

February 9, 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)**  
**730809 (Commercial Paper)**

Dear Sir / Madam,

**Subject: Transcript of the Earnings Call in respect of the Unaudited Financial Results for the quarter and nine months ended December 31, 2025**

Pursuant to Regulation 30 read with Para A of Part A of 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 February 3, 2026, in respect of the Unaudited Financial Results for the quarter and nine months ended December 31, 2025.

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.chalet-hotels.com](http://www.chalet-hotels.com).

Request you to take the same on record.

Thanking You.

Yours faithfully,  
**For Chalet Hotels Limited**

**Christabelle Baptista**  
**Company Secretary and Compliance Officer**

Enclosed: As above



“Chalet Hotels Limited  
Q3 FY26 Earnings Conference Call”  
February 03, 2026

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

**Moderator:** Ladies and gentlemen, good day and welcome to the Chalet Hotels Limited Q3 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded. We have with us today Mr. Shwetank Singh, Managing Director and CEO and Mr. Nitin Khanna, Chief Financial Officer.

I will now hand the conference over to Mr. Nitin Khanna for opening remarks. Thank you, and over to you, sir.

**Nitin Khanna:** Thank you, Ryan. Good morning, ladies and gentlemen. Thank you for joining us for our earnings call for Q3 FY '26. Hope you have been able to go through our Q3 results along with earnings presentation and press release, which are already uploaded on our website and exchanges.

Please note the safe harbour disclaimer published with our earnings presentation is applicable to today's call as well.

Before I hand over the call to Shwetank for his opening remarks, on behalf of the entire Chalet family, I congratulate him for his elevated role and wish him the best as he leads Chalet in the exciting times ahead. Over to you, Shwetank.

**Shwetank Singh:** Thank you, Nitin and Ryan and good morning to all. I'm excited to address you all and bring to you another fantastic set of numbers, and more importantly, a sneak peek into what the future holds for us. On this journey, where we work tirelessly to shape the future of the organization while building on the legacy, we welcome your suggestions and queries as they help us to stay focused.

Before taking you through Chalet's performance in Q3, let me talk about the industry macros that drives our excitement as we look ahead. The industry continues its strong growth momentum with healthy double-digit ADR and RevPAR growth. This is not at all surprising as the key tailwinds propelling us forward remain robust and are not showing any signs of abating.

Travel and tourism is rapidly moving from being a discretionary spend to a way of life. Rising income levels, largest working population in the world with a young median age, valuing experiences over material goods are all leading to short breaks, road trips, weekend getaways, etc., thereby boosting occupancy and rates across the hotels nationwide.

The recently concluded long weekend around the 26th of January is a great example of this mindset, where almost all leisure destinations were sold out with the now infamous long queues in the Himalayas back in the news. Weddings are constant and the Indian industry keeps growing and so does MICE with the current quarter being annual highs for both these segments.

Equally helpful has been the rise, and the rise of infrastructure and connectivity as investments in airports, highways and regional travel links have opened up new destinations and made travel easier beyond major metros, encouraging regional tourism. A INR12 lakh crores planned spend

by the union government in the recently announced budget towards infra push will further give this a fillip.

An increasing trend of concerts, festivals, sports events, spiritual gatherings and cultural tourism are further creating new travel occasions beyond traditional leisure, driving incremental demand spikes. With India and Indian markets being discussed in the boardrooms of most multinational companies of repute, international travel is recovering and is only showing an upward trend. And the clearing up of the business environment with the recent trade deals with the European Union and the U.S., which should also encourage foreign travellers. To add to this, despite the spate of announcements, new hotel openings, supply growth has lagged demand in key segments and markets.

Closer to home, let me now talk about Chalet's performance. We have rebranded our resort property at NCR from Courtyard by Marriott Aravali Resort to Aravali Marriott Resort & Spa. For this, we have made several upgrades through refresh of rooms and public areas as well as added a new clubhouse, pool bar and some meeting facilities.

Further, this was the first full quarter of the launch of Athiva, Khandala. In the 45-days run we saw in Q3, we have already had 5 full sold-out days, which is a great achievement for a new resort. We have received very good feedback from the guests and remain confident of making our first Athiva a success story. Apart from Khandala, we are expecting our Vashi hotel to be rebranded as Athiva in Q4 FY '26 from Four Points by Sheraton currently.

Also, I am pleased to share that our people-first approach has further consolidated, and we have been certified by Great Place to Work with above-industry benchmark scores for seventh year in a row.

As you are aware, our CIGNUS Whitefield Tower II received LEED Platinum certification. This milestone reinforces our commitment to sustainability and marks another important step in our journey towards net zero.

With respect to the resort asset at Udaipur, the due diligence process is still on, and we cannot speak about it further until all the steps are closed.

Now coming to the Q3 performance. For this quarter, consolidated revenue grew 27% year-on-year to INR5,892 million with 29% growth in EBITDA to INR2,726 million with 76 basis point increase in EBITDA margin to 46.3%. These numbers include our residential income as well. Our ex-resi revenue grew 23% year-on-year to INR5,726 million, with EBITDA growing 24% year-on-year to INR2,686 million.

Diving deeper, our Hospitality business delivered strong operating performance this quarter with RevPAR growth close to 12%, driven by 16% growth in ADRs overall. Excluding The Westin Resort & Spa in the Himalayas, the RevPAR was up 10%. Occupancy was a bit down by 230 basis points year-on-year, mainly due to four locations: Bangalore, where we added 129 new keys in this fiscal and has not stabilized. Athiva, Khandala, where 100 rooms have been made operational only during this fiscal year. Powai, where the crew business has had a temporary setback due to construction work being carried out at CIGNUS II. We expect this impact to

neutralize in FY '27 as most of the noisy work will be completed. And finally, Vashi, where the property has undergone a massive renovation to get it ready to become an Athiva.

Other than these locations, we have seen strong occupancy across our micro markets. Some of the micro markets like Bangalore, Hyderabad and Pune continue to deliver very strong growth. MMR also delivered high single-digit RevPAR growth, driven by 6% ADR growth and 2% occupancy increase despite the above challenges at Powai and Vashi, beating the larger market comfortably on RevPAR growth.

We have been upgrading our F&B outlets, and the outcome is very encouraging. Our recently launched Terrace Restaurants & Bar at Mumbai, NOX at Westin, Powai, and EL-Bar at JW, Sahar, have performed very well.

During the year, we also launched the SOAK at Novotel, Pune, and is again doing extremely well. Casbah, our rooftop restaurant in Westin, Hyderabad, also delivered a very strong growth. In the coming quarters, we'll continue to focus on food and beverage outlets, especially at Marriott, Bangalore, which also we plan to refurbish and relaunch.

Commercial real estate - During the quarter, we contracted an additional 150,000 square foot at Powai, which takes the total occupancy levels to 80-plus percent. Rentals will start from Q4 for this new business. With multiple ongoing discussions, we expect to reach 90% occupancy at Powai in the near term.

Let me now talk about updates on our live projects. Work is on at full swing in CIGNUS II Powai, and we are on track for an FY '27 launch. We expect some delays at Taj project at Delhi International Airport due to ongoing pollution-led stoppages. The revised timelines are partial launch by quarter Q4 FY '27 with a staggered launch post that. Also, I'm pleased to share that we have received requisite environmental clearances for our Hyatt Regency Airoli project. With this, we have untangled one of our delayed properties, and it is fortuitous timing as that part of the city is likely to gain from increased demand arising from the new international airport. To remind you, the property is a mixed-use one with the hotel starting from 26th floor onwards. We expect to take about 36 months from the date we commence construction post all approvals.

Therefore, in summary, the Indian hospitality industry's performance is being driven by a potent mix of strong domestic travel demand, higher disposable incomes, improved infrastructure and connectivity recovery in business travel, event-linked tourism and a favourable supply-demand gap, all underpinned by broader macroeconomic stability and consumer confidence.

With that, I'll hand over to you, Nitin, and you can take them through the financial details for the quarter.

**Nitin Khanna:**

Thank you, Shwetank. Once again, good morning to all. I'm happy to share our strong performance for the quarter with you. Let me start with broad financial performance. On a consolidated basis, our revenue grew 27% year-on-year to INR5,892 million with 29% year-on-year growth in EBITDA to INR2,726 million. Consolidated EBITDA margin are up 76 bps to 46.3%.

Excluding our residential business, revenue are up 23% year-on-year to INR5,726 million with 24% year-on-year growth in EBITDA to INR2,686 million. EBITDA margin are at 46.9%, up 14 bps year-on-year.

Before I dive into business-wise performance, I want to briefly highlight on the labour code impact on our financials. As you are aware, the Government of India has implemented four comprehensive Labour Codes effective November 25, consolidating 29 central labour laws to simplify compliance, enhance social security and improve working conditions. As a result, we have taken higher provisions during the quarter, which we have classified as extraordinary expenses. However, since our salary structures were largely aligned with the new requirements, the overall impact on the Profit and Loss is INR10 million.

Revenue from our Hospitality business rose 23% year-on-year to INR4,913 million, driven by strong RevPAR growth, as highlighted by Shwetank. On a like-for-like basis, which is excluding The Westin Resort & Spa, Himalayas, revenue grew 15% year-on-year.

EBITDA from our Hospitality business rose 20% year-on-year. Excluding The Westin Resort & Spa, Himalayas, and one-off expenses related to property tax, excise license name change, etc., EBITDA margin for Hospitality segment is 46%, which is flat year-on-year.

The profit and loss account has also absorbed costs related to the additional inventory at Bengaluru and Khandala. As highlighted on the last call as well, higher inventory-related impact is transitory and stabilizes as occupancy ramps up over the next few quarters. We continue to remain committed to maintain cost-efficient structures with focus on enhancing operational efficiencies and disciplined asset management.

On the CRE business, revenue from our Commercial Real Estate business rose 29% year-on-year to INR744 million with a December monthly revenue exit run rate of INR250 million. EBITDA grew by 37% year-on-year to INR621 million, yielding an EBITDA margin of 83.5%. Currently, occupancy across our Commercial Real Estate portfolio stands at 83%. With various ongoing discussions, we expect occupancy at Powai to increase beyond 90% in the near term. While leasing at Bangalore complex remains muted, we expect March '27 monthly revenue exit run rate of INR270 million. We expect to ramp up our monthly rentals to INR280 million to INR300 million over the FY '27.

For the residential project, during quarter 3, we sold 3 units at an average rate of INR20,500 per square feet and recognized revenue of INR166 million for 2 units that were handed over in the quarter. Let me refresh the Koramangala project details. The project has residential towers in 2 phases and a commercial tower. Phase 1 of residential is completed with 152 units handed over, of which two were done in quarter 3 and 1 unit is pending handover. Phase 2 has 168 units and is under development, which we expect to hand over in FY '27. The project also has 160,000 square feet of commercial space, which is yet to be developed. We are evaluating strata sale versus leasing for the commercial tower. We will be able to guide you further during our next earnings call on the commercial tower.

Our net debt stood at INR20 billion with the average cost of finance reducing further by 14 bps quarter-on-quarter to 7.48%. We maintained a healthy liquidity position of INR3.8 billion at the end of the quarter.

I'm glad to convey that we were able to raise INR1 billion through issuance of commercial paper at a fixed coupon of 6.3%, which was rated A1+ by CRISIL ratings. Our competitive borrowing cost is a clear reflection of the strength of our balance sheet; the credibility we have built with our lenders and our continued ability to access capital at increasingly competitive rates.

On the capital allocation front, the capital work in progress and the assets pending business commencement amounted to INR7.2 billion at the close of the quarter. With a disciplined capital allocation framework, we are strategically investing to drive long-term sustainable growth.

We have planned capex of around INR25 billion over FY '27 to FY '29, covering our Hospitality and Commercial Real Estate business. This will be primarily funded through our internal accruals. This does not include any additional projects that we may take up. The Company's balance sheet continues to provide the financial muscle necessary to pursue potential strategic opportunities in the future. The CRE business provides a stable cash flow, and with leasing of existing 2.4 million square feet, it will be generating an annual cash flow of around INR3 billion to INR4 billion. Hotel business EBITDA adds to this stable cash flows, giving us a strong base of free cash flow generation to support our growth aspirations.

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

- Moderator:** We take the first question from the line of Adhidev from ICICI Securities. Please go ahead.
- Adhidev:** I have a couple of questions. Sir, first question is now on the Delhi Airport hotel with the revised timeline. Could you help us understand how we are looking at the gradual ramping up of the hotel in terms of the number of keys considering it is a big box hotel? So that is the first question?
- Shwetank Singh:** Thank you, Adhidev. So, the way we are looking at it is that the advantage we have for this hotel is that the structure has gone up from bottom. So, we have actually already started the interior works for the public areas and one or two floors of the rooms. So, what it allows us to do is open the rooms up in a staggered manner. So right now, we are targeting about 150 rooms for the end of this year. And then in a staggered manner post that, ramping up to 380-odd rooms that is required within the next quarter.
- Adhidev:** Okay. So fair understanding is, by Q1 of '28, right, financial year, we should have all the rooms up and running, right, in the hotel?
- Shwetank Singh:** Yes, that's how we see it. That is correct.
- Adhidev:** Second question, obviously, is the demand trends in the current quarter, right, because it's traditionally been the best quarter for us in the business hotels. Any colour you'd like to give on the demand and any additional drivers which are helping us on the demand side across geographies?

**Shwetank Singh:** So actually, it is one of our high quarters, and not just for the socials, it's also for the MICE events. So actually, the weather is helpful, too, and we expect a similar trend in the coming quarter as well. So, there's nothing new, but basically, the macros of the country stay strong. The only thing now that is there to look forward to is especially the international travellers coming out of the situation easing out with both the European Union and the U.S. So that's something to look forward to. Other than that, the usual trends and increment should continue.

**Moderator:** We take the next question from the line of Rahul Jain from PhillipCapital.

**Rahul Jain** Just a question from my side. I just want to understand how do you see the ARR progressing in the MMR region? And in the near term to medium term, what is the outlook on the ARR growth going forward in this region?

**Gaurav Singh:** Rahul, this is Gaurav from Chalet. The MMR region obviously is driven by many submarkets, and we are positioned more in the Sahar belt as well as Powai. On the whole, we have seen the whole of the region being early single-digit growth from a RevPAR perspective, while as Shwetank said in his earlier statements that MMR for us has come in, in the later single-digit growth. So, we've actually been outperforming the market on the whole.

And we constantly keep an eye on our competition. There has been a substantial increase that has come in into the market over the last few months, particularly in different segments of the hotel around the region that we operate in. We believe that we constantly keeping an eye on the market allows us to be able to pivot to what segments we need to bring our business from. And we continue to have a very strong premium from the market, which should allow us to keep track with our growth trajectory.

**Shwetank Singh:** And just to finish that off, in general, we should be mindful that Mumbai operates at very high levels of performance, both on the occupancy and the ADR side. So, to expect a similar growth story necessarily as what's happening in the South today or what we expect Pune to have may not play out here, but it's good to see that we are still growing and growing decently in the market, and that's what we expect to happen.

**Rahul Jain** Sir, my second question is basically on the Aravali Resort, right, the rebranding and how the guest experience actually changes after the rebranding? And how do you see the rate change from Courtyard to a Marriott Hotel? Will that be more of a transitional trend? Or will it be a more onetime uplift in the ARR? So, I just want to understand how the metrics will move given the rebranding?

**Gaurav Singh:** The rebranding has just concluded. And in this current repositioning that we have done with the hotel, we've added some new elements to our service design. We've got a new clubhouse with sporting facilities. We've got additional meeting and conferencing facilities that have been added in and we've upgraded some of our existing facilities as well, including that of a pool bar, which is the centre of the resort in its own positioning.

All of these should add to our guest experiences as well as uplift the positioning of the hotel on the whole. We believe this will, over time, in the next 2 to 3 quarters, as we go into contracting of larger MICE as well as weddings into the season of next year, we see that this will actually



give us a potential upside from where we have operated in the past. So, we do believe that the repositioning will give us upside in our ADR position.

- Moderator:** We take the next question from the line of Sameet Sinha from Macquarie Capital.
- Sameet Sinha:** A couple of questions. First is, Nitin, for you specifically. Can you speak about the margins in the Hospitality business? Can you help us through what's kind of onetime, what should go away next year? And if anything, else is going to be added next year? I can understand there's, obviously, some weightage on that because of the new rooms, new inventory that's been added? But anything else that we should be keeping in mind as we model this going forward? Second is, on this Udaipur property, obviously, it seems like very interesting pricing that you could potentially get this property at. Can you talk about the condition it is in? What sort of incremental capex, any timeline around that, that will be helpful. And then I have one follow-up
- Nitin Khanna:** So, as I have already spoken on this, there are one-off expenses because of the excise license name changes, which we have done in our two properties, Novotel and Bangalore. Plus, there was one property tax issue in Bangalore, which was also a onetime settlement. This total amounts to around INR2.5 crores to INR3 crores, which will be onetime spend. So, this is not going to happen next year going forward. On Udaipur, I would request if Shwetank can add something.
- Shwetank Singh:** Yes. So, Udaipur, as you're aware, we've basically started the due diligence, and we are working through the steps required to conclude it. But essentially, we have taken a resort which is not operational today and will require extensive refurbishment work. And we'll also look at adding some additional rooms to it.
- So whilst the contours of this deal get clearer as we go along, because we'll have to figure out how many rooms we can add, etc., it's only then we'll be able to give you a full picture of what the capex would look like and what the number of rooms would look like. So, at this stage, we will just leave it at that.
- Sameet Sinha:** One final question. Obviously, now we have signed the trade deal with the U.S. EU was in the last 10 days. So, it seems like business opportunities will increase and hopefully, travel will also increase. Do you have a sense of what the FTA levels, whether they are above pre-COVID level or have they started to increase? Any sort of guidance on that will be very helpful?
- Gaurav Singh:** So just to add to the FTA levels, I think we've added inventory into our system, which you're well aware of. Given that inventory, our mix of domestic versus foreign travel has remained the same. And that essentially means that the added inventory has actually absorbed the percentage of international travel growing.
- If we look at it today, 40% of our business across the board comes from foreigners and that percentage remains intact with the added rooms that have come in. So that essentially means that we are above pre-COVID levels, though the percentage may show the same. And given what you just said, the positive sentiment coming through, particularly the last two trade deals as good as this morning, we strongly believe that this will only grow further.

- Sameet Sinha:** And this 40% number, is it on just your business hotels or your leisure, because leisure has increased significantly as a proportion of total rooms, right, in the last 5 years?
- Gaurav Singh:** This is overall, our portfolio, including business and leisure.
- Moderator:** We take the next question from the line of Prateek Kumar from Jefferies.
- Prateek Kumar:** Congrats for good results. My first question is, can you discuss again your stance on luxury segment? You have taken back positions in luxury assets in recent times, including the one at Udaipur. How do you see luxury mix in your room mix evolving over the medium term?
- Shwetank Singh:** Thank you, Prateek, for the congratulations. That's the first one we have heard on this call. We believe we have put out excellent results as well. So, thank you so much for that. Prateek, we have always believed that the upper upscale and luxury segment is our playground. And the way we see the rising income levels, the fact that travel is becoming a nondiscretionary spend very rapidly, we believe that's where the play is.
- And the best part about this that when you play in this area is that it allows you to -- when you enter a Tier 2 town, it allows you to be the best hotel in town, and that's where the business is, and you get to set the rates. So, we like that space, we see that it will continue to be the most exciting space, and that's where we plan to stay as well. If you see our brand launch, it is also largely in that space. That's where we are positioning Athiva as well. So, we are highly positive about that space.
- Prateek Kumar:** But any percentage mix? I know it's like currently standing at 15% to 20% of your total keys mix, luxury and resort segment. How do you see that?
- Shwetank Singh:** Quite frankly, I still don't understand the question, and none of us do. Can you rephrase the question?
- Prateek Kumar:** Sorry, I meant leisure segment. Sorry if I said luxury, leisure segment, I meant, I'm so sorry. Leisure segment, how do you see the mix evolving in your business?
- Gaurav Singh:** Our leisure segment strategy has been defined over the last few quarters where we've continued to grow our positioning as well as acquisition strategies that we have had. If you look at the last few quarters and last year, we did go ahead and acquire The Westin in the Himalayas.
- And we continue to look out for opportunities. Udaipur, as has been spoken of on this call as well, is one of those to expand our leisure footprint. This is something that we consciously are looking at. Wherever there's an opportunity of good leisure demand, we would love to have our own flag there.
- Shwetank Singh:** And also, just to finish that off, we had taken a conscious call that we wanted to spread our eggs a little, and we want to get up to around the 20% number on the overall business versus leisure mix. So that's what we are sticking to, and that's exactly how our acquisition strategy is playing out.

**Prateek Kumar:** And one other question, does this mix change of leisure versus business and geography, MMR versus others, have some impact on your margins, because we have like been lower on margins? As you said, there are like some one-offs, but are your business margins expected to be lower incrementally on a year-on-year basis

**Shwetank Singh:** No, not strictly true. So definitely, when you bring in leisure portfolio into a very high-performing business portfolio, there will be some dilution of margins, but that doesn't mean that our asset management teams are not working overnight to sort of correct it. And as we go along, you will start to see an improvement in these margins as these hotels stabilize. So, we don't see that as a particular challenge.

**Moderator:** We take the next question from the line of Awais Bakshi from Sundaram Mutual Fund.

**Awais Bakshi:** Firstly, in terms of the MMR market, I just wanted to understand what drove our outperformance versus the broader market, specifically given that Powai and Airoli were marginally impacted this quarter? And secondly, also on the Bangalore micro market, the 10% kind of an occupancy decline. So, sir, what exactly explains this? And also, if you could share any like-to-like occupancy change in case of one-off, that would be helpful. That is my first question

**Gaurav Singh:** Awais, on the MMR market, as we explained in our earlier conversation that we've added, in both our hotels, some sort of food and beverage additionally to what we had in the past. And what that has done is continue to reposition our hotel in the local market as well as with our loyal customer base.

We do have a very large loyal customer base, particularly with Marriott Bonvoy, which is where our relationship is. And we see that given that we tend to have a preference amongst our competitors of people choosing us beyond them. This gives us one opportunity to continue to increase our base.

At the same time, we have been constantly pivoting, based on demand and supply that happens in the market, to be able to correct our segments where required. As Shwetank alluded, in the construction works that are happening in Powai, we did lose an opportunity of continuing to have larger crew base, and we were able to pivot that with MICE and wedding segments replacing that business.

And these pivots allow us to continue to remain competitive and ahead of the market. In Sahar as well, what we have constantly done, given that there has been new inventory that has come into the market, is to reinforce and ring-fence our corporate segment, which is our largest producing segment in the market.

And we have ring-fenced our relationships there, continuously engage them, so that we are able to ensure that they use us going forward as well. These strategies have helped us position ourselves as well as give us greater guest satisfaction and led to better and bigger share of the market.

**Shwetank Singh:** With respect to Bangalore, just to finish that off, sorry, that was the second part of the question. So, the drop in occupancy is mainly because we've added additional 130 rooms, and that's

stabilizing very rapidly. And you can see that we have been still able to command a very high ADR growth despite the new rooms coming in. So, we continue to work on that strategy. And over the next two to three quarters, we expect these rooms to stabilize. And the drop in occupancy is only temporary. It should pick up later.

**Awais Bakshi:** Just a follow-up, if I may, on the MMR market. While I understand we refrain from discussing asset level performance. But directionally, would it be fair to assume that the JW Sahar would also have outperformed the broader market for MMR?

**Shwetank Singh:** Yes, absolutely.

**Awais Bakshi:** And just a second question. While I understand that DIAL asset is the cold shell, which we will receive, but are we also participating in the current construction process by any chance?

**Shwetank Singh:** No, we are not. But what we have done is that rather than work in series, we have started to work in parallel. So, because the public areas are ready even as the facade is being closed, we have entered to do our MEP and interior works.

**Awais Bakshi:** With the timeline shift now, is there any change in the potential capex outlay on this asset?

**Shwetank Singh:** No, nothing has changed from that perspective, because actually the delay is on the civil side and the civil is being handed over to us by GMR, so not really.

**Moderator:** We take the next question from the line of Abhay Khaitan from Axis Capital.

**Abhay Khaitan:** Congrats on good set of numbers. So, my first question is on the pipeline on the Goa market. So, over the last 1.5 years, we have seen from the industry data that Goa market has not really done so well. And given that we have a couple of assets coming up in that, how do we see that now? And what do you think that could be the trigger for the turnaround in that market?

**Shwetank Singh:** So, we have always maintained this that we believe that Goa, Udaipur, Jaipur, etc., are very deep markets. And we are actually not faced by these temporary blips of up and down. This has happened to Goa before. I'm sure it will happen again. We are still about 3 years away from our first hotel opening, and we would definitely expect a reversal of trend on that.

So, we are not really worried on Goa in general. And actually, if you dig a little bit deeper, I think January has been quite strong for Goa as compared to last year. And I think this quarter is expected to be strong. So, I think we are going to see some green shoots coming in from this quarter onwards.

**Abhay Khaitan:** My second question is on asset-specific trends. So, in the slides, we saw that data on Uttarakhand - Rishikesh was actually missing. So, can you just help us what has been the growth in terms of ARR and occupancy in the third quarter in the Rishikesh asset? And if you can share in particular, for MMR, how has been the trend in the JW Marriott Sahar and how has it been in January as well?

**Shwetank Singh:** My apologies, we don't necessarily give out asset level details, but I can tell you that the growth has been in line with our expectations and actually generally beating the market.

- Abhay Khaitan:** Is it true for both Mumbai as well as Rishikesh?
- Shwetank Singh:** Yes.
- Moderator:** We take the next question from the line of Karan Khanna from Ambit Capital.
- Karan Khanna:** Just a couple of questions from my side. Firstly, Shwetank, on Athiva Resort in Khandala, while it's only been a few days, but could you share some numbers regarding performance of the resort pre and post rebranding? And how would the ARR and occupancy look like in third quarter versus, let's say, third quarter last year?
- Shwetank Singh:** Thank you, Karan. So Athiva has actually absolutely come in line with the way we wanted it. First of all, the product is beautiful. And if you've not been there, I would encourage you to go there and sort of experience it and see what we have managed to do with the property. So, we are no longer actually even looking at comparing our performance to pre-branding versus post-branding, because we expected a massive jump in ADRs anyways.
- We have managed to maintain very high levels of ADR. And most importantly, during these days, more than the business, what counts is the positioning. And from a positioning perspective, we have had excellent guest feedback. And we are using this time to sort of spread the word to say that we have invested in this property, invested heavily, and we have put in a brand that delivers on its promise.
- Just for some very high-level numbers, as I mentioned in my speech earlier, we have already had 5 to 6 days of sold-out position within the first quarter itself. And actually, we started full operations only mid of the quarter. So already, that has come through. The traction on both MICE and social is very, very good.
- And actually, out of the 5 sold-out days, one or two of them were free individual travel sold-out days. So that's even more encouraging. And the long weekend, 26th January, for example, was absolutely brilliant. We were sold out for 2 days, and with just free individual travellers. So, the word is clearly spreading, and we expect Mumbai and Pune alone to keep us filled throughout the year.
- Karan Khanna:** This is helpful. Just a follow-up on the Udaipur property. Are you also looking to rebrand that into an Athiva once you've concluded the transaction?
- Shwetank Singh:** It is a bit early to comment on that. We have always maintained that we will stay brand agnostic and go with the brand that actually works for the market. So Athiva is in the consideration set, but it's by no means a decision that's already made.
- Moderator:** We take the next question from the line of Dipak Saha from Nirmal Bang Institutional Equities.
- Dipak Saha:** Congratulations for a good set of numbers. Just a couple of questions. If I see your addition of keys have been quite meaningful Y-o-Y, specifically two portfolios, one Bangalore and Khandala, so almost 130-odd keys Bangalore and Khandala 67. Now if I take, say, 1 year

forward, as you target higher occupancies, because these two properties so far, the occupancies would be a little bit lower as you are stabilizing.

So, once you target higher occupancy, say, next year during the season times, can we see a trade-off of limited ARR expansion for higher occupancy or do you think overall your rate momentum would stay strong for these 2 properties at the same time you can deliver a little bit higher occupancy?

**Shwetank Singh:** So that's a great question, because at the end of the day what drives revenue is the RevPAR. And whilst occupancies stabilize, rates also tend to creep up. They may not grow at the same levels as before, but we are expecting a high single-digit growth on the rate on both these properties as we stabilize the occupancy. So overall, RevPAR improvements would be definitely in double digits or higher.

**Dipak Saha:** That should lead to meaningfully strong revenue growth. But as your rates -- I mean, the interpretation that I'm getting, you can correct me if I'm wrong, then essentially, your margins should reverse back to even say high single-digit kind of an ARR growth, essentially should reverse back to the numbers that we had earlier, say, Q3 FY '25 kind of a number on the EBITDA side?

**Shwetank Singh:** Yes, that would be correct for Bangalore. The only thing that I want you all to stay cognizant of is that resorts don't operate at the same margins as business hotels. So, if a business hotel is running, let's say, 60% GOP, don't expect the resort to be doing that. So, there will be that correction, but that's the nature of the beast. That's all I want you to remain cognizant of.

**Dipak Saha:** Got it. One last question. On the Bangalore side, we have seen meaningful addition of keys and the rates have been very strong. Now we are coming up with our portfolio the Taj one next year. So, do you see that particular market heading into more of a stabilization phase or overall, the momentum of ADR will stay strong for Bangalore market?

**Shwetank Singh:** No, we expect the market to stay strong because there's very little supply that is coming into Whitefield. And whilst that's happening, we are clearly seeing a trend of increasing expat travel. So, we definitely expect that market to stay strong and not show any signs of receding.

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

**Vikas Ahuja:** Congrats on the strong quarter. So, sir, my first question is, so far, if I look at our revenue growth, it has been -- in the first 9 months, it has been growing at double the pace of the RevPAR growth, helped by obviously the strong inventory additions. So given most of the inventory addition now occurring and I'm talking about the future expansion is coming in Q4 FY '27 and the revenue contribution meaningfully will start flowing in from FY '28. So, is it reasonable to assume the convergence of revenue growth towards RevPAR in FY '27? That's my first question?

**Shwetank Singh:** So, whilst in terms of inventory addition, you're right, but there's a lot of stabilization of inventory that we still have to go through, the 130 rooms in Bangalore, the rooms at Athiva, Khandala, and of course, the improved performance of rooms coming into Athiva, Navi

Mumbai. So, all that will stabilize through the year. So, we still expect to stay strong in revenue and RevPAR growth for the coming year.

And then, of course, once Delhi comes in, then we will start to add additional inventory and revenue. And also, let's not forget that Rishikesh and the Courtyard, which is now the Marriott, has had a very difficult year, calendar year especially, with rains and the disruption of India-Pakistan war. So, all of that getting corrected itself for the coming year should add very decently to the overall growth.

**Vikas Ahuja:** Okay. So largely, the keys addition in Bangalore and Khandala, when do you think it's going to stabilize? Because our margins were also impacted because of that. So when do you think we can go back to about 70% occupancy and the margins, which declined by 82 basis points this quarter, when we see that stabilizing once this inventory, which is going to stabilize, which you said it's going to take more quarters?

**Shwetank Singh:** So just to again sort of split this question into 2 parts. Bangalore being a business hotel in a very sort of deep market, we expect that stabilization to happen more rapidly. So that should happen over the next two to three quarters at best. When it comes to the resort, resorts typically don't tend to operate at such high levels of occupancy, and we expect an occupancy in the range of 65% to 70%.

So that may take the best part of this, coming year and a little more. Only to remind all of you that we are only in the second -- we are only going to enter first full year of operations at Athiva. So, let's be a little bit more patient. Hotels take about 2 to 3 years to stabilize.

**Nitin Khanna:** Now just to continue on what Shwetank was telling about the addition in inventory. If I look at my quarter-on-quarter same-store margin contraction, it's 0.6 basis points only. And if I add back the one-offs, which I just stated in the call, my same-store EBITDA margin is actually flat year-on-year. With the additional inventory coming in, both from Khandala as well as Bangalore, we expect margins to go up. So, I think that answers your question.

**Moderator:** We take the next question from the line of Harshit Mantri from HSBC.

**Harshit Mantri:** Congratulations for a good set of numbers. Most of my questions have been answered. Just one, that are you still in the race for bidding of JW Marriott, Bangalore? And where do you expect to fund that acquisition? Will that be internal accruals or you might raise debt for that?

**Shwetank Singh:** Thank you Harshit. Can you help us win the bid? If you can, then that answers your question. No. We are definitely in the race. We like that asset, and we have put in our bid as many others have. So, we would like to win that one, if possible. With respect to where we can get the funding from, I'll let the CFO give us that answer.

**Nitin Khanna:** I think we have enough headroom in the balance sheet. And in the earlier calls also, I have stated that we have commercial run rate, which is getting very strong. And by the year-end, if my closing run rate is already INR30 crores per month, the entire LRD eligibility covers my current entire loans. So, I have enough headroom to look at the allocations.

- Moderator:** We take the next question from the line of Jinesh Joshi from PL Capital.
- Jinesh Joshi:** Sir, I needed one small clarification. In the presentation, we have mentioned that renovation at Four Points, Vashi, basically had an impact on occupancy. So just wanted to confirm, I mean, do we include non-operational rooms as well into the base while calculating occupancy. So that is one. And secondly, we also mentioned that due to the ongoing construction work at Powai, the occupancy in the nearby hotel was impacted. Now given the fact that the Tower 2 is expected to come up by 4Q of FY '27, that construction will continue. So, do you expect this occupancy hit that we saw in this quarter to continue for the next financial year as well?
- Shwetank Singh:** Thank you. I will answer the first question. So, whilst the occupancy gets reported on only the available rooms and not the out-of-order rooms, but construction, because of the disruption, is not a great environment for guests to stay in. And therefore, that's why we say that the occupancy gets hit overall. Can you repeat the second part of the question, please?
- Jinesh Joshi:** Yes, yes. Sir, because of the ongoing construction work at Powai, we also had an impact on our hotel, which is located nearby, right? Now given the fact that this construction is expected to last until 4Q of FY '27, do you expect the occupancy hit to kind of maybe continue for the next three to four quarters?
- Shwetank Singh:** Yes. Whilst the construction is causing a disruption, and we don't want to deny that, one of the main reasons for the disruption is the fact that the porch is not available for us for the banquet space, which actually formed the drop-off of the banquet space. So that will get available to us over the next couple of quarters and that will bring back the socials and therefore, give us the edge back on the occupancy side as well as the social business side.
- Also very rapidly, once the civil work gets over, the noisy work is out of the way and the dust, etc. is gone and therefore, that will also not necessarily last till the end of the project. So, with that, we expect over next two quarters for this issue to stabilize.
- Jinesh Joshi:** One last question from my side. I mean, in the last earnings call, we had mentioned that construction at our South Goa hotel will begin in 4Q. So, what is the progress on that? And secondly, I think we have also bought some land at Rishikesh for about INR60 crores, which is right next to our existing property. So, are we planning any brownfield expansion over there? If you can give some colour on that as well?
- Shwetank Singh:** So, to answer your first part of the question, Goa, as you know, is notoriously hard to get through. And current situation, to be precise, is that we are waiting for the local authorities to form the CRZ committee, which is called GCZMA, which got dissolved in the middle of December.
- So, a new committee is going to be formed and there's a critical approval we need from them before the file moves to MoEF in Delhi. So, we expect over the next couple of months for this to come through. But these are all basically educated guesses. So, we go along with it as we go along. What was the second part of your question was with respect to?
- Jinesh Joshi:** The land that we have bought in Rishikesh?



**Shwetank Singh:** Yes, sorry, the land that we have bought in Rishikesh. The land that we have bought in Rishikesh was done for two reasons. Number one is it's right in front of the existing hotel, and we wanted to protect our views, so that nobody comes and builds anything and spoils the view from the hotel. Number two, it does give us an opportunity for a future expansion.

But we are basically monitoring our current inventory and expect it to stabilize first before we decide as to what the usage of that additional land could look like. Very early stage, our thought process is to bring in high levels of villa-type setup, but I don't want to comment on it until we have sort of stabilized the current inventory and have steady revenues from that.

**Moderator:** We take the next question from the line of Vaibhav Malik from Haitong Securities.

**Vaibhav Malik:** Congratulations on a good set of numbers. My first question was on our Athiva brand. We had announced at the time of launch of the brand that we'll be taking up the resort property owned by the promoters on a management contract basis. So, I wanted to understand the timeline of that. Have we taken that property?

And when do you expect the management fees to start flowing in the business? Secondly, on our Airoli property, we have received the environmental clearance. So, what are the next steps? And when do you expect the constructions to commence? And what are the expected timelines?

**Shwetank Singh:** So, the resort property, we wanted to take it under the wings of Athiva. It belongs to the group, as you're well aware. So, there are two parts to this. The first part is for it to operate as an Athiva, which we can quite easily do under a management contract with the group. And the second part is to take over the property. The taking over of the property will happen. There are quite a few decisions to be made, particularly around what the acquisition structure would look like. But as we speak, the group has already commenced construction there for an additional 250-odd keys right next to that. And whilst we do that, the buildings are connected. So, the public areas will be shared between the existing building as well as the new building that comes up. So that work has already started. And eventually, this place will have the existing 94 keys plus another 250. So, we are looking at a very large hotel there, hoping to take advantage of the infrastructure development that is currently taking place in Mumbai and for it to become a very strong hotel for us in the future. So, the short answer is that we are still trying to figure out the structure of acquisition and also the timing of when it can become Athiva. We'll come back to you as it gets cleared.

**Vaibhav Malik:** And secondly, on the Airoli property?

**Shwetank Singh:** On the Airoli property, as I said in my speech, it has been a very significant step to get through the environmental clearances, because we were stuck in the entanglement of NGT orders. Now that that's clear, we expect another 2 to 3 months to hit the ground for excavation. And when I say we, it basically means the group, because they are to hand over a shell to us, which is then going to be leased to us for the hotel.

And as I said, it's a mixed use. So, it's only when the shell is complete that we come into play in terms of fit-outs, etc. So, we expect 2 to 3 months to start and 36 months from then on to sort of get the hotel operational.

**Vaibhav Malik:** My second question was on our JW Sahar property. So, what I understand is the competitor in the micro market has been very aggressive on the banquet-related F&B side. Have we seen any sort of pressure over there in terms of the MICE-led demand for banquet facilities?

**Gaurav Singh:** Typically, in MICE and weddings and large format conferences, what happens is that when you have more availability of such venues, you tend to have the neighbouring location also lift the opportunity to host such venues. It becomes a submarket in itself to continue to grow the business in that space. Let's take case in point of the Jio Convention Centre coming into BKC. It essentially lifted the entire Central Mumbai region for demand coming in for MICE and conferences.

We believe with the competition adding inventory into the banqueting facilities, it will only help grow the demand in the whole submarket. Additionally, we have a very significantly different product. We have open areas. We have areas which the competition does not have. They have banquet halls which are halls, while we have internal halls as well as open areas both.

Therefore, again, when you have large format weddings and conferences, people tend to use two or three different venues for two or three functions. And being in such close proximity typically helps us in getting that sort of demand. So, on the whole, if I was to say, today, we're obviously watching what the new inventory is doing. But at that same time, we believe that in the long run, this will help us grow our demand.

**Shwetank Singh:** Sorry, in the interest of time, we have a couple of more engagements to go through. Can we call it a day?

**Moderator:** Ladies and gentlemen, with that, we conclude the question-and-answer session. I now hand the conference over to Mr. Shwetank Singh for his closing comments.

**Shwetank Singh:** Thank you all once again for joining. As always, we appreciate your insightful suggestions and queries. We hope that we have been able to respond to your queries. In case you need any further clarifications or insight on our business, please feel free to 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.

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**(This document has been edited for readability purpose)**