS Tower 2, which probably might start getting leased from Q1 onwards, I am expecting once it is fully leased, my entire CRE portfolio will give us a rentals of top-line of INR 500 crores for the year.

Moderator: Next question is from the line of Sameet Sinha from Macquarie..

Sameet Sinha: Yes, thank you for doing the follow-up. I just wanted to get into the impacted inventory, right? I think last quarter you had said something like 20% of your inventory is impacted, meaning it is not necessarily available to rent out. Can you give us from now until year-end how we should see that number decrease?

Shwetank Singh: No, sorry, we did not understand. Our inventory was always available to rent out.

Sameet Sinha: No, what I meant is, for something like Powai, right? Powai was impacted because the construction was going on, so you had to probably shut off some rooms and you could not give it out.

Shwetank Singh: . No, we never shut down the rooms. The fact that we had a big construction happening within the campus of Powai was something that the guests were not very happy about. So, we lost some Crew business as a result, and also because the porch was not available to walk into the banquet. So, we were impacted in holding large MICE events and some social events because nobody likes their marriage experiences, etc., to be impacted by the fact that they can't drive into the banquet hall. So, that was the impact. We never shut down the rooms. The rooms were available. We just had a drop in occupancy because of these factors. All of which are now sorted, by the way.

Moderator: The last question for today, is from the line of Vaibhav Muley from Haitong Securities India..

Vaibhav Muley: Hi, thanks for the follow-up. Just on our Commercial Real Estate piece, for CIGNUS 2 Tower, you had mentioned you are exploring the entire strata, leasing out to a single tenant. Any update on that? Secondly, on the Bengaluru Commercial tower, when do you think by FY28 this asset will be operational?

Nitin Khanna: No, I think we never said that we are looking at only one tenant for the Tower 2 in Powai. What I meant was that the Tower 2 is ready for leasing in the next year. Once it is completely leased, we are expecting the entire CRE portfolio to give us a rental of INR 500 crores for the entire year.

Shwetank Singh: With respect to Bangalore, we did not understand your question because Bangalore inventory has been ready. In fact, with the current signing that Nitin mentioned, we will hit 100% occupancy in Bangalore.

Vaibhav Muley: No, it was regarding the commercial tower.

Shwetank Singh: Yes. The commercial tower in Bangalore has been ready for years, and actually we were waiting for the last

Vaibhav Muley: The Koramangala one.

Shwetank Singh: Oh, the Koramangala one. Sorry, my apologies.

Nitin Khanna: The Koramangala is, yes, you are right. That is around 160,000 square feet. We are expecting that to get completed by FY'28. We might be looking at one single tenant, but it is not something which is kind of binding. But yes, the completion is expected by FY28.

Shwetank Singh: Oh, so now we have understood. It is actually, you must have heard Nitin speak about Koramangala going to a single tenant. That is correct because that is barely 160,000 square feet. That is still our intention there.

Moderator: I now hand the conference over to Mr. Shwetank Singh for closing comments.

Shwetank Singh: As always, we appreciate your insightful suggestions and queries. We hope we have been able to respond to all your queries. In case you need any further clarifications or insights on our business, please do contact Deepak, and he shall be able to help you. Good day. Thank you, and Happy Diwali to all of you.

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

(This document has been edited for readability purpose)