August 5, 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)

Dear Sir / Madam,

Subject: Transcript of the Earnings Call in respect of the Unaudited Financial Results for the quarter ended June 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 July 30, 2026, in respect of the Unaudited Financial Results for the quarter ended June 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: 2026.08.05 16:40:58 +05'30'
Christabelle Baptista
Company Secretary and Compliance Officer

Enclosed: As above

“Chalet Hotels Limited

Q1 FY27 Conference Call”

July 30, 2026

MANAGEMENT: **MR. SHWETANK SINGH – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**
MR. NITIN KHANNA – CHIEF FINANCIAL OFFICER

Moderator: Ladies and gentlemen, good day, and welcome to the Chalet Hotels Limited Quarter 1 FY27 Conference Call. Please note, this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectation of the company as on 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: Thank you, Ryan, and a very good morning to all. I am 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 roadmap 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.

Quarter 1 has set a good tone for the full year. Overall performance has been strong despite challenging geopolitical situation. The demand scenario saw 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, ex of crew, remained flat year-on-year due to the West Asia conflict. As we had mentioned on previous earnings call 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 erupted again as the fragile peace treaty was tested again and again.

On the other hand, domestic and leisure witnessed strong demand driven by strength of domestic industry, rising affluence, changing consumer preferences, and growing discretionary spend. Thus, the industry saw increase in occupancies in leisure and in locations where business demand is inclined towards domestic travellers. This is reflected in our asset performances as well.

Leisure portfolio delivered a strong 19% RevPAR growth with a healthy mix of occupancy and ADR increase. Pune, a strong domestic-driven market also witnessed high double-digit RevPAR growth, while Hyderabad, which is largely an FTA-driven market saw flattish 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 Quarter 1 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 lesser events but recovered somewhat in June. Mumbai for us, as we have been mentioning, is also being impacted due to ongoing construction activity at Powai. Thus, to help your analysis, I would highlight that JW Sahar saw good ADR growth as we continued to beat the market with steady occupancies. Mumbai Metropolitan Region RevPAR was pulled down by Powai and Vashi, which is more than 60% of our total inventory in MMR, as 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 Westin 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 endeavour 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 foot of commercial office space in 2024, which is now over 90% occupied and already throwing an annual EBITDA of close to INR1,300 million. And we are in the process of further adding another 0.9 million square foot in the current fiscal. The complex has been quietly transforming itself into an integrated one with a revenue potential sniffing INR9 to 10 billion. There have been also upgrades that have aided us in the revenue growth, like addition of Nox, a sky lounge that used to be a dead space and now clocks ~INR10 million a month in revenue within the first year of opening, addition of gaming and sports facilities, and more. Several more changes are work in progress, including the widening of the approach road 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 over the next few years.

With that context about 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 INR5,140 million with an EBITDA of INR2,400 million, up 15% year-on-year. Importantly, EBITDA margin improved by 231 bps 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 an 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. Athiva Khandala continues to ramp up. We are doing multiple marketing events to create the market awareness, which are being appreciated by the guests and target customer base. One such theme is Vivaah by Athiva, which has received very encouraging response. The pickup in occupancy with ADRs sustaining north of INR15,000 gives us the confidence that the monsoons and the upcoming wedding season will be very strong.

Hospitality revenue grew by 9%, while EBITDA stood at INR1,784 million, up 11% year-on-year, reflecting 92 bps 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 foot at Bangalore, taking the overall occupancy level to 91%. Our Jun'26 run rate for rentals reached INR290 million per month, slightly higher than Mar'26. As I have mentioned, commissioning of CIGNUS II at our Powai complex in FY2027-28 will bring a major impetus to this business.

Let me now talk about the updates on live projects. Work is in full swing at CIGNUS II Powai, and we are on track for FY27 end substantial completion. We expect to launch a minimum of 70 rooms at Taj project at Delhi International Airport in Q4FY27, with balance inventory to be launched in phased manner thereafter, but within the first quarter of next financial year. Mindspace has begun excavation at Hyderabad and Airoli. Both these projects are well on track. We are evaluating expansion potential at 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 Places 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 financial details for the quarter, I want to emphasize that Indian hospitality industry's performance over the last 4 to 5 months reflect strong growth potential. The industry has delivered positive growth despite challenging geopolitical situation and with the impacted international air traffic situation. This is a clear indication of the strength of the underlying domestic market. This drives our confidence forward towards the long-term growth. At Chalet, 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 Khanna: Good morning to everyone on the call. I am pleased to walk you through our financial performance for the quarter ended 30th June '26 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 one-time recognition of our residential project at Koramangala last year same quarter.

Excluding the residential segment, core business revenue grew 10% year-on-year to INR5,140 million, while EBITDA increased 15% year-on-year to INR2,400 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 INR861 million.

For the quarter, hospitality segment gave strong performance despite the headwinds from West Asia conflict impacting our inbound FTAs. We delivered 9% growth in revenue year-on-year to INR4,185 million and 11% growth in EBITDA of INR1,784 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 margin stood at 42.6%, higher by 92 basis points.

As I have been highlighting over past few quarters, our hospitality EBITDA margin was being impacted by stabilization period of resort properties. Given the ramp-up at Westin Rishikesh and also continued improvement at Athiva Khandala, we have seen margin expansion this quarter. Also, our continuous effort towards enhancing operating efficiency is helping towards this 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 '26 stood at INR290 million. Revenue for the quarter stood at INR865 million, up 18% year-on-year, driven by higher occupancy. EBITDA stood at INR735 million, up 21% year-on-year, with an EBITDA margin of 85%, up 193 bps versus Quarter 1 FY2026. Current portfolio committed is at approximately 91%. We expect monthly rentals to scale up to INR 300 - 320 million during FY2027. Commissioning of CIGNUS II at Powai will also lead to a step-change in growth FY2028 onwards.

The current yearly rentals potentially give us a leverage advantage of INR2,000 crores eligibility for LRD. Lease 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 acquisition, upgrade, and execution of our announced pipeline.

During the quarter, we handed over the remaining unit at our Koramangala residential project, marking the completion of Phase 1. Revenue recognition for the quarter is INR73 million with EBITDA of INR31 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 1,60,000 square feet is under construction and shall be leased by FY2028 post completion.

Net debt as of June '26 stood at INR20,405 million, slightly higher versus March '26 as we completed few acquisitions. We have added 129 keys of Bangalore, refurbished and expanded Khandala assets, and CIGNUS II Powai commercial without any increase in leverage for last 8 quarters. INR10,914 million of the net debt is actually allocable to assets under construction or which are yet to be operationalized. Two major projects included are CIGNUS Tower 2 at Powai and Taj at Delhi International Airport. Commissioning of these 2 assets shall significantly aid growth in the coming years.

We continue to maintain a comfortable liquidity position around INR4 billion as of June '26. The average cost of finance declined marginally to 7.4% as of June '26 versus 7.5% as of March '26, indicating strength of our treasury practices, leverage mix, cash flows, and overall balance sheet strength.

Looking ahead, we have outlined a planned capex of approximately INR30 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 over growth, I would also like to highlight that being 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 of the great examples are Westin Hyderabad Mindspace commercial complex, conversion of mall asset to higher-yielding CIGNUS commercial asset in Bangalore, utilizing the Powai complex FSI for commercial business.

The construction cost for us is at lowest per key 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 and our upcoming pipeline as well, like upgrading and rebranding of Dukes Retreat to Athiva with an additional 67 keys and facilities within a record time.

Hospitality portfolio shall be north of 5,000 keys and will generate strong organic cash flows. The 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.

Moderator: We'll take the first question from the line of Karan Khanna from Ambit Capital.

Karan Khanna: Thanks for the opportunity. Just a couple of questions from my side. First is Shwetank on MMR, right? We've seen several quarters of relative RevPAR underperforming. So, if you can talk a bit about the strategy here, how's the booking window looking here, and more importantly, any big MICE activities that you're expecting, and some thoughts on how is competition ramping up, specifically the Fairmont next to JW Marriott Sahar?

Shwetank Singh: Thanks, Karan. You know, 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 Sahar. JW Sahar has always been an outperformer. We continue to outperform on the average rate side, and occupancies have stayed steady and at a very high level. So that's something that doesn't bother us at all.

If you look at Powai, we have been under construction, but this is a pain that we're going through for a gain on the future. As I spoke in my opening statement, this is a complex that is transforming itself, and with 0.9 million of square foot 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 guests have stayed away from us. We have somehow 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, so second half of the year, we are very confident that we'll 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 out of the noisy work, and we'll be only doing fit-outs within the building. So, Powai should come back and roaring back, even though it has underperformed in the last few quarters.

Having said that, FPS was also under renovation, as you are well aware. We have invested INR93 crores in that particular hotel, and we have a fresh new product which is ready to be fully launched. We already are at the fag end of that process. The rooms have been handed over to operations, and we will be announcing the rebranding over the next few weeks or so. So, my sense is that this current quarter will 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, I would say that it would be remiss of 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 that's coming through at least in the next year or two. So, we do expect that market to sort of now start to grow back again, and we will be partaking in that growth as well.

Karan Khanna: Second and lastly, if you look at the leisure part of the portfolio, including all the three resorts which have done well this quarter. So, will that lead to any change in the long-term guidance of, let's say, 20% of your portfolio towards leisure? Would you look to allocate more in terms of expansion here?

And on Inder Residency, given that it currently has about 144 keys with scope for expansion, so how much expansion potential in terms of expansion are you seeing here, and what are the timelines for that?

Shwetank Singh: Okay. So 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. As we are in a very long-gestation business, and changing it because of a quarter's performance or two-quarter performance even 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 put some plans for planning permission. Once we have clarity on that, we will come back to you. There are two steps of approvals that are required in 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'll 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. And 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.

Whilst 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 move in and start working, which we are doing as we speak. So, there will be progress on the existing building, it's just the expansion that we are waiting to hear from the authorities and the army.

Moderator: We take the next question from the line of Vikas Ahuja from Antique Stock Broking. Please go ahead.

Vikas Ahuja: Hi! Thank you for the opportunity. So, my first question is we have three tailwinds on occupancy getting into FY2027 – Bangalore stabilization, Powai, Vashi construction renovation, and obviously, the resorts ramp-up. We started with a muted occupancy in Q1, but do we think with most properties stabilizing will help us to go back to 70% plus kind of occupancy maybe end of FY2027 or maybe in first half FY2028?

Just addition to this, resort occupancy this quarter trended to 51%, and we have guided it towards 60%. So, is this tracking ahead of what we were estimating earlier?

Shwetank Singh: Thank you, Vikas. I'm glad you picked up our expansion potential in the portfolio. Clearly, we are very hopeful on all those three accounts, and what I can tell you is that we are continuing to track well, and the run rate that we are seeing of growth is very exciting for us. So, we do expect all of these to stabilize and give us the growth impetus that we are looking for.

With respect to resorts, I would say that resorts in general operate in a fully stabilized situation at around anywhere between 60% and 65% occupancy. So that's what we are trending towards, and that's what we are looking at as 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 upwards.

Particularly excited about Athiva, because we have seen a great traction. We have positioned it very well. And in particular in Khandala, I would like to let you all know that we are creating a new market. Today, especially 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 has to come at a premium pricing, and that's taking a little bit 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 INR15,000. So, we're very excited about that property.

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

Achal Kumar: Yes. Hi. Thanks for taking my question. So, coming back to MMR, could you please give us in terms of the color, what was the ARR and occupancy performance excluding Powai property, and what kind of delta you're expecting in terms of revenue as your Powai property, since you're quite excited once the CIGNUS II completes, what kind of revenue delta you're expecting? Thanks. That's my first question.

Shwetank Singh: Yes, 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 the path of creating long-term value, and that's why we don't get worried by these temporary blips. We knew we had to go through some pain while the construction is going on, and we are willing to take that pain. Just as a quick reminder, another 0.9 million being added. So, for the first 0.9 million square foot at CIGNUS I is already more than 90% occupied.

And the last run rate of rentals that we had is north of 150. So, we have already sort of started getting good traction there in that particular complex. Addition of another 0.9 million square foot will give us a very steady income of a serious quantity, which will help add further to the bottom line of the company. So, 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 getting behind us now. As I said earlier, with the porch back, 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, and once we get planning permission on that, we should be able to come back with more details, but that should actually become one of the most major banqueting facilities that MMR has. And with that, we should add even further value to that particular complex. So, we are not worried. We are watching the space closely, but it doesn't bother us as of now.

Achal Kumar: Right. And my second question is around Athiva. So you mentioned that you're doing a lot to sort of increase awareness, doing marketing campaigns, but are you also thinking about doing something with the sales and distribution strategy or doing some kind of agreement with Marriott for this property? Is that going to help? So what exactly are you thinking about Athiva, and in general in, of course, your resort properties?

Shwetank Singh: So let me talk about Athiva Khandala in particular because you've touched a raw nerve, and this is a conversation we constantly have in our boardroom. Athiva Khandala, and just to remind you what was earlier The Dukes, is a hotel that has been largely fed by domestic business, and it comes mainly from the Mumbai Metropolitan Region and Pune.

So having said that, we have no plans, as of now, to sort of tie up with any other brand. This is our experiment at setting up Athiva, and from the signs that we have seen, we are very encouraged. That's number one. Number two, we continue to invest on the marketing side of it, and as I said, we have already received great traction on the weekend. We are getting more than our fair share. We have managed to hold our rates. Where we still need work is on particularly during the weekdays, because that's largely MICE, and for MICE, you need to knock on doors and let them know that we exist and that we have a portfolio, we have a hotel that has a lot to offer. As I said earlier, we are educating the market in the process as well 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.

And all of this, why we are actually most excited, is that if you look at our customer reviews, which are nearing 500 already online, we are at 4.9 plus rating. We have been accepted by our customers, we have fantastic customer feedback, and that's what gives us the most confidence that we will do very well in this resort, and with Athiva in general.

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

Prashant Biyani: Yes, thank you for the opportunity. Sir, can you give some granular details on Westin Rishikesh and Marriott Aravali, how they are doing? You have elaborated on Athiva, but on the other resort properties, how they are faring?

Shwetank Singh: Okay. Westin Himalayas has been on fire this year, and we are actually growing year-on-year quite substantially there. We have managed to again, once again, sort of hold the rate there while growing occupancy, and that has always been our target. When we had acquired this hotel, we wanted to get to a certain revenue number to get adequate returns on this, and we are well on track. In fact, we were tracking it against the feasibility that we had put in place, and we are bang on schedule. So, we are very encouraged by the performance there.

If we carry the same thinking forward to Marriott Aravali, which used to be the Courtyard, and we have just literally just rebranded, we have had some sort of relook at that place and on how to reposition it. We have added a clubhouse, we have added further guest facilities, we have even created new meeting spaces. So that should all start to kick in as we speak. We have even made the area around the swimming pool, the bar facilities, etcetera, of a much higher level now. So, we would expect a higher rate positioning as we go into the year.

So that's how we're viewing both our properties, and as I've always maintained, leisure portfolio is very exciting for us, and we want to continue to do well there.

Prashant Biyani: Right. Sir, on Udaipur asset, while on the expanded portfolio, we are awaiting approvals, for the existing property, what would be the commercial timeline? When are we going to start to operate it?

Shwetank Singh: So one of the biggest mistakes sometimes we can make in portfolios is to partially open a property. Whilst we can finish the interior works much sooner, we would like to open it in totality, especially because we are looking to brand it under Athiva. So we want to properly launch this place, but what we are doing with the property, vis-a-vis the way we have bought it, 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 the maximum advantage of that particular market, which is largely driven by socials, as you are aware. And we are creating fantastic facilities, both open and closed, banquet facilities with rooftops available, with open spaces available, and we are adding villas, we're making a fantastic swimming pool at the center of all of it, great F&B offering.

So the whole thing is looking very, very good, and as soon as it all comes into play, it'll be a major revenue addition to our leisure portfolio and overall portfolio as well.

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

Jinesh Joshi: Yes. Thanks for the opportunity. Sir, my question is on the ARR growth. I mean, basically, I just wanted to know how much commission do we end up paying for our GDS and OTA bookings, and how much of this growth of 8.5% is a function of the changes in the distribution channel mix that we have highlighted in this quarter versus the function of actual price hike? I know it might be difficult to quantify, but if you can give some color over here, it may help, because the share of OTA bookings is down to about 7% in this quarter, and that could be the reason why the ARR could be slightly up?

Moderator: Ladies and gentlemen, we have lost the line of the management. Please stay connected while I reconnect the management. Thank you. Thank you for your patience, ladies and gentlemen. We have the management line reconnected. Jinesh, if you could please repeat your question for the management? Thank you.

Jinesh Joshi: Sure. Sir, I just wanted to know how much commission do we end up paying for the GDS and OTA bookings, and how much of this ARR growth of 8.5% that we have reported in this quarter is a function of change in the distribution channel mix that we have highlighted in the presentation versus the actual price hike that we may have taken?

Shwetank Singh: Okay. Thank you, Jinesh. So the first thing is on the commission side, and with having tied up with really large chains like Marriott or Accor and so on and so forth, we are very confident that the commissions that we pay on any of the channels is at the bottom end of the market, and we are at the lowest end.

And if you look at our EBITDA margins and our room margins, you can clearly pick up that we are at the top end of the heap when it comes to the industry. So without giving away specific numbers, it's not correct to sort of talk about contracts publicly, I can tell you that we are paying at the bottom end of the overall payouts.

Having said that, in terms of what's happening on the segmentation or distribution channels, we haven't seen a major change on the distribution channels, it's pretty similar to what it was last year. And from a segmentation perspective, we do have small groups coming in, we have social movement as usual, and crew has gone up for us.

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. So all in all, we have managed to sort of maintain almost all of our segments and hold on to what we had, so that we can continue on our growth despite the fact that there has been disruption on the foreign tourist arrivals.

Jinesh Joshi: Sure, sir. Just one last question from my side. I think the hotels that are under construction, we have highlighted progress of all the hotels except for the South Goa one, and this one I think we are planning to open by FY28. So maybe can you just share what is the progress over here in terms of where are we in terms of the construction timelines?

Shwetank Singh: Yes, so South Goa is a hotel that has continued to elude us. It is notoriously hard to start pouring concrete in Goa. But what we have done in the interim is that we are ready from a design perspective, we are ready from a contracting 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. With that in mind, we know that we can build fast. It's a G+1 structure, and therefore, we would hope to finish this sooner than what a usual 200-room hotel would look like, but more on this once we start pouring concrete, please. So give us some leeway on this.

Moderator: Thank you. We take the next question from the line of Vaibhav Muley from Haitong India Securities. Please go ahead. Vaibhav, please un-mute your line and proceed with your question.

Vaibhav Muley: Hi. Am I audible?

Moderator: Yes, please go ahead.

Vaibhav Muley: Great. My first question Shwetank was on our leisure portfolio. We have done a fantastic job of expanding occupancy by more than 500 bps. My question was related to whether this is sustainable and when do you think we can reach this mark of 60% to 65% of stabilized occupancy, especially from the background that entire leisure industry itself has seen a very sharp improvement, partly because of this shift of travel that we have witnessed from foreign outbound destinations to internal destinations.

So if there is any chance of this trend reversal that you expect once the global situation normalizes, and will there be again any impact on occupancy because of that trend reversal? That's my first question.

Shwetank Singh: Look, that's where different portfolios work differently and actually you called it out yourself. We are not really a stable portfolio when it comes to our leisure setup, and therefore the growth up to the 60% mark is a given. Now the question is how quickly do we get there and that's where the work of our asset management teams and our operators start to come into play.

All the dynamics of a leisure portfolio are at play and we can see that as we speak. The segments are strong, social continues to stay strong, MICE is beginning to move again. The FITs who are the individual travellers, still continue to fill up the weekends for us. So we are looking at a very strong sort of a growth when it comes to the leisure portfolio, and for us, we still have some headroom on the occupancy side, as we have always said. So all in all put together, we do expect this part of our portfolio to continue on its growth trend as it has been in the past.

Vaibhav Muley: All right. My second question was on our customer and distribution mix. I just wanted to understand we have seen a bit of a decline in the transient mix and OTA mix as well on the distribution front, while rest of the industry has seen improvement in the OTA mix as well as the transient travellers, mainly because lot of individual transient travellers are going towards your domestic destinations. So why is this a different trend that we are witnessing?

Shwetank Singh: Sorry, so are you saying that our OTA channels have shown a decline, right?

Vaibhav Muley: Correct. OTA channel as well as the transient mix.

Shwetank Singh: Okay, I see what you're referring to and which slide you're referring to. Look these trends are not necessarily a particular trend. This could be very dependent on where we are situated in which micro market we are referring to. I wouldn't necessarily see this as a trend, this could go up and down as we go along, and a lot of this is also driven by what's happening in other segments.

So the percentage tends to move because of maybe another particular segment goes up, for example, groups have gone up for us, or special corporate goes up, so the percentages may look different. So I wouldn't sort of read too much into it. I would just sort of focus on at the end of the day, we have to maximize our revenue and that's where we are focused, it doesn't really bother us if the percentages change by a few percentage points here and there.

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

Prateek Kumar: Yes. Hi, team. A question on like metro hotels have a strong skew towards corporate and business travellers as we know, and business travellers have seen some moderation due to software/FTA trends. Are you seeing opportunities to drive incremental leisure demand into some of these properties through things like staycation weekend packages or other things? Also, what would be our like current business mix – business versus leisure mix for a metro hotel?

Shwetank Singh: I wish what you said was true, and we would love to do that. In fact, we are attempting to do that as we speak, in particularly, in Powai, which has basically small oasis within large metropolitan areas. And with the lake in front of us and excellent views, we are adding some leisure facilities, we have just recently added a pickle paddle court, we are adding some sporting facilities in an area which used to be actually a records room, which we have converted to a games room now.

So that is indeed our thought. We hope that people use us on weekends specifically in larger cities, but in some places this is not possible. So we have made several attempts in, for example, Whitefield in Bangalore, but it's just that there's just no way to trigger leisure demand. So overall, it's a trend that we watch out for, but we don't want to dilute our positioning by going very low on the rates because very hard to trigger demand just with rates.

So it's a trend, as I said, we watch out for at all times, but I wouldn't necessarily expect a major flip or blip coming because of this particular trend.

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

Akash Gupta: Hi, am I audible?

Moderator: Yes, please go ahead.

Akash Gupta: Yes. Hi, sir. Congratulations on a good performance in a volatile quarter. So my first question is on your MMR portfolio. I see ADRs growing 8% year-over-year, but occupancy coming down. So how are we seeing this trend -- this quarter, or at least for the first month in July, how has occupancy and ADR been?

Shwetank Singh: Why don't you ask that question to Mr. Trump, please? On a serious note, he seems to have lost the plot completely, and now every day it's an up and down situation. Only yesterday, I saw even Saudi is getting involved now, so that is getting broad-based, that war. But having said that, this particular quarter did start strongly, but it's getting increasingly hard to now forecast our business, because every 5 to 10 days that seems to be changing.

August is overall positive and looking good, and September is still a little far out, so our hope is that we will sort of continue to be on that growth pattern. Overall, this quarter, it would be remiss of me to give you any sort of guidance, because we are ourselves monitoring the situation on a day-to-day basis.

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

Abhishek Khanna: Hi, sir. I had one quick question on the leased assets in Airoli and Hyderabad. Could you share the details of the lease rentals that you'd be paying to Mindspace, the lease rentals, and/or the lease deposits that you would have paid to them?

Shwetank Singh: Yes. So the only one asset that's in play right now where lease rentals are active is the Westin Hitec. And even though it's a group company, everything for us is at an arm's length, and we end up paying rentals which are, very clearly, what's prevalent in the market. That's how we look at these. So, to give a specific number won't be right, but you can sort of judge what's going on in the market and sort of take a cue from that.

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

Anuj Upadhyay: Yes. Hi, thanks for the opportunity. Majority of my questions have been answered. Shwetank, this is related to the Westin Hyderabad Hitec. I believe we had some 3-years contract with the Deloitte, which was supposed to get expired in the current fiscal. Just to get an update on that, whether it's still continuing or about to expire, and if yes, so how exactly should we proceed out here? Would there would be extension to this, or will now we keep it open?

Shwetank Singh: We have actually renewed it for 1 more year. So it's been a learning curve for both us and Deloitte, and Deloitte has been monitoring the occupancy on that. In fact, one of the things that did change, just for your understanding, is that earlier they were not insisting on Deloitte people necessarily staying at our hotel and using it only for their university purposes, but since the time the situation became bad, particularly in the Middle East, they have actually collated all their customers from other hotels and are forcing them to stay with us.

So that's the current situation. We've renewed it for 1 year. We'll again come back to it by the end of this fiscal to see where we want to take this, both in terms of rental growth and whether or not they continue to stay interested. Right now, the conversation is in a very positive manner, and we are looking at it as a partnership and helping each other sort of work through these difficult times of this.

Moderator: Thank you. We take the next question from the line of Rahul Jain from PhillipCapital. Please go ahead.

Rahul Jain: Hi, sir. Congratulations on the RevPAR improvement over previous quarter. My question pertains to the Mumbai MMR portfolio. From a medium-term perspective, how do you see the occupancy shaping, given that you previously said that supply is getting absorbed and the market is starting to resume to its previous trajectory. So from a medium-term perspective, what could be the occupancy ceiling that you envision for this portfolio? Can it reach the previous highs of 77%, go towards 80% or perhaps even higher? Just wanted your thoughts on that. Thank you.

Shwetank Singh: That's a great question, but just look at this in two parts, please. So the supply side has not impacted JW Sahar, we continue to have strong occupancies there, so there is no risk there of occupancies dropping. Powai and FPS have had temporary sufferance, mainly because of problems that we created for ourselves for a future.

So, we definitely should come back to where we were originally, and that should not be a problem at all. And if we were at 77%, as you are reminding us, there is no doubt that we will build up to that. We have been market leaders in both of these hotels against our compset for a very, very long time. If you look at just FPS, for example, our fair share against the fair share of the market, we were at almost a 140% pre-going into refurbishment.

So there is no reason why we shouldn't be starting to hit those numbers and even go beyond, particularly as that market becomes stronger. Powai again, with the problems gone of construction, we should go back to our heyday, and with the commercial business helping us, the revenue growth should be quite phenomenal from that complex.

Moderator: Thank you. We take the next question from the line of Dipak Saha from Ashika Institutional Equity. Please go ahead.

Dipak Saha: Hi, thanks for the opportunity. Just one question, sir. So far, we have seen domestic travellers really giving a strong push to the overall industry. Just trying to understand how long do you think this is -- this can continue? The perspective I'm coming from, is this sufficient enough for -- to offset the foreign tourist loss that we have seen so far? So just from that point of view, trying to understand how is it sufficient enough, how long this can continue to overall keep the momentum quite buoyant for the Indian hospitality industry? And more relevant from our end?

Shwetank Singh: Yes, look, the strength of the Indian consumer, I think, is still not fully realized. And if you look at all trends of per capita income, how we are growing, households that are earning above a certain amount, all of that, that base is growing quite rapidly, and they're also very keen on traveling now and COVID having taught them that experiences are meant to be valued.

So having said that, I don't think we are anywhere near having fully utilized the peak of that ability. A great surrogate of this would be the Indian stock markets when foreign investors started to pull out of the SIP business, you saw what happened to the markets with Indian investors coming into and fully understanding the SIP play. So we are not at all worried about Indian domestic market consumption at any point waning to a point where it'll be a concern to us.

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

Omkar: Hello, am I audible?

Shwetank Singh: Yes, you are.

Omkar: Yes. What is the MMR share in the hospitality revenue for 1Q?

Shwetank Singh: I think it's close to 43%.

Moderator: 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: Thank you so much. 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 insight on our business, please contact Deepak, and he shall be able to help you. Good day, and thank you so much.

Moderator: 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.

(This document has been edited for readability purpose)