

EIH Limited

A MEMBER OF THE OBEROI GROUP

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25th May 2023

The National Stock Exchange of India Limited Exchange Plaza, 5 th Floor Plot No..C/1, G Block Bandra Kurla Complex Bandra(E) Mumbai – 400 051. Code: EIHOTEL	The BSE Limited Corporate Relationship Dept. 1 st Floor,New Trading Ring Rotunda Building Phiroze Jeejeebhoy Towers Dalal Street,Fort Mumbai-400001 Code:500840
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SUB: TRANSCRIPT OF INVESTOR MEET / CALL HELD ON 23RD MAY 2023

Dear Sirs / Madam,

Pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we hereby submit the Transcript of the Investor Meet/Call held on 23rd May 2023.

Kindly take the above on your records.

Thanking you,

Yours faithfully
For **EIH Limited**

Lalit Kumar Sharma
Company Secretary

EIH Limited
A MEMBER OF THE OBEROI GROUP



Q4 FY23 & FY23 EARNINGS WEBINAR

MR. VIKRAM OBEROI - MD & CEO

MR. KALLOL KUNDU - CFO



NAVIN B. AGRAWAL – HEAD, INSTITUTIONAL EQUITIES

TUESDAY, MAY 23, 2023

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Good afternoon, ladies and gentlemen, on behalf of EIH Limited and SKP Securities it's my pleasure to welcome you EIH Limited's Q4 FY23 and FY23 Earnings Webinar. We have with us Mr. Vikram Oberoi, Managing Director & Chief Executive Officer; and Mr. Kallol Kundu, Chief Financial Officer. Kindly note, this meeting is being recorded for compliance reasons and during the course of this discussion, there may be certain forward-looking statements, which must be viewed in conjunction with the risks that the Company faces. We will have the opening remarks and a presentation by the management followed by Q&A session.
- Thank you and over to you, Mr. Oberoi.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Thank you. Thank you so much, Navin and good afternoon ladies and gentlemen. I believe they're about 60 people on the call right now and thank you for joining us. You would have seen results for the financial year and thankfully we've had a very good year, a record year for the company both at a standalone and at a consolidated level, and these results wouldn't have been possible had it not been for the dedication of all our colleagues who work hard to look after our guests to gain their trust and loyalty, so I must thank them. Of course, I would like to also thank our guests and our people who've invested in the company for their faith in us. Kallol has a presentation, so I'll ask Kallol to present that and then we'll be happy to take your questions. Thank you so much.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Thank you, Vikram. Good afternoon ladies and gentlemen. So, we begin the presentation with the key highlights of the Indian Hospitality Industry and this is as per the HVS Anarock Report for February, March, and April 2023 edition, which basically puts out the key highlights of quarter four, where as per the report the Indian Hotel Industry recorded its best ever performance since the pandemic began with occupancies ranging from 70% to 72%, overall an average rates exceeding ₹8,200. Domestic air traffic in India has increased by close to 7% in March compared to the previous month and it increased by 11% compared to pre-COVID levels, so indeed encouraging statistics. Mumbai as per the report was the market leader in March 2023 with occupancy rates exceeding 76% and the average daily rate of ₹11,000. EIH performance for quarter four is the best ever in the history of the company, it's a stellar operating performance where EIH has broken its own record several times over, which is really shown in this slide, the blue line representing EIH owned hotels and the golden line representing EIH owned and managed hotels in India where what is clearly visible is the fact that starting from the quarter one of financial year 2020 where RevPAR was around 6500 levels has now touched 15,000, which is pretty record-breaking. I'm happy to share that EIH has demonstrated market leading operational performance. This is measured by STR reports and the source as is mentioned in the footnote is the STR Compset, which EIH uses for its own and managed hotels. This data set is for all domestic hotels which are owned and managed by the EIH and as is visible that since over a four-year period starting April 19 to March 23, the RGI has been consistently above 100, which is supported ably by the ARR index, which is also consistently over 100 which shows or demonstrates that the hotel or the company has been able to command a premium in the industry and this is primarily due to the company's unwavering commitment to quality and meticulous attention to detail that the stunning discerning guests here and far. The premium positioning is also reflected in the awards and accolades that the company has received and the various hotels have received.

The Oberoi Hotels and Resorts of course ranked the world's best hotel brand by Travel and Leisure USA in the World's Best Awards in 2022. It's been ranked the World's Best Hotel Brand for service and excellence by Travel and Leisure in India and South Asia also in 2022. It was voted as you all remember the best hotel group for three consecutive years by Telegraph Travel Awards UK 2019, 18, and 17. Of course, the next three years because of the pandemic the Telegraph Traveler Awards were not held. Trident Hotels incidentally was also ranked amongst the Best Five Star Hotel Groups in India by Travel and Leisure in 2022 and our individual properties, these are all listed out here, I'm not reading them out one by one. The Oberoi New Delhi, The Oberoi New Mumbai, The Oberoi Gurgaon, The Oberoi Amarvilas, The Oberoi Vanyavilas, The Oberoi Udayvilas, The Oberoi Sukhvilas, The Oberoi Beach Resort Al Zorah, The Oberoi Marrakech, and The Oberoi Beach Resort Mauritius all of them have received plenty of awards and accolades as are listed here and we are incredibly proud of these achievements and the recognition they bring to EIH Limited and our team hotels. These awards reflect our ongoing commitment to delivering exceptional hospitality experiences that create lasting memories for our guests. As mentioned earlier, the financial achievements have also been unprecedented. We will cover them in two aspects here in this presentation. The first one is with respect to quarter four for standalone as well as consolidated. Standalone in revenues have increased vis-à-vis the same quarter previous year from 279 crores to 586 crores, which is 110% increase. The EBITDA has grown by 621% over the same period with quarter from 34.6 crores to 249.3 crores. A similar set of results are evident for the consolidated results as well where revenues have grown from 316.9 crores to 663.8 crores and EBITDA has grown from 34.9 crores to 231 crores. There is substantial financial agility that is evident because of enhanced operational efficiencies as you would probably notice that the growth in EBITDA is actually the growth percent inhibitor is actually higher than the growth percent in revenue, which means that there is enough and more operational efficiencies that have really kicked in and this is again evident here where in quarter four of 2023 while revenue increased by 25% over the same period, the total expenses increased by only 3%. Monthly occupancy trends in the quarter four, occupancy ARR and RevPAR trends which slightly softened in March, but seemed to be doing better in the months after that again. City wise quarter-on-quarter financial year 23 versus financial year 20 is as shown here with Bengaluru recording the highest RevPAR growth followed by Shimla, Chandigarh, Mumbai, Hyderabad, and Delhi amongst others. The quarter four occupancy and ARR performance at domestic hotels including all managed hotels, this is available in the presentation and it's a slightly busy slide, so I won't take you through the individual data points, but essentially what we're saying is that whether it's ARR or RevPAR occupancy, all of them have seen increases - substantial increases across the quarters that are compared here with. Food and beverage revenue also increased in the Westin Hotels including managed hotels from 143 crores to 222 crores, which is a 55% increase and one of the heartening facts is also the strong bounce back in the OFS revenues, which have grown and quarter and quarter by 100% and is going strong. For the full year, it's a similar story here, again revenues going up from 1627 crores the golden bars in FY19 quarter 4 - sorry - FY19 full year to FY23 at 1836 crores. EBITDA going up from 406 crores in FY19 to 626 crores in FY24 and the profit after tax going up from 113 crores to 320 crores in the standalone and in case of consolidated from 149 crores to 329 crores. This is a depiction of the return on capital employed, so essentially this is on a consolidated basis. The total capital employed on a consolidated basis minus the cash and cash equivalents and all current and noncurrent investments total up to 2867 crore on an overall basis the return on capital employed of this amount is 19% and obviously the cash that is there and the investments that are there are being separately monitored. The cash will

obviously be deployed going forward for growth of the company and will also be used to garner additional debt for projects going forward. If you were to look at the majority of this net capital employed, about 62% of this is deployed in hotel assets and in our investment property in Gurgaon, which where the ROC ranges between 16% to 35% and if one were to break that further up one would see that the domestic hotel assets alone they contribute I mean again if you look at Oberoi Hotels about 32.5% of the 1694 crores is deployed in Oberoi Hotels and this is at historic cost of course where the return on capital employed is 45%. In case of Trident Hotels, it's 22%, which just shows that the fact that the Oberoi Hotels are premium also generates a very high capital employed return on capital employed for the company. The company has demonstrated good financial resilience, strength, and debt management as a result of which the year that we started with, we were at a net debt of 271 crores, which is now at a positive cash balance of 129 crores, this is on a net basis. Quarter-and-quarter and year-on-year trends this is just to give a perspective direct segment has really over the years been going strong quarter-on-quarter and is really one of the best performing segments as of now, but corporate also has really picked up and reached pre-COVID levels, you could see the line which I have drawn to just demonstrate that the highest in all these quarters from FY20 to FY23 was in quarter three of FY20 and currently as we speak in quarter FY23, the corporate business, corporate room revenues from corporate business has also gone up. MICE has also crossed well over the pre-COVID levels etc. Leisure is just beginning to pick up and especially with foreign leisure just beginning to come up we have a we have a separate slide for that as well. So, the trend of foreign room nights basically shows that till February 2023 for Oberoi, for Trident, and all hotels taken together, the foreign room nights were well below pre-COVID levels, which indeed is very encouraging because which just shows the optimism that one might really take away from this because the foreign room nights when they come back, they'll obviously contribute way more to the overall revenue of the company. We continue our efforts on carbon footprint. This is again some data points, which you can go through in the presentation and the performance highlights I'm not again going through these because these have already been published and I'm sure you'll have access to all of this. So, with that I'll just quickly reiterate the upcoming projects which have been announced. So, we have two sort of projects, one Bay Club in Mumbai, which has already opened in November 22. It's world class members only club and the first one that matches is managing. We are also shortly due to launch our new standalone restaurant in Mumbai and in FY24-25 there are three committed projects which have been mentioned here in FY25-26 there are three again and if in the FY26-27 there are three more and there are under about 11 hotels which are under active discussion and we shall shortly be announcing them as soon as they are included. The business footprint is again available for anybody who's interested in the presentation and this is just the statistics about the number of keys etc. Thank you so much and we will be happy to take any questions that you may ask.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you, Kallol. Friends, anyone with a question please raise your hands we'll unmute you and take your question. We will wait for a couple of moments just to let some questions line up. In the meanwhile, I have shared the investor presentation that Kallol just presented. So, in case you want to go through it and you have some specific questions, please feel free. We have a question from Amit Agarwal. Amit, please go ahead. Amit, you're not audible. He has some connectivity issue. We'll go to the next question. Amit, if you could just try again. We have a question from Hari S. Hari, please go ahead. Please unmute yourself and go ahead.

- **Mr. Amit Agarwal – Participant:**
- Can you hear me?

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Okay now one second. Amit, you will have to just wait for a moment please.

- **Mr. Hari S. – Participant:**
- Can you hear me, Sir?

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Yes, Hari. Please go ahead.

- **Mr. Hari S. – Participant:**
- Okay, okay, Sir. Few years ago like decades ago, we are among the top two players in the industry, but now others have gone up in capacity though not in our scale or luxury, but he is the management concerned about this Sir? The second question is this 30% revenue with 126 crores what will happen to it after the new lease deed and buying of the Himachal government holding, what will happen to this amount? The third one, Sir what are the plans on Andaman and Nicobar Islands? That's all Sir. Thank you.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Good afternoon, Hari. I'll try and answer those questions and Kallol please feel free to check in. So, the first one was on our company vis-à-vis other hotel companies and Hari as you know we are in the luxury segment. Now, you also know that this segment with various statistics that you look at in India is growing much faster than others and therefore we believe that there's tremendous opportunity in this segment. This is the segment we want to focus on, this is the segment we want to grow, and if you saw the ROC details that Kallol shared even amongst Oberoi and Trident, Oberoi the premium segment achieves a considerably higher ROC, that's also reflected in the average room rates and also on RevPAR. So, we believe in the segment, we believe in the future growth of India, and we believe that the segment will continue to grow like it has in the past maybe even at a quicker pace and a great accelerated place, which will benefit a certainly Oberoi Hotels and also Trident Hotels in the luxury and upper upscale segments. So, that was the first question. The second question was on Wildflower and Mashobra actually we have provided in the accounts in the consolidated accounts which both include EIH standalone and Mashobra 69 crore towards the lease payments interest and there were some penalties. Kallol do you just want to run through those figures to give greater insight on that.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Sure. I'll just maybe since you've already mentioned the amount what I'll basically say is that this entailed some payable from 2005 to the date when we accepted the award of the arbitrator and therefore we have now provided for the lease rentals as well as applicable, but I would not get too much into the details because the execution petition has been filed and it is subjudice, so therefore I'm not really get into it, but just to give you a flavor of what happens to the company I think that was your question. The company has

over 200 crores of cash, so obviously if this were to go through and this is again subjudice, so please take it with the view

- **Mr. Hari S. – Participant:**

- Yes Sir.

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- Sorry?

- **Mr. Hari S. – Participant:**

- No Sir, go ahead Sir. Thank you.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- And Kallol, maybe I also made a - probably I said should have said more than I should have given that these I think we should really limit what we say, but please feel free if you share that view then you can, if you don't then please go ahead.

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- Yes. So, I would that's why I was coming to Vikram and I think Hari, overall I can say that it is positive for the company because we've taken a decision and obviously after charging these rentals etc., the rest of the profit would belong to the company, but beyond this I would refrain from commenting at the moment because it is subjudice.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- And the last question Hari, you had was on Andaman and Nicobar Islands. Now, we would be very interested in a hotel opportunity in neither one of those of course Andaman I know well and they're beautiful islands, some beautiful beaches, and I'm not just referring to Havelock, but two others as well and as and when these opportunities come up provided they are on terms that make commercial sense, we would be very interested to pursue these opportunities either on our own or with partnerships, so we would be - that's really all I can say at this point on the Andaman and Nicobar Islands and thank you Hari so much.

- **Mr. Hari S. – Participant:**

- Thank you very much.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- Thank you, Hari. Amit, please unmute yourself, Amit Agarwal.

- **Mr. Amit Agarwal – Participant:**

- Hello, can you hear me now?

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- Yes, Amit. Please go ahead.

- **Mr. Amit Agarwal – Participant:**
- Good afternoon everyone.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Hello, Amit.

- **Mr. Amit Agarwal – Participant:**
- Hello, how are you?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- I'm well. How are you, Amit? Nice to hear from you.

- **Mr. Amit Agarwal – Participant:**
- Oh, thank you. There is a mention of 13 acres land in Gurgaon, can you please let us know the plans for the same? This is my first question.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Sorry, Amit I couldn't - your voice is coming slightly ruffled. Could you repeat the question? I I'm sorry I didn't hear it.

- **Mr. Amit Agarwal – Participant:**
- Yeah. There is a mention of 13 acres of land in Gurgaon, can you please let us know the plan for the same?

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- There is a mention of 30-acre plot in

- **Mr. Amit Agarwal – Participant:**
- 13-acre

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- 13-acre plot in Gurgaon, so what is our plan for the same?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- So, this actually is - there's a piece of land in Gurgaon in Sona, which belongs to the to the company and as we were actually thinking of selling this land, we're not now and we will certainly when we have a plan for development of that site, we will share those details with you.

- **Mr. Amit Agarwal – Participant:**
- Nothing right now?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Nothing, that I can share with you right now.

- **Mr. Amit Agarwal – Participant:**
- My second question is the Kerala boats are not in use it seems, any particular reason for shutting down the operation over there?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- I'm sorry, you were talking

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- The question Vikram is MV Vrinda I guess?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Okay. So, I couldn't hear the question, I'm so sorry.

- **Mr. Amit Agarwal – Participant:**
- I think they are not in use now a days, any reason for shutting down the operations over there?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Yes, the boat is not sailing at present Amit and one of the things that we are really actively pursuing which was apparent from the slide also that Kallol shared is really focusing on investing our effort as that's returned sadly Vrinda didn't fall into one of those and boat isn't sailing. We're looking at what can be done with Vrinda, it has been provided - it's been written off completely on our balance sheet over the years. So, Kallol do you want to add anything at all to that?

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- No, that's what it is Vikram. The asset has been impaired a few years back and it's not operational.

- **Mr. Amit Agarwal – Participant:**
- My third question is regarding a racket Rajgarh Palace in Madhya Pradesh. It seems the construction hasn't started yet? As per my information it is still open for regular tourists, can you update the status of this project as of now?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Yeah. No Amit, the work at site is continuing and the enclose chart you'll see we have a chart on when the hotel will also be ready for operation, which was Kallol that was in 26, am I correct? I can't recall the

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- No, that was FY24-25.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- 24-25. So, but work is well underway Amit at site.

- **Mr. Amit Agarwal – Participant:**

- Is it open for tours right now or no?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Is it open for?

- **Mr. Amit Agarwal – Participant:**
- For regular tourists?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- No, the hotel is under construction.

- **Mr. Amit Agarwal – Participant:**
- Okay and my last question is regarding the cafe and the new restaurant - the standalone restaurants are coming up **24:14 Voice Breaking** different businesses altogether because hotel industry is our main business

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Amit, it is very difficult to comprehend your question because there's a lot of disturbance in the line.

- **Mr. Amit Agarwal – Participant:**
- Shall I repeat?

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Yeah please slowly.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- I heard the – Navin, I think I heard the question. I know it's a lot of disturbance, but I think - so actually Amit, these businesses are not - they're all related to our core business which is hospitality, FNB is a intricate part of the hospitality business, so that's the first thing in the Bay Club attracts our premium guests, it provides them and their families with exceptional facilities and it helps us to build and engage with our customers, which not only visit the Bay Club, but also stay at our other hotels and play premium prices at our hotels. So, I think it's - it's not a separate business at all and the Amadeo, which is going to open middle of next month is going to be an exceptional dining venue overlooking the Geo fountains and exceptional location and we have no doubt that it'll be very, very successful. So, it's really in keeping with our business is certainly the perspective that we've taken. This isn't a business which is outside of hospitality.

- **Mr. Amit Agarwal – Participant:**
- Because my worry is – sorry - my worry is that Cuckoo Bar has been there for two years almost, but now there is no talks of extension of the whole cafe chain?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- Yeah. No, so Amit I'll just tell you what happened with Cuckoo. When we opened Cuckoo, our focus was really on a participatory concept that's what we thought would work. We realized that that is not what it is and so we've significantly changed Cuckoo positioning from a Patisserie to a casual dining venue and some of these changes in menu etc. took place a couple of months ago and there has been a significant increase in sale. So, I still believe in Cuckoo in the long run. I believe it will do well and we're seeing some sites of that immediately and once it stabilizes, we're clear on that this is a workable concept, then of course we will look at scaling this concept. So, I think I've said this before and that position hasn't changed.
- **Mr. Amit Agarwal – Participant:**
- Because of brand Cuckoo, that has been taken by many other people. Right now, there's the latest bar just opened, which is doing very well and its name is Cuckoo again, just wanted to inform the company.
- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Actually, Amit could you just send us details on that because I'm not aware of it and if this brand name is registered, so nobody else should be using it. So, if you could share those details with either Kallol, myself, or Navin, I'd be really grateful.
- **Mr. Amit Agarwal – Participant:**
- Okay. Thank you. Okay, I'll do that.
- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Thanks, Amit, really appreciate it. Thank you.
- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you, Amit. We have a question from Kirti Jain. Kirti, please go ahead.
- **Mr. Kirti Jain – Participant:**
- Sir, good part of my questions have been covered by previous participants. My question is to Kallol Sir. Sir, there is an increase in other expense on a QoQ basis, so what is the reason Sir?
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Yeah. good afternoon, Kirti. Yeah, the increase is actually increasing variable expenses, it's mainly two factors. One of the most important increase is in account of increase in commission to travel agents, which has increased because the business has increased as such so obviously the quantum of commission expense has gone up and second is repairs and maintenance is also something that was a little subdued during the COVID period. So, that has also gone up, but there are several other hits where it just come down. So, this increase is not really one to really worry about.
- **Mr. Kirti Jain – Participant:**
- No, Sir when we see standalone the other expenses are flat on a QoQ basis, but when we see console P&L, other expenses are up 50 crores actually.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Are you comparing with last year?

- **Mr. Kirti Jain – Participant:**
- No, QoQ Sir, quarter-on-quarter.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Quarter-on-quarter yeah. Yeah, so Kirti I mean you know quarter-on-quarter actually if you see there are some expenses which are not incurred during the peak seasons and they are deferred into the summer seasons etc. So, really speaking it's all in control it's nothing really out of the line.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- And Kallol it was just again maybe you want we just want to emphasize the point on the increase in flow through

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Commission?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- And also, the flow through that you mentioned right in part of your opening presentation, you've covered that, which suggests that expenses are well under control - all expenses are well under control.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Kirti?

- **Mr. Kirti Jain – Participant:**
- Oh yeah, Sir just one last question. Sir, with regard to the under active discussions pipeline, how close are we for the materialization of this pipeline if you can highlight something that would be great Sir?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Right. I think Kallol's presentation has dates on everything, but you know you would have seen that our existing hotel portfolios performed well. I think we're well positioned as far as these hotels go in terms of future performance as well, I hope. I think we all recognize that a key area of focus of the company and therefore all of us is on growth and that's what we're focused on today and we will as soon as we have information to share with you on growth that we're working on this every day and this is if there's one thing that gets leadership 's attention it is to drive growth. So, I hope all our efforts will have a positive outcome and we'll be able to share something with you in in time to come and hopefully that shouldn't be too long. So, that's what I'd like to add to that Kirti. I hope I've answered your question.

- **Mr. Kirti Jain – Participant:**
- No, Sir what I meant was in the slide that year, on left hand side bottom you have mentioned that the under active discussions Oberoi Hotels three, Trident seven, my question was pertaining to that Sir?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Yeah, so they're all and my answer would remain the same. We are pursuing these with great determination with great energy and with great passion and with all those three things in place, I hope we will be able to share details with you soon.

- **Mr. Kirti Jain – Participant:**
- Sure Sir. That's it from my side. Thank you.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Thank you so much, Kirti. I really appreciate it. Thank you.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you, Kirti. We have a question from Bharat Seth. Bharat, please go ahead.

- **Mr. Bharat Seth – Participant:**
- Hi. Am I audible?

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Yes Bharat, loud and clear. Please go ahead.

- **Mr. Bharat Seth – Participant:**
- So, Mr. Oberoi thank you for the opportunity. Sir, when we are talking of a driving the growth and we are seeing a big opportunity in the luxury segment where we are present, so what will be the - in absence of a new edition of the new hotel what will drive our growth in short-term and medium-term, how do we really take this growth strategy going ahead?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Bharat, very, very good and a very fair question that you asked. So, there is still you know if you look at hotel prices in India and we've seen rates go up for us you know whether it's Oberoi or Trident and this is also an industry or hospitality trend in India, but even today if you compare the quality of hotels that we have today with most parts of the world, our hotels in India are really underpriced for the quality of hotel and the quality of service you get these hotels are a very great value. Now, I'll give you some insights and this is a function of supply and demand. We have a hotel in Gurgaon and the Trident Gurgaon and that used to do an over 20,000 average room rate, so really and this is you know the hotel opened if I remember correctly in 2006. So, these figures that I'm quoting you maybe are 2010-12, I don't remember exactly. The point I'm making is that there is considerable upside in average room rate and there is also some upside in occupancy as well. So, I think in the short to medium term there's quite a lot of headroom both at Oberoi and Trident Hotels.

- **Mr. Bharat Seth – Participant:**
- And how do we see because this last higher ARR largely contributed by a foreigner visitors whereas I mean we understand this is still has not really picked out - I mean pick up the way it should have

domestic traveler is, so how - what is your sense on when do we see really foreigner start visiting more or occupying that can help in improving ARR as well as occupancy level?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- So, two things Bharat. First of all, as Indians propensity to spend is actually very high and if you look at the presentation that Kallol has foreign occupancy hasn't; so, they're two slides in Kallol's presentation. One shows the foreign occupancies and the other one shows average room rates. So, you can see foreign occupancy hasn't come back, but you'll also see that average room rates have grown considerably despite that. So, our Indian guests or we as Indians are more than happy to pay those rates for quality experience that's the first point. The second point is that we certainly expect foreign business to bounce back to or hopefully even surpass COVID levels in this coming winter and that will help our hotels further. So, I think both those signs are positive both for rate and for occupancy.

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- Vikram if I may add to what you said, basically Bharat, if you see the last several quarters it was not as if visa requirements etc. were very relaxed, so therefore it was people in different countries really found it difficult, so those are as those are easing foreign travels arrivals are also going up, so really we have a case for optimism here.

- **Mr. Bharat Seth – Participant:**

- Okay and when do we expect a new hotel to be operational for our company?

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- We've given a chart Bharat on slide #30, on all the upcoming projects which have already been announced and a list of 11 hotels, which are under active discussion which will be announced shortly.

- **Mr. Bharat Seth – Participant:**

- Okay fair. My one more question is about the normally when we open a new property, normally how long it takes to break even or start contributing EBITDA level?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- It varies from location to location, but I think our industry generally it's between three to five years depending on the location.

- **Mr. Bharat Seth – Participant:**

- Fair and last question for our CFO, Sir what - I mean I've seen that in standalone our Q4 is always better than the Q3, whereas in the if you look at all console whereas Q4 is a little lower, so what is that I mean that seasonality is there in console level that is really if you can give some more color into it?

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- Well, I'll first begin by saying that if you see the composition of the consolidated results, so one large chunk of that is international and international the hotels have two kinds of financial reporting, some hotels are on a financial year basis, some are on a calendar year basis. So, therefore in the case of some of

the hotels, which it gets consolidated on a on a one line consolidation, there in the last - the results which are incorporated are as of December of the last year, so obviously there's a seasonality effect there, but that really does not change the whole perspective. I think the point that is very relevant for us to consider and which we are very actively pursuing is there's a major shift and focus on how to really make our international business extremely profitable, they are great properties and very well appreciated by guests, but they need to perform as good as the Indian hotels, the hotels in India do which their management is very, very well seized off and hopefully going forward we'll have similar kinds of trends both for standalone and consolidated results.

- **Mr. Bharat Seth – Participant:**

- Thank you and wish you all the best, Sir.

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- Thank you so much.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- Thank you so much Bharath, really appreciate it. Thank you.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- Thank you, Bharat. The next question is from Saurabh Patwa. Saurabh, please unmute yourself and go ahead.

- **Mr. Saurabh Patwa – Participant:**

- Yeah. am I audible?

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- Yes, you are.

- **Mr. Saurabh Patwa – Participant:**

- Yeah. Sir, just wanted to understand your thoughts on so the kind of hotels which we have on the luxury side and I think we believe is largely that's why we have a larger portion of owned versus lower and lower proportion of management control, is this I think as a sort of a roadblock in increasing the pace of growth or essentially we want to remain focus on owned versus not going for large lot of management controls management

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- I think for us, Saurabh they are we can grow through management contracts, we can grow through hotels where our EIH is an owner like many of our the EIH Hotels or we can grow through partnerships and growth is very important for us so that we are in locations where our guests travel to and also important to us for the career aspirations of our colleagues, so we can offer them growth as well and also grow the company profitability both top line and profitability. So, we at EIH are happy to pursue all those options for growth. There's no one single pill, we'd be keen and we're actively pursuing opportunities in all three areas.

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- If I may just add to what Vikram said, I'll give a financial perspective to it Saurabh. I think it's first it's a good question. I think if you study the company's balance sheet and profit and loss accounts very carefully including consolidated, you would see that all our subsidiaries and EIH is today debt free company and has sufficient amount of cash reserves in hand, right. We have also listed out the projects which are going to be managed, which we are going to consider. So, what you will realize if you really do a deep dive is that along with the company being cash surplus, obviously that lends us enough credibility to raise an amount of debt, which the company can sustain, which really adds up to say that there is quite a bit of funds in hand, which we can easily deploy over the next three to four years and if you correlate that with the point that the return on capital employed that I have shown to you on slide, really speaking when these hotels that are built they really provide the return on capital employed, you can see the difference in management fees versus only earning management fees versus the difference in overall earnings if the hotels around are owned. So, to answer your question in short, I think it has to be a mix and that is what the management is pursuing. It has to be a credible balanced mix and quality is our topmost priority, therefore really speaking going into the volume game to get you know many, many managed hotels is not really something that we would want to run, but having said that we are very, very well positioned to deploy our funds adequately over the next few years and therefore generate a very high returns for our shareholders.

- **Mr. Saurabh Patwa – Participant:**

- Sir, my next question was related to the response which you already provided and few of the answers which provided in the past, so the way you have highlighted like normally any hotel could take like say like on an industry basis three to five years and since the addition of hotels and for us in next 2-3 years is would be very minimal, we would be essentially betting on operating leverage really and that's why the growth in revenue would be outpaced sharply by the growth in profitability, is it a fair understanding?

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- Sorry, Vikram you want to take that, or should I?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- No, go ahead Kallol. I was trying to really understand the question, but please go ahead Kallol.

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- So, Saurabh again if you see really speaking the results that you've seen this quarter and for the financial year is just the reverse right. The growth and profitability is actually higher than the rate of growth of revenue. Now, that's possible because of a number of reasons and like Vikram mentioned earlier on, I think there is still enough and more upside on the room rates front and which therefore really the flow through to EBITDA in case of room rate growth is much higher, so therefore we don't see that really as a concern, but also **43:53 Voice Breaking** which we are talking about that may not well be the case if you wait for the year to go by, probably you'll hear more such announcements just that we are today in a position where we wouldn't like to really jump the gun, but surely that's not an assumption that one should straight away make.

- **Mr. Saurabh Patwa – Participant:**
- So, that is exactly what I wanted to understand, but thanks, thanks a lot.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Thank you.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Thank you, Saurabh and thank you Kallol.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you, Saurabh. We have a question from Yashovardhan Agarwal. Please go ahead.

- **Mr. Yashovardhan Agarwal – Participant:**
- Yeah, hi Sir. Am I audible?

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Yes Yashovardhan. Please go ahead.

- **Mr. Yashovardhan Agarwal – Participant:**
- Yeah, hi Sir. Thanks for this opportunity. I have a few questions. Sir, first on the industry competitiveness, Sir as we are in the luxury segment, so there are other companies like IHCL and even the Marriott is like very bullish on the Indian market, so Sir what is our competitive advantage if we are competing in this industry like how are we competing against them, so if you can answer on that Sir that would be helpful?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Sure, sure, Yash – Yashovardhan - sorry I shouldn't shorten your name, I apologize. I mean what really our guests tell us and this isn't our perspective it's our guest perspective that we provide guest experiences that are the best in the industry and therefore guest number one value that, they see that as distinguishing us from others, and they're willing to pay a premium for that and that is reflected in the RGI index that Kallol had shared earlier on.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- That's slide 5.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Yeah, so that's - it's at 127 of which rate is 120, so and this is against - just to clarify this is against in each location we define our competitive set, so these are against hotels that we believe that we directly compete in. With STR you need a minimum of four hotels, so these are the leading hotels in each of the locations where we operate and our STR data indicates that we considerably outperform our competitors in these markets. So, you know our guests views on us is what's important and we know from data and from what I guess tell us that they appreciate the quality of our hotels, they appreciate the quality of

personalized care and attention that our colleagues give to each and every one of our guests, and most importantly that creates loyalty and they're willing to pay a premium over our competitors to stay with us.

- **Mr. Yashovardhan Agarwal – Participant:**

- Okay Sir. So, that would be the only competitive advantage or like is there any other point you would like to add?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- So, I think that's the key thing if I've understood your question correctly, but if I've missed something please help me?

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- So, Yashovardhan I'll try and just you know add up to what Mr. Vikram Oberoi said, so the slide five that we've presented is data from 2019 to 2023 and in every single quarter you would find that our average ARR index is higher than 100. Similarly, the RGI index is also higher than 100, which obviously means that the competitive set in which we are operating we are able to really derive a premium for the quality of services that we provide. So, that should be - if that trend is prevalent for four years then I think that's quite a established trend.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- Yashovardhan, if there's something you feel, I really meant that seriously if you feel we still haven't answered your question please feel free to elaborate further because obviously we would like to answer your questions and we may learn from what you ask us or tell us, so please don't hesitate.

- **Mr. Yashovardhan Agarwal – Participant:**

- Yes Sir. Sure Sir. thank you for that. So, Sir what I'm saying is that if we listen to the management commentary of other hotels, Sir there are many hotels which are in their pipeline and many hotels and rooms are coming into the market if we save in the next three to five years, Sir supply is increasing a lot and Sir we are saying that the demand is also increasing, Sir my question is that 48:45 when the guests will come to us in case so that we are providing them with a good services and all, but Sir is there anything else that we could be saying that we are having locations for example at very good locality or the hotels that we are having so the 49:04 with there, they are very good and we are providing them with the good service, but is there anything else in which we can say that we are superior to our competitors, so Sir on that I'm looking for more clarity if you could help me in that?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- So, Yashovardhan you know I'm not here to comment on our competitors who I'm sure do a fine job in the hotels that they operate, but what I can maybe just add given what you said is that we need to be in locations where our guests travel to and I think I made that point earlier on as well and we are entirely focused on meeting or meeting if not exceeding that objective and that comes to down to your point on growth. Absolutely, we need to grow in locations where our guests travel to, and we need to grow profitable hotels, either for our owners, if it's a management contract, or our partners if it's a joint venture, or if it's an EIH hotel, grow profitably as well. So, our efforts are focused on all three of those.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- And, also I'll add, that our balance sheet is very strong. As I described in one of my previous replies, that leaves us with a potential to really execute projects and profitable projects, and we have access to enough capital for that.

- **Mr. Yashovardhan Agarwal:**
- Okay sir got it. Thank you for this opportunity and good luck.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Thank you so much. Really appreciate your elaboration as well, so thank you.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you Yashovardhan. We have a question from Rajeev Bharti. Rajeev, go ahead?

- **Mr. Rajeev Bharti:**
- Good afternoon, thanks for the opportunity.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Hello Rajeev.

- **Mr. Rajeev Bharti:**
- Sir, on Slide 21, you had this direct channel which has increased materially in terms of contribution, and then you had said that your OTA commission has increased. Can you throw some more light on those two comments?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- The OTA is actually a means to booking, so it's included. It's guests coming directly to us by using an OTA. So that comes within the direct segment, Rajeev.

- **Mr. Rajeev Bharti:**
- Sure, okay. And, you have specified the flight kitchen business for the quarter. Is there seasonality in that, or can you multiply that by 4, to get to, let's say, a 524 trajectory?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- I don't want to give... Kallol keeps telling me that I can't give forward-looking statements, so I better now. So we remain... the flight kitchen business went through a very very difficult period due to COVID. International travel, as you know, stopped. They were then limited flights. There was domestic airlines that also greatly reduced the number of flights, and that increased over a period of time. The flight kitchen business for us... the largest contributors are international travel. And, we've seen... Kallol has presented a slide on foreign arrivals into India at our hotels. And, I know that people in India are travelling more internationally as well. So, I think, we're well positioned with all the key drivers for growth, increasing... particularly, and in winter, just to answer your question, that is greater in winter; there is greater travel to

India internationally in winter, so from October to March. And, that would be reflected in the numbers, no doubt.

- **Mr. Rajeev Bharti:**

- And, if you could provide, what is the ballpark margin which the segment operates at? I mean, I just want to derive what is the hotel's business margin, because this kind of dilutes that, right?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- Yeah. Kallol, can you...

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- Yeah, so ballpark margins are between 20% and 25% EBITDA. For 53.47 you are asking, right? For the flight catering and airport catering business?

- **Mr. Rajeev Bharti:**

- Yes yes.

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- So, it's a combined percentage that I mentioned. However, if you were to do a split between them, that's really going deep dive, which I know you always do. The airport catering business is actually more profitable than the flight catering, but flight catering is also equally profitable. And, with the competitive landscape which is opening up in India today in the regional sector, I think there's a high propensity to for it to really go up.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- Kallol, would it be fair to also say... again, I don't know if we should be making these statements of not. I'm not talking about us in particular, but there is a capacity constraint for this segment, with limited suppliers and demand picking up. So, there is a capacity constraint which should see prices going up, and with prices going up, margins going up. Would that be a fair comment to make?

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- It's absolutely a fair comment, and I'm sure our analyst friends would be able to easily work it out as to how many number of flights are potentially going to get added in the next couple years, and what is the capacity of... there are only limited set of caterers. What is the total capacity available? If you really correlate the two, you'd see the deficit in capacity that is getting projected. So, I think there is nothing wrong in saying that. I'm sure Rajeev can find that out.

- **Mr. Rajeev Bharti:**

- Sir, on the Arbitral Awards, you mentioned that that thing is subjudice. But, what are the potential risks in terms of this number ballooning even further, apart from the number you have already provided for?

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- Well, the management has made a best estimate, and this is the best estimate for the risk that has already been provided for in the accounts, as of date.

- **Mr. Rajeev Bharti:**
- Pardon my understanding on this, but why is there a difference between the standalone and the consolidated? There is a 10 crore in the standalone and...

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Yeah. See, the difference is because the lease rental payment is payable by that company, the subsidiary which is Mashobra Resort Ltd. So obviously, that comes in from the consolidated part in to the EIH accounts. Whereas, EIH's liability is only towards the initial building of the project and all of that. So, obviously, the liability of EIH to the government is much less as compared to the liability of 56.15. That's why the standalone figure is lower and the consolidated figure is higher.

- **Mr. Rajeev Bharti:**
- Great! And sir, in terms of divestment, is there any talks of considering Oberoi Mauritius, divesting that? It seems, they are contributing to losses in the contribution to the profit of the firm associates?

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Are you talking of EIH Flight Services or are you talking of Oberoi Mauritius?

- **Mr. Rajeev Bharti:**
- Oberoi Mauritius and the Mercury Car Rental piece, which is part of the profit of share from associates. Otherwise, Marrakech should have contributed to profitability, but ex of that, the number is a negative number.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- I'm not sure. Vikram, wants to answer that, or I can answer that as well?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- No no, please go ahead Kallol. These tough questions are very difficult. So, I think you can answer them.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- No, Rajeev, yeah, you've always asked tough questions. So, I think you'll have to wait a little for the Oberoi Marrakech to stability, because it opened in December 2019, and in March 2020 COVID hit and then the hotel was closed and all of that. So, we are the newest entrant in the market there with a beautiful and outstanding product, which is just beginning to really pan out with reviews, etc. So, you'll have to wait a little for Marrakech really comes in. And, about Oberoi Mauritius, there is no reason, at the moment, to really believe that there's a need to really look at it. Of course, there are renovation plans, etc. which are being currently assessed. And, as soon as we come up with a plan, I'm sure that will be available to you. But on divestment in general if you say, I think, in our previous analyst calls, in previous years, we have always articulated that there is a need which the management has felt that there is a need to really move away from investments which have not yielded us profits. Two of them we have

successfully done in the last one year – one was the EIH Printing Press and one EIH Flight Services Mauritius, which has also been completely... the whole transaction has been completed. So, I think, as of now... and we already mentioned that the other businesses are all really in a state of rebound. So, we are in no hurry to look at any further divestment plans, but if there are any, then we'd be happy to come back.

- **Mr. Rajeev Bharti:**

- Yeah. And, the last question is in terms of the dividend payout ratios. You used to have 50% dividend payout some years in the past, and this time around the number is lower. Are you working towards a certain number for the upcoming projects and then the payout ratio would go back to the historic levels?

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- Well Rajeev, the percentage is actually higher than 50%. I know you're talking about dividend payout. And the reason why we want to really emphasise and I think Vikram has adequately covered that, is that we want to strike a balance between distributing dividends to our shareholders versus retaining funds for our future growth, because we are very aggressively looking at going ahead with projects. So therefore, we need to be careful to maintain that balance. Which is why, even though we have increased the rate of dividend, the rest of the fund is actually available for growth, which I'm sure, will benefit shareholders, because in the long-term, asset value accretion is probably as important as dividend is.

- **Mr. Rajeev Bharti:**

- Just one last thing. On the receivable, there was a centre of excellence initiated which you guys had. On the receivable number, is there any more juice left, or are you happy with the current number?

- **Mr. Kallol Kundu - CFO, EIH Limited:**

- Well, receivables, I think, has really done phenomenally well. If you see, what used to be with much lower sets of turnover, if you go back to previous years, the debt used to be well over 200 crores. Now the debt, even with way way higher turnovers, it's still around those levels, but out of that, around 40 crores is on account of internal debts. So really speaking, debt levels have come down a lot. But yeah, if you say is there anymore room left for further improvement, there's always room for further improvement, of course. So, we continue to find out ways and means to improve our excellence. I think our centre of excellence has really done very well for us, especially during the COVID years, and we are definitely looking to define it further along with our colleagues in operations.

- **Mr. Rajeev Bharti:**

- Thanks a lot and all the best.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- Thank you Rajeev.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- Thanks Rajeev, thank you. The next question is from Taran Agrawal. Taran, please go ahead.

- **Mr. Taran Agrawal:**

- Hi, good evening. Hi Mr. Oberoi. Thank you Kallol for giving me this opportunity. Just hearing 1.01.14 towards the international business, if you could just give us a sense on how the revenue and the profitability for the international business alone panned out for FY23 versus FY22? Number two, is there any debt specifically on the international business? And number three, across the seven properties that you have there, a couple of them in Bali, one in Mauritius and the balance in the other parts of Africa, if you could just rank... help me understand which are the stronger properties right now from a P&L perspective, and which are up and coming?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Kallol, over to you. Too tough a question.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- I thought I'll give it to you. (laughs).

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Taran always asks tough questions. So, thanks Taran.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Well, Taran, the reason why we would... So, in terms of profitability, let me tell you, the businesses, have been profitable at EBITDA level. But, we've also worked very closely towards looking at whether... because we also want to be a very very well government organisation. So, there are some losses that have been accumulated in the current year's consolidated accounts, but that is primarily because of some impairments that we've taken on some of our assets. Some of our assets, for example, Oberoi Bali and Oberoi Mauritius really need renovation, although they're doing very well, they're achieving good rates as of now. If you see, Oberoi Bali is doing an average rates of around \$300; Vikram, please correct me if I'm wrong. And, the Oberoi Mauritius is also doing around \$625 odd. Marrakech is really flying away. I really don't want to speak about that as that's our newest property. But, overall...

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Over \$800.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Over \$800 per room night. So, yes, they are doing well, but I think the focus of our attention for the last 2 years was more on India, because we were just struggling to come out of COVID. Now, having established that and with our colleagues out there taking full control of the India operations, it's time for us to also look at what is happening internationally. So therefore, I wouldn't bend too much on the past performance, but obviously, going forward, I think, we will have better news to share, so far as even PAT flow through to EIH is concerned.

- **Mr. Taran Agrawal:**
- But, I mean, some sense on the international topline and EBIDTA for FY23? Because, while ARRs sound nice, I'm not too sure how occupancies are panning out there.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- No, occupancies are also not bad. Well, the difficulty of discussing a figure, is because these properties are all in different geographies and in different currencies. So, they get translated many many times before they reach the Indian Rupee. For instance, the Rupaiya going to a Dollar. So really, it would be difficult to give a straightforward answer if you'd want to really analyse, and I'm happy to take it offline, if you wish, in a separate discussion, to explain to you the way it is done. But really, it will be... in a conference call like this where we have very limited time left, it would be difficult to really explain.

- **Mr. Taran Agrawal:**
- I understand. Just last, is there any debt on EIH International or any of your EIH International subsidiaries?

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- No, Taran. That is the best part of our balance sheet, none of our companies, including the parent company, or any of the subsidiary associates have any debt on books as on date.

- **Mr. Taran Agrawal:**
- 1.05.17

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- No.

- **Mr. Taran Agrawal:**
- Okay. Thanks this is helpful. Thank you.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Thank you so much.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thanks Taran. If there is still something unanswered, let me know, we'll fix up a call.

- **Mr. Taran Agrawal:**
- Sure, thank you.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- We have few more questions. Jaykant Kasturi. Jaykant, please go ahead. Jaykant, please unmute yourself and go ahead.

- **Mr. Jaykant Kasturi:**
- Sir, my questions have been answered. Thank you.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Okay great. Nikunj Thakkar. Nikunj, please unmute yourself and go ahead.

- **Mr. Nikunj Thakkar:**
- Yes, thank you. I just wanted to come back on the question on expansion. Let me ask it a different way. I would love to get your thoughts on maybe two factors as related to your growth strategy. The first part is, where we are in the industry cycle, because of the rising income levels, for example, within the domestic consumer, that might reduce the seasonality or risk of seasonality from international travellers. And how maybe, this industry cycle might allow you to be more aggressive. That's the first factor. And then, the second is in terms of wanting to maintain your brand equity and more, the management contracts, but I guess, the level to which that focus on maintaining the brand equity, reduces the opportunities available to you when you think about management contracts that might be up for bid.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Great! So, I'll try to answer that, and Kallol, with anything, please feel free to add anything that I need to say, or anything that I say. So, I think one of the positive sides of India's increasing affluence is, that people are taking short breaks, they're travelling within the country, and they're travelling year-round. So, I think that will certainly help, maybe not completely, but to some extent, seasonality. And of course, when it gets very hot in the north, Delhi, etc, people will then go up hill stations. We have hotels in Shimla. So, I think, in time... and we've already seen this trend... seasonality has been coming down over the years, if I were to take the COVID period out of it.
- In terms of the quality of hotels and our ability to secure management contracts, in fact, this is one thing we learnt from Mr. Oberoi – Chairman Emeritus, and in those days he was Chairman. He said, when you are partnering with somebody and they are relying on you, you have to be even more careful with giving your owner return. And therefore, we get many opportunities. If we do not believe the hotel will be profitable, we do not pursue those opportunities, because it's just creating a problem for the future. So, we have to believe, we have to do our analysis, and we have to know with a high level of certainty, that we will give a good return to the owner. And, we demonstrated that with our Gurgaon hotels, with Sukhvilas. We have a fourth hotel with the same owner. And, we take great care in our partnerships or in management contracts, to ensure that we only pursue projects where the owner will be happy with the returns that we can generate. I don't know if I've answered your question. If I were to just maybe say one other thing, we do get opportunities that we do turn down for that very reason.

- **Mr. Nikunj Thakkar:**
- Okay, great! That's very helpful. Maybe, just a follow up on one of the earlier questions. There was a question about where the growth might come from in the next few years? You mentioned some of the opportunities you're looking at, including management contracts, including some of the hotels that are still under discussion. I guess the question is, were you almost implying that we could see growth in some of these hotels that are under discussion, in some of the early years now, not necessarily the out years? Or, is that something you were not implying? Thank you.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- If your question is on timing, I hope we have positive news to share with you. We're as eager, or very eager to share that news with you. And, as soon as we're in a position to do that, we will do that.

- **Mr. Nikunj Thakkar:**
- Great, thank you.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Thank you so much.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you Nikunj. We have a question from Jaiveer Shekhawat. Jaiveer, please go ahead.

- **Mr. Jaiveer Shekhawat:**
- Sure, thanks for taking my question. Good evening Mr. Oberoi and Mr. Kallol. 1.10.55 given the TCS imposition 20%, TCS imposition from 1st of July. How do you think about it in terms of, one, your domestic rates and also the impact on your international business. Can you provide your views there?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- When you say TCS, this is the tax that is deducted on foreign travel?

- **Mr. Jaiveer Shekhawat:**
- Foreign spends, yes, that's right.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- I'm sure that will help Indian hotels, including us; the extent to which, I'm not sure. I would just say, if you're a traveller or a guest or somebody who travels, you need to make a choice between an Indian hotel and travelling overseas. I think your take on this would be probably greater than the insight we can offer. Our perspective is just from consumers, as well, of hotels. And finally, it's really our customers who make the decision. But, I think more than that, people... I think the greater impact comes from a trend we're seeing where people are taking more breaks and shorter breaks, and those are a large proportion, I presume, will be in India. I think, for the really affluent, it may not have a direct impact. But, we have a wide spectrum of guests, and for some, I'm sure it will, for others, it may not.

- **Mr. Jaiveer Shekhawat:**
- Understood. I also want to pick your brains on the hotel's upcycle. Now, given that most of the hoteliers are posting all-time high profitability, and also expanding because of that. So one, how long do you think this upcycle could last? And secondly, when I look at your ARR's or even that of your competitors', these are probably 30-35% up versus the pre-COVID levels. So one, given the FTA recovery, what further room do you think there could be on the ARR's? These are my two questions.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- So, I think, ARR's really are a function of what the supply is and what the demand is. I used to work at our Bombay hotel years ago; this was in... I think it was when India first started to liberalise after the first Gulf War, and we saw demand just shoot up. The hotel was full... the South Mumbai hotels were full all the time, and rates suddenly, within a short period of time, shot up drastically. So, there's limited supply coming in, and supply does take time. So, I think there is, certainly in city locations, also the hotels that

have been there for some time, occupy premium locations that are no longer available. And, location for city hotels are very important in a guest's choice. So, in my view, if demand continues to be strong, there's considerable upside in average room rates. And, we are... our city hotels in India are very under-priced when you look at other markets around the world.

- **Mr. Jaiveer Shekhawat:**

- And Mr. Oberoi, given that most of the people say that the supply is likely to take another 3-4 years to come in, but, aren't you seeing a lot of acquisitions happen, a lot of management contracts? Because, there are lot of distress assets available as well. So, you could supply it much earlier than what probably the industry is expecting, and hence, sort of, matching the overall demand growth. I mean, do you fear that?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- We don't fear it, maybe we should. We don't fear it. We've look at, in the past, a number of hotel assets, and not pursued those opportunities, because to refurbish, redevelop these assets and to make them into hotels, that certainly could be an Oberoi Trident. We've atleast thought that that would be challenging. Now, there may be others who can do that, I can't really say. But, guests will pay a premium for quality hotels and for quality service, that we're certain on. And also, quality locations, particularly for city hotels. For leisure hotels there's a greater flexibility on location. And, the premium hotels today in a particular city, already have those well covered.

- **Mr. Jaiveer Shekhawat:**

- Thanks a lot for answering my questions.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- Our pleasure Jaiveer, thank you.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- Thank you Jaiveer. Friends, I've already taken the liberty of exceeding the time allotted for this concall. So, probably we'll just take one last question which has been posted on the Q&A board.

- This one is from S. Krishnakumar aka KK – Can you elaborate the role large shareholders like Reliance and ITC are playing? Has anything changed in their role involvement?

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**

- So, as far as Reliance is concerned, we have two Reliance directors on our board. We have all their support and their trust, and we enjoy a very good relationship with them. And, they're there, they supported the company during COVID with the rights issue, if you recall. So, it's... there's really nothing perhaps, other than that, that I want to add. We have the full support of the two Reliance directors who are very supportive in the advice and guidance they provide us at a board level, and we greatly appreciate that and value that.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**

- I hope that's answered your question KK. Thank you very much Vikram and Kallol for patiently taking all the questions. I handover the call, the webinar to Vikram for this closing remarks. Please.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Navin, first of all, thank you to you. Nothing, nothing more to add. I hope this year will be better than last year. We're going to work very hard to drive the best top line we can, the best bottom line we can, and there's always opportunity to improve. And, every Rupee counts. And, certainly as far as our General Managers are concerned, as far as the corporate function heads are concerned, in fact all our colleagues are concerned, we want to do whatever we can, to provide our guests with a great experience. We want to do whatever we can to drive every Rupee on top line and every Rupee on bottom line. Every Rupee counts, and we're focussed on achieving that. So, other than that, thank you so much. I really appreciate all the questions, some of them were very difficult. So, please be kinder to us next time. But, thank you very much.

- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Thank you so much Mr. 1.18.47 and thank you so much Navin, and thanks to all of you ladies and gentlemen. We are always happy to answer questions even if it couldn't be done within this time slot. Thank you so much.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- Thank you very much ladies and gentlemen. If there are any further unanswered questions, please feel free to send them to me. I've shared my email id and we'll take them up with Kallol. Thank you very much Vikram and Kallol once again, and look forward to hosting you again.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Thanks so much Navin. Really appreciate it. Thank you so much.

- **Moderator - Mr. Navin B. Agrawal - Head Institutional Equities, SKP Securities:**
- My pleasure. Thank you and have a lovely evening. Bye.

- **Mr. Vikram Oberoi - MD & CEO, EIH Limited:**
- Yeah, you too. Bye.

END OF TRANSCRIPT