

# *EIH Limited*

A MEMBER OF THE OBEROI GROUP

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14<sup>th</sup> August 2023

<b>The National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor Plot No..C/1, G Block Bandra Kurla Complex Bandra(E) Mumbai – 400 051. <b>Code: EIHOTEL</b>	<b>The BSE Limited</b> Corporate Relationship Dept. 1 <sup>st</sup> Floor,New Trading Ring Rotunda Building Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai-400001 <b>Code:500840</b>
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## **SUB: TRANSCRIPT OF INVESTOR MEET / CALL HELD ON 10<sup>th</sup> AUGUST 2023**

Dear Sirs / Madam,

Pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we hereby submit Transcript of the Investor Meet/Call held on 10<sup>th</sup> August 2023, on the Unaudited Financial Results of the Company for the quarter ended 30<sup>th</sup> June 2023, on Standalone and Consolidated basis, which were considered and approved by the Board of Directors of the Company, at its meeting held on 08<sup>th</sup> August 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



**Q1 FY24 EARNINGS WEBINAR**

**MR. VIKRAMJIT SINGH OBEROI - MD & CEO**

**MR. KALLOL KUNDU - CFO**



**NAVIN B. AGRAWAL – HEAD, INSTITUTIONAL EQUITIES**  
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**THURSDAY, AUGUST 10, 2023**

- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Good day, ladies and gentlemen. It's my pleasure to welcome you on behalf of EIH Limited and SKP Securities to EIH Limited's Q1 FY24 Earnings webinar. We have with us Mr. Vikram Oberoi, Managing Director & Chief Executive Officer and Mr. Kallol Kundu, Chief Financial Officer.
  
- This meeting is being recorded for compliance reasons and during the course of this discussion there may be certain forward-looking numbers which must be viewed in conjunction with the risk that the company faces. We'll have the opening remarks and a presentation by the management followed by Q&A session. Thank you and over to you, Vikram.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Thank you very, very much. Thanks, Navin, Ladies and gentlemen, good afternoon and thank you for attending the call today. We had a very positive result for Q1 and Kallol will share a presentation on that.
  
- I'd just like to say a few other things which I tend to repeat, so please forgive me. As a hotelier our focus continues to remain our guests and our colleagues and really providing exceptional experiences to both, to our guests through the service and care they get at our hotels and for our employees through their learning, development and growth. And we continue to work on future growth in terms of number of hotels with the company and we hope we will be able to share positive news, but Kallol cover that as well with you in the not-too-distant future.
  
- So, with that over to you, Kallol, for the presentation.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Thank you, Vikram. And good afternoon, ladies and gentlemen. It's a pleasure to be back again. Navin, if you could just confirm that my screen is visible to everybody.
  
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Yes, the presentation is visible.
  
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Thank you. Thank you so much. So, we are here to present the earnings results for our Q1 of FY24. The key highlights as per HV ANAROCK report of July 2023 provides two highlights. One is the hotel industry in India saw rates rise in Q1 of FY24 boosting RevPAR despite the slight drop in occupancy and domestic air traffic in India increased by 19% in June'23 compared to June'2022.
  
- Coming to some operational statistics. Q1 FY24 has been higher by 16% in terms of RevPAR over the same quarter of last year and this is typically to show the movement quarter-on-quarter. But if you could look at the shaded areas, these really reflect the quarters, the Q1 of each of the financial years since FY1920. So, as it's visible here in Q1 of FY1920, the RevPAR for EIH owned hotels, which is marked by the line in blue, was ₹6506 and the RevPAR of all domestic hotels including those managed by EIH as part of the Group was ₹6317 and then these have continued to move on. Of course, COVID years in between and the last year Q1 was ₹8850 and ₹8219 respectively, which is now ₹10,236 and ₹9,484 respectively. So, essentially a 16% increase over the same quarter last year.

- The company continues to demonstrate RevPAR leadership which is evident in the RevPAR index. When considered for all domestic hotels taken together, the RGI is depicted in terms of this blue line which has been consistently above 100 which shows really that viz-a-vis competition our hotels have been doing better in terms of RevPAR. In fact, the overall RevPAR index has been 124%.
- Moving on to some more parameters just to show how city wise the RevPAR has grown in Q1 of FY24 versus Q1 of FY23. The highest has been in international for us in the locations that we are present. And as you all know, we are present in Indonesia, in Bali and Lombok, in Marrakesh, in Mauritius, in Egypt, and in Al Zorah. This is followed in India by the city of Agra which has really seen a lot of tractions, especially with the arrival of a lot of foreign guests. This is again followed by Jaipur and Ranthambore which has been clubbed together under one, which has seen a 34% growth in RevPAR followed by Delhi 24%, Mumbai 19%, Chennai 26%, Cochin 24% and so on and so forth. Shimla, unfortunately, has seen a degrowth essentially because of the rains, the floods, et cetera and the condition of the infrastructure currently which has been seen after the floods. So, that's one of the reasons. Month-on-month it's looking pretty good in terms of what trends have been seen in the past. So, basically, April is obviously the best month in terms of occupancy as well as in terms of ARR followed by May, followed by June. But, overall, it's looking good at a Q1, quarterly occupancy of 70% at 13,579 for all our domestic hotels including managed hotels.
- When we look at it from a classification point of view in terms of Oberoi Metro, Oberoi Leisure Villas, Trident Metro, Trident City, Trident Leisure and others, Oberoi Leisure Villas of course continues with a high traction in terms of RevPAR at ₹14,948 and Oberoi Metro follows at ₹10,947 but also closely followed by Trident Metro Hotels which is ₹8724 and in all the categories, as you can see, there's been an increase in RevPAR.
- Strong tailwinds continue in case of Direct. The trend is upwardly but the heartening thing is also the comeback of Corporates and, obviously, as we move into winter seasons, we're sure that the other two segments will also pick up equally.
- Trend of Foreign Room Nights. This has been on the rise, as you can see here. It's quite a simple chart, so I won't really get into detail.
- Food and Beverage revenue. The domestic hotels including managed hotels have done a revenue of ₹169.5 crores as compared to ₹163 crores. So, quite flat that way but the turnaround story, like we've mentioned in the past, is our flight catering and airport catering business, which has seen revenues grow from ₹45 crores in Q1 of FY23 to ₹87 crores in Q1 of FY24. So, that's really robust.
- Moving on to financial performance after the operational statistics. I'll just share with everybody that we've used the color-coding scheme, which may be helpful for our friends to really track the numbers that follows in the following slides. Revenue has generally been depicted in yellow, EBITDA in blue, PAT/PBT in green, Expenses in gray and Funds are shown in red. So, this may be an interesting picture for all of you which really shows where the company has moved, where Revenues, EBITDA and PAT has moved over the last 15 years starting from FY 2010 for the Q1. So, if I look at only PAT in the interest of time, where we used to do ₹19 crores, -₹16 crores, ₹15 crores, ₹9 crores, ₹11 crores or thereabouts going down to ₹118, of course, minus in FY21; the first quarter of COVID. The last year first quarter, we did the first time ₹42 crores of PAT and this year we closed at ₹90 crores of PAT in the standalone, which is by far the strongest

Q1 for the company. The same is evident in terms of Total Revenues at ₹455 crores and also in EBITDA at ₹154 crores, which is more than double of any of the years in the preceding 15 years.

- The same story is in case of consolidated figures as well. Of course, the consolidation of accounts, as you know, had commenced only a few years back. So, therefore, we've given the numbers that really represent the last six years where PAT used to be ₹15 crores or thereabouts, of course, and then it was minus during the COVID years. Last year, it was ₹66 crores and this year it is ₹106 crores at a consolidated level for Q1.
- Standalone. If you look at the growth in revenue, in fact, both in case of standalone as well as in case of consolidated, while the revenue has grown by 27%, EBITDA has grown by 64% in case of standalone and 53% in case of consolidated, which really demonstrates the efficient operations and effective cost management that the company has been able to really carry out over the last few years which is now yielding result.
- Expenses. Just as a carry forward from the last point, so total increase in revenue is 27% but total increase in expenses is only 14%. Just another way to depict the same information. And this just gives you some outlines of where costs have gone up and by how much.
- On a fund position, we are really in a very positive zone. So, where we were at minus 453 moving up to a peak of minus 560 in September 30. We're happy to share that we are now net cash positive since March 31<sup>st</sup>, 2023, at ₹129 crores and on as on June 30<sup>th</sup> we are net cash positive at ₹188 crores which are of course currently deployed in treasury operations and will be usefully deployed or gainfully deployed in the projects that are upcoming over the next few years.
- In terms of consolidated funds, the Group has a total of 542 funds. This includes certain earmark balances but that's the net position and so far, the company as a consolidated group is concerned.
- I won't really go through the performance highlights which would have been seen by all our participants as reported in the stock exchange and which is also available on our website.
- On a standalone basis how, revenue has moved over the last few quarters. Quarter-on-quarter this is what has been shown here. Revenue, EBITDA, PBT and PAT. Similarly, for consolidated accounts and likewise for quarter-on-quarter consolidated financial results.
- The business footprint, we have given a little more detail as had been sought by many of our friends in the past. We've given the keys and which entity holds or has ownership of these hotels and these are all obviously managed by EIH or its subsidiary. And with this, we have about 3,772 keys in India today and 497 keys abroad.
- So, that brings me to the end of my presentation, and we shall be happy to answer any questions that you may have. Thank you so much.
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Thank you, Kallol. Friends, we open the floor for the Q&A session now. Anyone with a question, request you to raise your hand and we'll take it up in a moment. We'll wait for a couple of minutes while some questions line up.

- The first question is from Ravikant Sanghdeepak. Ravikant, please go ahead. Ravikant, please unmute yourself and go ahead. I guess there's some problem in his line. We take the next questions from Akshat Bairathi. Akshat, please go ahead.
- **Mr. Akshat Bairathi – Participant:**
- Hello? Am I audible?
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Yes, Akshat.
- **Mr. Akshat Bairathi – Participant:**
- Yeah. Hi, Sir. Thank you for taking my question. So, I have a couple of them. So, first can you please just guide us as to the expansion plans for FY24?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yes. And any other questions or would you like me to answer that first or...?
- **Mr. Akshat Bairathi – Participant:**
- Yeah. So, a couple of questions. So, first on the expansion plan. Then second is how are you on the strategy side? Will the company focus on owned and managed strategy, owned hotels and managed rooms? And what is the growth guidance for the quarter? Yeah, that's it from my side.
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Okay. Sorry. For Q3? For the next, for Q2. Certainly. Hello, Akshat. Expansion for next year, we will be opening two hotels next year. A small villas in Madhya Pradesh. That's a very small hotel, it will be managed but still a very important hotel with high rates. It's all tented and a beautiful hotel. We're also opening Rajgarh Palace, which is also the last and that will also open next year.
- In terms of growth beyond that, we will be able to share a more comprehensive plan for our growth leading up to 2030 with you shortly and that's quite an ambitious growth plan that we have in mind. But we'll share details on a subsequent date regarding that.
- On owned versus managed. Historically, our focus has been on owned. We have far fewer managed hotels, and we'd like to see our growth taking place in both, both owned and managed or even owned with equity investment, partly owned. And the reason for that is the returns that we get, assuming we select the right locations, the right sites and are able to achieve the rates and occupancies. The returns from owned hotels are substantially higher. This is particularly with Oberoi as you'll see. I don't think Kallol has presented Return on Capital Employed details but the Return on Capital Employed for Oberoi Hotels, Oberoi Leisure Hotels is the highest and that's where our focus will be. Also, on mixed use developments and we'll be able to talk about this in future in greater detail with you.
- Guidance, Kallol, I don't think we give any guidance. So, I'll refrain from commenting on that question. And Kallol, ...
- **Mr. Akshat Bairathi – Participant:**
- Okay, Sir. Just a follow up question. Yeah, go ahead, Sir. Sorry.

- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Kallol, anything you wish to add to what I've said.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Yeah, you just mentioned about a Return on Capital Employed. I think we can give an idea. Return on Capital Employed on a consolidated basis for the last year was over 17% on an overall basis on a consolidated basis. This year, obviously, we have our own projections, but we wouldn't like to give any guidance on that. And when we do the year end results, we will definitely bring out the numbers. But like you rightly mentioned, Vikram, the overall return from hotels itself, the Return on Capital Employed from hotels last year was about 35%, so.
  
- **Mr. Akshat Bairathi – Participant:**
- Okay, sir. Yeah, just a follow up question. So, these two hotels that we will be adding for the year, Sir, can you just tell me the number of rooms it will have: the keys?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yes. So, the one which is opening in Madhya Pradesh will have probably 20 keys. We initially were going to do 17 and then the owners have wanted to increase keys. So, it'll be either 20 or 21 keys but with a very high Average Room Rate. This is an ultraluxury Hotel.
  
- And Rajgarh Palace, Kallol, if I remember correctly, it's 65 keys. Am I correct?
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- 66.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- 66 Keys.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- So, both are in Madhya Pradesh.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Sorry? Yeah, that's also...
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Both are in Madhya Pradesh.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Both are in Madhya Pradesh and that's actually not far from Khajuraho and also next to a Tiger Reserve as well. So, these are two hotels. Rajgarh is an old palace which we are restoring and there will be some accommodation in the palace and also accommodation in the land which is around the palace.
  
- **Mr. Akshat Bairathi – Participant:**
- Okay. Okay, Sir. Thank you so much. That's all from my side and all the best.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Thank you.

- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Thank you so much, Akshat. Thank you.
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Thank you, Akshat. We have Hari S. with this question. Hari, please unmute yourself and go ahead.
  
- **Mr. Hari S. – Participant:**
- Can you hear me, Sir?
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Yes, Hari, loud and clear. Please, go ahead.
  
- **Mr. Hari S. – Participant:**
- Okay. Thank you, Sir. Thank you for a wonderful result. Well, my question, Sir, why is our company doesn't have much exposure to beach front properties in our own India, Sir? And second question is regarding this, what is the percentage of management contract fees in revenues? And the third one is regarding his price revisions with Corporates, like how did it go? And can we safely assume like post COVID the seasonality of the hotel business has gone down and it's like a yearlong good business? That's all, Sir. Thank you.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Thank you, Hari, and good afternoon. Beachfront, actually, you're right we don't have many beachfront hotels in India. In fact, we don't have any beachfront hotels in India, but we have a beautiful site in Goa which we will or at least our endeavours is to open a hotel, an Oberoi Hotel, on that site. So, I think, in time to come we'll be able to share further details on that hotel and when it will open et cetera.
  
- In overseas, we have a number of beachfront hotels. In fact, a large number of our hotels overseas are beachfront. That's Bali, Lombok, Al Zohra and Sahl Hasheesh. So, they are beachfront, but your point is well taken as propensity to pay increases in India and it's increasing rapidly, people will look for beach locations and we should have a presence there and we'll start that with Goa. And there's also one other location but we'll be able to share further details on that, that's work underway, so I don't want to announce that at this point.
  
- In terms of seasonality, I think, our business is seasonal still because we're still quite dependent on international business and that business comes to international leisure business and those guests tend to travel to India when the weather is nicer. So, there is some seasonality but, I think, seasonality has significantly reduced. And I'll also add one other thing in terms of our city hotels, what we've seen is strong demand even in the summer. So, I think if that trend continues, seasonality in city hotels may be greatly reduced or eliminated but in leisure hotels we still see seasonality and we expect seasonality to continue because people tend to travel to India from overseas when the weather is nicer or slightly cooler.
  
- And your last question was management fees. Kallol, can I ask/request you to answer that question?
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**



- Yeah. So, management fees for the quarter was about ₹7 crores. Well, the percentages you can work out. The total number of keys that are managed is about 54% of the total number of keys that are available for the group.
- **Mr. Hari S. – Participant:**
- So, ₹7 crores is not very less, Sir, for the management fees?
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Well, most of our income, like Mr. Vikram Oberoi mentioned that we have a large part of our income which comes in through our own hotels and that actually yields way more than what management fees would yield. So, it's not to say that we will not be getting into management contracts but if you look at the revenues that the company earns from its own hotels that's substantial. So, in comparison to that, yes, but of course going far forward we'll have a more calibrated mix, I would say.
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- And, Kallol, I don't know if it's right or not for me to say that, so I'll say it as my understanding and perception is that if you look over a period of time management fees at a hotel management level, whether it's 5-star or luxury or whatever you want to call it, management fee at least my understanding is that they've come down for our industry over a period of time which is a concerning trend because a lot goes into running a hotel and if your margins are getting squeezed through very tight management contracts with a low fee structure that's actually not good for the Hospitality Industry in general. I hope I haven't said anything wrong, Kallol. But this is my understanding of the Hospitality Industry, certainly in India I'm commenting on. So, I'd just like to bring that to Hari's attention as well and maybe that's something...
- **Mr. Hari S. – Participant:**
- Price revisions with corporate?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- I beg your pardon.
- **Mr. Hari S. – Participant:**
- Price revisions with corporate.
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- I think if you see our rates, our endeavour has been, you know, we really operate at the upper end and our focus is on driving RevPAR growth through increases in Average Room Rate. That's what we endeavour to do. We have excellent hotels and excellent locations with excellent service, and we believe our guests are willing to pay a premium for that. So, whether across all segments including corporate, we've had healthy rate increases. And that's what's **26.23** in the ARR's that Kallol shared in his presentation.
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- So, Corporate ARR has gone up by 10%, Vikram.
- **Mr. Hari S. – Participant:**
- Oh! Thank you very much, Sir.
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**

- Thank you, Hari. We have a question from Saurabh Patwa. Saurabh, please go ahead.
  
- **Mr. Saurabh Patwa – Participant:**
- Sir, can you hear me?
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Yes, Saurabh.
  
- **Mr. Saurabh Patwa – Participant:**
- Yeah, thanks. Thank you for the opportunity, Sir. So, just 2-3 questions. One is how's your response to the club and the response which we recently... Of course, it is too recent, but you would have got some initial feedback and how do you see these two businesses scaling up in form of new opening, et cetera?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Good afternoon, Saurabh. Saurabh, I heard the club, but I couldn't hear...
  
- **Mr. Saurabh Patwa – Participant:**
- The restaurant. The Amadeo.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Okay, Amadeo. Okay. No, happy to answer both. The response to the club has been absolutely fantastic. Members and people wishing to become members, there's a long list. In fact, I was talking to a colleague of mine who controls membership or is responsible for going through membership and we don't directly control membership. EIH just operates the club, as you may know. And he was telling me that, you know, the number of inquiries they're getting and the number of people who want to become members is long. In fact, they're having trouble reviewing all the members and the member information. So, that's the backlog, as I understand. So, that was the first thing.
  
- Amadeo just recently opened and guest feedback of diners at Amadeo have been very, very, very positive as have revenues. As you know, in the Jio Convention Center, the retail segment or the retail area, our luxury retail has not yet opened but despite that we're doing strong revenues. We have an excellent location there overlooking the fountain at the Convention Center. And later in the year, there'll be a rooftop bar which hasn't opened as well. That'll open after the monsoon or as we approach better weather in Bombay. But to answer your question both for the club guest feedback or member feedback has been really phenomenal and equally guest feedback of diners at Amadeo have been very, very, very positive.
  
- **Mr. Saurabh Patwa – Participant:**
- Sir, second question, in your presentation you have your growth plans, while I understand you have mentioned at the beginning of slide that you will have a presentative plan till '2030 which would be detailing at a later date but is it going to be substantially different from what it was there previously? Because in your Annual Report also you have mentioned to say like somewhere Andhra, Telangana region or something of that sort. So, any broad guidelines you can share now?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- I think let's wait for us to present our plan. And, I think, it's best to wait rather than to speculate if that's all right. I hope you don't mind me.

- **Mr. Saurabh Patwa – Participant:**
- No-no, absolutely. We're just trying to gather, cross checking the data which you have shared in the Annual Report and the past. That's it.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- No, and we'll share details with you I hope very soon.
  
- **Mr. Saurabh Patwa – Participant:**
- Sure. Great, Sir. Just last question was like, your debt equity now is like historically we've been in debt position and now we are cash free, so, of course, you have plans for that but any peak debt which you would perceive in the future? Or given the cyclical nature of the business you would want to maintain specific debt levels?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Kallol, is it okay to comment on that or not? I don't know.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Sure-sure. We maintain a debt equity of 20%, that's our company policy. But obviously, that is not to say that in the future it might not change depending on the circumstances. So, obviously, as we line up our funds and as we await the projects to get launched over the next few years, it will be a story that really will remain to be told. But in the past our trend has been that we have been conservative on debt and our debt equity has been around 20% at the maximum.
  
- **Mr. Saurabh Patwa – Participant:**
- Thanks a lot.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Yeah, welcome.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Thank you so much, Saurabh. Thank you, Saurabh.
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Thanks, Saurabh. We have a question from Ritesh Gupta. Ritesh, please unmute yourself and go ahead. Ritesh? Okay, we move on. We have questions from Bharat Sheth. Bharat Bhai, please go ahead.
  
- **Mr. Bharat Sheth – Participant:**
- Good afternoon, Vikram and Kallol.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Good afternoon, Sir.
  
- **Mr. Bharat Sheth – Participant:**
- Sir, excellent result. Just want your sense on say this whole industry upcycle or whatever we call it, which is typically a cyclical. So, in your fair opinion this upcycle, of course, in '2003- '2004 it started and lasted for 5-6 years. Now, how do we perceive that cycle from here onward, which has just begun?

- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- A very good question, Bharat. You know, historically luxury hotels in India would depend significantly on international travel. The propensity to pay for guests coming in from overseas was substantially higher than guests domestically. And you'll recall that there used to be a dollar tariff and a rupee tariff.
  
- **Mr. Bharat Sheth – Participant:**
- Yeah.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Then industry moved to one tariff, which was in rupees. I think, there's been a phenomenal change in India, and I don't see that change slowing. In fact, if anything, I see that change growing even at a more rapid rate. And that's the affluence that is in India. People have a greater propensity to spend. People are now traveling more than ever before internationally and they want to when they're traveling certainly domestically are willing to pay more for superior hotels, superior service, et cetera. So, I really do believe that seasonality is going to come down because we have such a strong domestic demand and a willingness of guests to pay and, I think, that willingness will just increase if I were to look forward 5 or 10 years and 5 or 10 years isn't long. The Indian consumers ability to pay will be significantly higher.
  
- I'll just add one other thing, which is relevant, if you compare the quality of hotels that we have in India with the quality of hotels elsewhere, our hotels are...And when I say our I don't mean, I'm talking about us as a country. Our luxury hotels are amongst the best in the world. You won't get service that you get in Indian hotels in other parts of the world and I'm sure you would have experienced that personally and our rates are substantially lower than what exists in other parts of the world. So, I see huge upside in Average Room Rate in time to come and I believe this will happen quite rapidly. So, our focus is on driving rate, driving margin, of course, looking after our guests, looking after our colleagues because only if we have people who are happy, we will be able to provide great guest experiences. And I believe guests will be willing to pay a premium for good hotels and good service. So, I remain very, very optimistic on the future and reduce seasonality to answer your question.
  
- **Mr. Bharat Sheth – Participant:**
- No, I'm not talking about the seasonality. This upcycle, you believe that can last more than the previous cycle.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Oh! Very sorry. I apologize. Again, for the same reasons, I believe they will because you have domestic demand. Domestic demand, people will continue to travel, people will continue to conduct work, people will continue to go on holiday domestically and, therefore, I'm certainly optimistic.
  
- **Mr. Bharat Sheth – Participant:**
- Second thing, Vikram, now we are almost operating at around 70 plus kind of occupancy and at the most we can go is 80%. That's what I believe. And there is also some room for, I mean, the growth in the ARR. So, in the meantime our 36.23 taking a growth, I mean, by increasing hotel is not a little delayed or we may not be able miss some opportunity in the early phase.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**

- So, I'll answer your first question. Actually, our Bangalore hotel, for example, and again I don't know if I can give actual operates. So, I won't give you specifics but operates in the 90% plus occupancy, still significant upside if there's strong demand.
- Secondly, I think there's even greater upside in Average Room Rate. So, I think, with, with that there is an upside in revenue for our hotels and improved profitability, of course, because ours is largely a fixed cost business as you know, Bharat. Variable costs per additional room you sell is miniscule. So, any additional rooms you sell or an increase in rate, of course, goes straight to bottom line.
- Your question on expansion, should we have done this earlier? My belief is let's not look in the rearview mirror because if we focus on what has already happened, we won't look forward and we need to look forward, we need to drive growth.
- **Mr. Bharat Sheth – Participant:**
  - Is it fair understanding our large, big hotel, I mean, big hotel in next May take us at least 3 years before it starts operating?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
  - I think 3 years is a reasonable timeframe, yes.
- **Mr. Bharat Sheth – Participant:**
  - So, meantime, do you think that we will be able to continue to operate every time increasing higher ARR and hence increasing the revenue and profit because occupancy even once we touch it to say 80% -90% then there is a limited room. So, is there do you think still room or there is a limitation also will be there on ARR?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
  - So, Bharat, I'll ask you to do one exercise, right, just and you do the exercise yourself and then maybe you can answer the question. We operate at a ₹20,000 plus Average Room Rate at the Oberoi New Delhi, that in dollars is under \$250 or thereabout. For a hotel of that quality anywhere else in the world or most places in the world and particularly India has so many, so many positives. We have a very strong economy, strong domestic demand, et cetera. Hotels will be operating at double that rate, \$500 a night if not more and I'm not even looking at Europe and North America at this point where to get a luxury hotel you'll be paying £1500 a night for the leading hotels and probably \$1500-\$1800 a night or thereabouts if it's a unnegotiated, this is on bar pricing in a major city in. So, I'm talking about London, Paris, New York, et cetera. Delhi and Bombay are major cities, Bangalore is a major city. So, I firmly believe that there is tremendous upside on Average Room Rate and please just run the numbers yourself. Take the Oberoi, New Delhi. Take a 50% increase in rate and please see what happens to profitability.
- **Mr. Kallol Kundu - CFO, EIH Limited:**
  - I'll just add to the point that you're making, Vikram, and Mr. Sheth, this may be helpful. The very reason why we this time introduced a new chart in our presentation is the 15-year chart Q1 every single year. So, that's one point and I would urge you to follow that chart. Number one.
  - Number two is many of our own hotels, like Mr. Vikram Oberoi rightly mentioned, even though we're not talking of Europe and America many of our own hotels internationally are earning Average Room Rates in excess of \$800 per night. On an average another hotel is earning more than \$600. Even in Southeast Asia

there are hotels that we have which are earning in excess of \$300. So, therefore, just to substantiate what Mr. Vikram Oberoi just said that India has a long way to go.

- **Mr. Bharat Sheth – Participant:**

- Fair answer, Kallol. I don't underestimate the probable capacity or affordability capacity of Indian because now still large part of the overall our bouquet will remain Indian. So, whether can it cannibalize, I mean, our ARR or something? That is my whole question. And what you are asking that may be possible in some of the best season, travel season and all but across the year? So, I just a little confused about our growth strategy, honestly.

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

- Bharat, may I make a suggestion to you. Can we take this... We'll do some work on this. We'll share some additional information with you on global pricing and maybe we'll learn from you and maybe there's a little bit you can learn from us and then let's have a conversation. I think this needs far greater detail, far greater analysis and study than what we can attempt to do right here.

- **Mr. Bharat Sheth – Participant:**

- Yeah, fair enough.

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

- And then, please, take a view on it. But you should be able to do this work very easily yourself because all pricings are available today. Please, go to companies like Four Seasons, Mandarin Oriental, Peninsula. If you're looking at leisure hotels Six Senses, the true luxury brands and please see what rates they charge and what premiums they get and then compare it to the Indian Hotel Industry that is providing accommodation and facilities and service, certainly on par if not better than what they are. So, I think that will help answer some of your concerns.

- **Mr. Bharat Sheth – Participant:**

- I appreciate that, Vikram, and we will get in touch with Kallol.

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

- Sure.

- **Mr. Bharat Sheth – Participant:**

- We can organize either in Delhi or in Mumbai when you are in Mumbai.

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

- Right, Bharat. Thank you so much.

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

- Thank you very much.

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

- Thank you.

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

- Thank you, Bharat Bhai. We have a question from Sakshi Chhabra. Sakshi, please go ahead.

- **Ms. Sakshi Chhabra – Participant:**
- Yeah. Hi, Sir. Sir, my question was on the F&B revenue side that you've reported. So, what would be the reason that it has remained flat year-on-year?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Actually, Sakshi one very big reason why it's remained flat year-on-year is Trident Nariman Point. We have large banqueting. Revenue at Trident Nariman Point. And Regal room, which is the main banquet function area and the rooms adjacent to it, are under renovation. So, they're not currently operational and the renovation will be finished by beginning November and it'll reopen beginning November but that's a large contributor to...It's a large hotel and with large banqueting and a large banquet space currently is not being sold.
  
- **Ms. Sakshi Chhabra – Participant:**
- So, around what percentage of our F&B revenue would be contributed from that hotel?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- I don't know that figure offhand, but we can...
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Sorry, you would agree, Sakshi, that that's too specific a figure to really get into. But like Mr. Vikram Oberoi said, it contributes substantially. It's more than 1%.
  
- **Ms. Sakshi Chhabra – Participant:**
- Okay, alright. So, that will be functional by November you are saying?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yeah, beginning November.
  
- **Ms. Sakshi Chhabra – Participant:**
- Beginning? Oh!
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- That's correct.
  
- **Ms. Sakshi Chhabra – Participant:**
- So, at least we'll get that benefit in the second half of the year?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Absolutely. And the busiest time for banqueting in the year, it's normally busier in the second half of the year.
  
- **Ms. Sakshi Chhabra – Participant:**
- Right-right. Okay, got that. Thank you so much.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Our pleasure, Sakshi.

- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Thank you, Sakshi. We have a question from Namit Arora. Namit, please unmute yourself and go ahead.
  
- **Mr. Namit Arora – Participant:**
- Yes. Thank you, Navin, for the opportunity. My question is for Mr. Oberoi. While we eagerly await the 2030 plan, Sir, could you guide us through some drivers in the near term? For example, let's say a B20 or a G20 or a cricket World Cup, in your view besides, of course, the weather and the regular holiday season for India and the festive season, generally your view on the next couple of quarters? What could be some major drivers for growth of the company? Any events, et cetera?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Again, Kallol, I need your help. Is it ok to answer that for us or... Can I answer it for the industry in general? I'd much prefer to do that.
  
- **Mr. Namit Arora – Participant:**
- Yes, industry. Sure.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- I think, you know, G20 any time there's a high number of visitors to a city or country, you see hotels benefiting from that, whether it's us or anybody else and there's enough historical evidence to suggest that. So, I think both the G20, and cricket and we are in most locations, I think, other than Pune for cricket as well, I'm sure hotels will benefit from that increased demand. Incidentally, we also have the MotoGP coming to India and that's coming in September, coming to Noida where the track is, and we've already got inquiries from Shell et cetera for accommodation and the teams will need accommodation. These are big events- Formula One, MotoGP. So, the more events we have in our country and in our cities and the more global events we have, the greater the amount of travel and demand both for airline seats, hotel accommodation, restaurants, et cetera and the economy benefits as a result of that.
  
- **Mr. Namit Arora – Participant:**
- Got it, very helpful. Thank you, Mr. Oberoi. I had one more question. You know, you've taken some new initiatives such as the club, et cetera as well. Now, clearly the pedigree of the group and the foundation et cetera, there's a huge possibility to deliver experiences outside the traditional hotel formats. Could you talk us through your thought process if there are any other such similar initiatives being planned or maybe a roll out of these initiatives across your other locations?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yeah, I don't want to comment on that at this point, Namit. Let's wait, we'll share details on our prospects for growth. As I said, let's wait for that if that's all right. I hope you don't mind.
  
- **Mr. Namit Arora – Participant:**
- No, perfectly understand. Thank you very much and all the very best to the entire team. Thank you, Sir.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- So grateful. Thanks, Namit. Thank you so much.
  
- **Mr. Namit Arora – Participant:**



- Thank you. Thank you. Thank you.
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Thank you, Namit. We have a question from Yashovardhan Agarwal. Yashovardhan, please go ahead.
  
- **Mr. Yashovardhan Agarwal – Participant:**
- Hi, Sir. Am I audible?
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Yes, you are. Please go ahead.
  
- **Mr. Yashovardhan Agarwal – Participant:**
- Yes. Hi, Sir. Congratulations on good sets of number. My question is on the management fees. So, Sir, what part of EBITDA do we take as a management fee?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Sorry. Please, I beg your pardon? I didn't mean...I'm so sorry. I shouldn't have interrupted you. I beg your pardon. Please, Yasho, please continue.
  
- **Mr. Yashovardhan Agarwal – Participant:**
- Yes. No issues, Sir. So, Sir, my question is, what part of EBITDA do we take as a management fee? And is there a system for revenue sharing basis too?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yeah. I think what I was commenting on and I'm not going to get into specifics of our management structure also. Kallol already answered the question on management fees but I'm not going to get into, you know, what our management fees are and what they're not and how they're structured. But what I will tell you, please, and I'd urge you to do a study on, if information is available, please look at management fees over the last maybe 10 years and see. Basically, management fees, there's a certain fee on revenue, on total revenue, and there's a certain fee on GOP and if you plot these over a period of time, my guess is you will see...not plotted for the luxury industry but for major players whether that's us, whether that's other all the companies in India, the international brands and the Indian brands and please see what's happened to fees over a period of time. I think that will be very telling if that avail information is available.
  
- **Mr. Yashovardhan Agarwal – Participant:**
- Okay. Sir, so you mean that the fee structure has changed in a decade, right?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- I'd say that the structure has changed over a period of time, and you'd need to study it over a period of time to see how it's changed.
  
- **Mr. Yashovardhan Agarwal – Participant:**
- Okay, cool then. Sir, my question has been answered. Thank you and good luck.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Okay, thanks. Thanks. Thanks, Yasho. Thank you very much.

- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Thanks, Yashovardhan. Next, as always, Rajiv Bharti. Rajiv, please go ahead.
  
- **Mr. Rajiv Bharti - Participant:**
- Yeah, thanks. Thanks for the opportunity. Sir, on this Mashobra thing, the litigation by Himachal Pradesh Government, what's the progress there? Is there any chance we are going to pay this up or is there in between path which we are looking at?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- No. So, we're very clear on where we stand but maybe Kallol, do you want to... Again, I don't know.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- So, I'll just answer Rajiv. So, we've given a detailed disclosure as you would have seen. And the reason why we believe in giving disclosures is for everybody to understand the impact of anything that happened, any event that comes up. So, this is an intermediary position, as we speak. The case is sub judice, as you know, and we had accepted the arbitration order in October last year and we had filed an execution petition with the High Court of Himachal Pradesh to which there are these objections that have been filed by the government of Himachal Pradesh.
- Now, in the objections they have provided what they believe, or the counter party believes is what it should be there, and we based on very strong legal opinion have provided for in our accounts what we think is right and this has been vetted and reviewed by all concerned parties. So, really speaking, as of today we don't believe there is an exposure more than what we have already provided for. And, of course, depending on the outcome of the case and how it proceeds, we'll see what happens in the future.
  
- **Mr. Rajiv Bharti - Participant:**
- And this is only, ₹58 crores is only provided. We have not paid out anything yet, right?
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- No, we have made some deposits because we don't want interest to accrue. So, as a prudent measure, we've started depositing whatever has been allowed to us by the court. We've started depositing the amounts.
  
- **Mr. Rajiv Bharti - Participant:**
- No, and so far, we have the exposure is close to ₹80 crores odd, right? There was a 30 in Q2 of last year as well, 30-32.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Legal exposure for EIH Limited and Mashobra Resort Limited, if you add the two up, as of date it stands at about ₹99 crores, and it's been all accounted for in exactly the way in which the arbitration order was.
  
- **Mr. Rajiv Bharti - Participant:**
- Sure. And, Sir, in terms of renovation, for example, you have mentioned Trident, I think, Trident Agra is under renovation in your associate entity. Is there any big asset which is up for renovation this year, literally out for action?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**

- No, the other one big renovation which is happening, which I mentioned, is the Regal Room. That's currently being renovated and at the Oberoi Mumbai we also are renovating some of the smaller rooms that are out of inventory. They've been out of inventory for some time and making them into long stay residences, so that work is also under way. So, they'll be all suites and there'll be about 20 suites; 20 additional suites. So, those are the only significant...I wouldn't say significant but those are the only renovations that are currently underway.
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- I think related to your question, Rajiv, I think there's another question that I could see on the Q&A, which also was about Trident Agra. So, Trident Agra is closed only for two months for infrastructure upgrades and it's not typically a large-scale renovation, but it is for infrastructure upgrades.
- **Mr. Rajiv Bharti - Participant:**
- And there were some 69 rooms for Oberoi New Delhi as well, right, which were supposed to be added in '24?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- No rooms are being added at the Oberoi New Delhi, I'm afraid.
- **Mr. Rajiv Bharti - Participant:**
- Some residential apartments at the backside of Oberoi New Delhi?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- No, I think, you may be confusing that with Bombay where we're doing 20 suites which are long stay suites but nothing in Delhi.
- **Mr. Rajiv Bharti - Participant:**
- Sure. And lastly on the flight services business, what would the full potential of, you know, at full capacity what is the revenue it can throw?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- I haven't done that calculation. Do you have that number hypothetically, Kallol?
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- No, Rajiv. I don't think he expects the answer but, obviously, I can tell you something that currently if you were to reverse it, the capacity utilization is still way, way less than what the potential is. So, I think, from that you can probably gauge and obviously with flights increasing and flights going full most importantly and more destinations getting added, more aircrafts getting added the unutilized capacity, obviously, will get add added further or used further.
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- And could I just add, again, we are quite optimistic given all the fundamentals on the aviation or demand for air travel in India, both domestic and international. So, we think any business associated with that and flight kitchens being one will benefit from that strong demand.
- **Mr. Rajiv Bharti - Participant:**

- Last bit. On Slide 6, Udaipur market, there was RevPAR growth of just 1%. Is there some event because of this or it generally slowed down?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- I think, Rajiv, I don't have the numbers all in front of me, but my understanding is that this will be largely driven by social events. And last year Udaipur had many, many, many weddings, et cetera and that number has come down for two reasons. One is, and I'm assuming the first one is that people are looking at locations perhaps outside of India as well. Earlier on it wasn't possible to do large wedding events outside because of restrictions on visa, travel, et cetera. All those have gone away. And also, there are fewer 57.24 dates that's relative to last year. So, in Q1 of this financial year. So, for those two reasons, we've seen a decline in events in Udaipur and these are high paying pieces of business with large room requirements over several days.
- **Mr. Rajiv Bharti - Participant:**
- Sure. By any chance we have a metric for what is the contribution of revenue from marriages in our, let's say, the standalone?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- We, absolutely do. I don't have those figures with me, but our market segmentation is, it does break that up, yes.
- **Mr. Rajiv Bharti - Participant:**
- Sure. Alright, thanks. Thanks a lot, and all the best.
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Thanks, Rajiv.
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Thank you, Rajiv.
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Friends may request you to please limit yourself to a question or two because it's getting extended and there are too many participants waiting. We have a question from Vikas Ahuja. Vikas, please go ahead. Vikas, please unmute yourself and go ahead.
- **Mr. Vikas Ahuja - Participant:**
- Yeah, hi. Am I audible?
- **Moderator:**
- Yes, you are. Please go ahead.
- **Mr. Vikas Ahuja - Participant:**
- Yeah, hi. Thank you and congrats on a good quarter. My first question is regarding the occupancy and ARR trend, the monthly which you have given on Slide number 8 and what we can see is from May to June last year there was, you know, maybe the pricing was ₹300 higher but this time it's ₹300 lower. Is it largely

because of some weather-related disruption maybe you have seen in New Delhi or Mumbai? And how that trend has moved to the month of July? That's my first question.

- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Kallol, I don't have that slide in front of me. Could you have a look at it?
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- I'll just share the screen once again. I'm not sure which...
  
- **Mr. Vikas Ahuja - Participant:**
- Yeah, so I'll just read it out. So, it feels that...
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- If you can tell me which slide number, Vikas, I can show it.
  
- **Mr. Vikas Ahuja - Participant:**
- This is Slide number 7, which shows the ARR and occupancy trends for domestic hotels.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Correct.
  
- **Mr. Vikas Ahuja - Participant:**
- And if we look this year, this year there has been a, you know, almost ₹300 decline from May to June and last year it was more of a ₹300 uptick. So, just trying to understand it was largely because of some weather-related disruption which happened in June, or I shouldn't read much into that?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Actually, if I read the slide correctly and maybe I'm not, I see an increase in Average Room Rate.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- I think, Vikram, he is referring to the ARR in May which was ₹13,052 which has gone down to ₹12,000.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Oh! Yeah. Okay, I see. So, this is from one month to the other, okay. I think June typically and again we need to go back to historic data but if my memory serves me correctly June is one of the slowest months in terms of occupancy. So, I wouldn't read too much into that. I think this is quiet, quite normal. So, please don't read too much into that.
  
- **Mr. Vikas Ahuja - Participant:**
- It was nothing related to the weather.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- No-no. What we have seen is, I'll tell you what we did see is we saw slower demand in for the Shimla hotels and that came from we had a very mild summer. I don't know if you're Delhi based, Vikas, but we had a very mild summer to begin with in North India, including cities like Delhi. And NCR is a major source of business to our hotels in Shimla. The single largest segment or the single largest region from where guests travel to Shimla. And the weather was quite mild to begin with. The minute the weather started getting hot,

we saw demand pick up and, in fact, when demand wasn't picking up, we were doing a number of tactical things to try and drive business and shore up occupancies which does have an impact on rate. But that was limited to the Shimla hotels. In Udaipur as well because MICE business has not been as strong. We've had to try and drive business from other segments and that comes at a lower rate as well. Wedding business by far achieves the highest Average Room Rates and very strong contributions to food and beverage revenue. So, that was related specifically to Udaipur. I'm just trying to think if there was anywhere else.

- And the last thing I'd say, as you probably know, Shimla has had or Himachal has had very, very heavy rainfall. The road going up to Himachal, actually part of the road collapsed, so access to Shimla has been difficult but I believe those issues are being addressed but that's much more recent. That wasn't in Q1.
- So, I don't know if I've answered your question.
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- I think his line got just got disconnected. We'll take a question from Abhishek. Khanna. Abhishek, please go ahead.
- **Mr. Abhishek. Khanna – Participant:**
- Hi, good afternoon. Am I audible?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yes, you are, Abhishek. Hello.
- **Mr. Abhishek. Khanna – Participant:**
- Hi, Sir.
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Yes, Abhishek. Please, go ahead.
- **Mr. Abhishek. Khanna – Participant:**
- Sir, one or two questions. One, the Rajgarh Palace is an owned property, right? Just for clarification.
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Yes.
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yes.
- **Mr. Abhishek. Khanna – Participant:**
- Sure, thanks for that. The second question is just a follow up on an answer that you gave earlier, you were referring to reduced cyclicity in the business over a longer time period. I just wanted to understand in your past experience, the cyclical downturns that we would have seen, let's say in the early '2000s or around the early part of the last decade, were they driven by lower foreign tourists versus let's say a lower demand by the domestic tourists? Would you have some data around that?
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- So, this is cyclical falls, not seasonal falls, right.

- **Mr. Abhishek. Khanna – Participant:**
- Yeah-yeah, over a longer period not the...
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yeah. So, I'm just trying to remember, Abhishek, and there were a number of, you know, we had the attacks, the dreadful, dreadful attacks in Mumbai and we saw sharp falls in demand from overseas travel. I can't recall what impact it had on domestic travel at that time, but we did see sharp declines in international travel, not only to Bombay but to India. We had the Twin Tower attacks where we saw global demand across and I'm sure it impacted Indian travel as well. But I can't recall because that was, you know, a long, long time ago, the Twin Towers terrorist attacks. We had tension between India and Pakistan and there was concern of nuclear war as well, at one point there were troops on the border. Significant tension, international travel just fell off a cliff. So, if I think of these incidents, I think, and, again, I'm just going by memory and there maybe we had the crisis of '2008, a global economic crisis, global recession. So, I think if it's not a global event but an India event, it impacts travel to India from overseas. If it's a global event...I can't remember if the Indian economy had negative economic growth, or two quarters of negative economic growth would classify as a recession in '2008. I don't think we did but these events in India cause overseas demand to reduce. I think Indian demand is much, much more resilient.
  
- **Mr. Abhishek. Khanna – Participant:**
- Fair enough, which is why you believe the increased share of domestic travellers as of now, the domestic customers as of now might just help produce that cyclicity going forward also.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yeah, that's my hypothesis. Yes.
  
- **Mr. Abhishek. Khanna – Participant:**
- Fair enough. And the second question again is, what is your view like I believe you've referred to your expansion plan that you will come up with soon but Oberoi as a brand has always been associated with uber luxury and super premium hotels, what is your thought process on a mid-income or a mid-segment hotel portfolio, if at all in the future?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Are you talking about an additional brand or...?
  
- **Mr. Abhishek. Khanna – Participant:**
- Probably, because I believe you won't want to dilute your existing brands. Is there a plan or thought to have an additional brand maybe which targets a relatively lesser premium customer segment focus?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- So, certainly we've thought about it, and we've examined it, but I think, and this is my personal view, there's enough opportunity for growth with Oberoi and Trident and that's where we should focus on.
  
- **Mr. Abhishek. Khanna – Participant:**
- Fair enough. Yeah. So, you believe this space offers enough opportunity for you to not really venture into that? Do you not really believe that space has an even greater opportunity or is that understanding not really correct?

- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yeah. No, so, again, you'll know these numbers much better than me but if you see anything, I mean, again, I'll just give a few examples. They may be relevant, they may not. But if we look at 2-wheeler sales in India and we look at 4-wheeler sales, I know that their base may be totally different but the percentage of growth albeit on different basis is much higher for cars than it is for 2-wheelers. In fact, I think, if I'm not mistaken 2-wheelers may have even declined. If you look for, you know we're a country of whiskey drinkers. You see where the strongest growth is coming in whiskey demand. It's coming at the premium segment. I think the advantage of competing in the premium segment is that Number one, it's not a commoditized product. People are not making a decision based on price and therefore you can charge premium prices, provided you provide quality, with higher margins, greater profitability in that segment and that's why we would like to focus on that segment.
- You know, I could give you some interesting statistics and Kallol will know this because I say this all the time and I'll take maybe 2 minutes to give you this. I was the opening manager at Rajvilas when we opened in '97. In Year1, we did a 22% occupancy. Of that 22%, this was at about ₹8,400-₹8330; just under ₹8400 Average Room Rate in those days. Rambagh in those or let me not mention...I'm not going to talk about other hotels. We were by far the highest Average Room Rate hotel at that time and our Indian occupancy was 8%, right. So, 22% became 100%. Today Indian occupancy is our single largest source of business, and this has happened in 20 years. I think the speed of change is going to be far greater than it was and I'm giving you one example. If I were to give you Udaivilas, which has a very high Average Room Rate than Rajvilas. 60% roughly of our business is from India. It just tells you how India has changed and the ability and the propensity to spend money has changed and my firm belief is that that is going to become even greater. The rate of change will be even greater given everything that's happening in our country. So, I remain very, very optimistic, Abhishek, on rates going up and demand being strong for luxury.
- **Mr. Abhishek. Khanna – Participant:**
- Fair enough.
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- You know, we did an analysis. I'm going to give you one more piece of information. We did an analysis and we looked at, I think, from '2000 we looked at STR data from '2010 up to now. So, for upper, upper luxury and 5-star. Sorry, these are very loose terms. So, I'll maybe classify it, Luxury is operating at about 800, upper-upper luxury, and this is for the market of Bali in Indonesia. Luxury is operating at around about a \$850 plus Average Room Rate and if you call 5-star it's at just over \$300. That's the great difference. And we then looked at RevPAR and this is STR data, we identified the hotels and then looked at STR data over from '2010 up until now. What we found is that in the 5-star it hasn't even reached pre-pandemic levels and the trend was downwards in RevPAR over this period of time. This is a 13-year period. For Luxury, it was an upward trend and they have surpassed pre-covid levels. So, I don't know if this is just typical and in India, I think, it will be even more extreme. So, at least based on the data that we see and we're quite data driven, we try and validate all our hypotheses. We think with our hearts, we make decisions with data. And at least everything that we're looking at tells us that that's where the opportunity lies.
- **Mr. Abhishek. Khanna – Participant:**
- Sure, I appreciate your thoughts there. Just one last quick answer. You said your 50% of your keys are managed as of now, do you plan to continue with that broad break up going into the future also; 50 managed and 50 owned, let's say broadly speaking?



- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- I don't think we have a fixed formula for this. If a hotel comes up where we believe we can perform well for an owner, we'd be more than happy to manage it. And, of course, when we're looking at our own hotels, we will do our due diligence to make sure that we operate or build a hotel where we see strong potential, where we see a strong future. But we don't have a formula for the fixed versus managed.
  
- **Mr. Abhishek. Khanna – Participant:**
- Sure, thanks a lot. That is helpful.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Thank you so much.
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Thanks, Abhishek. Kallol, do we have time for a few more question? And there are a few on the Q&A.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Navin, I had actually sent you the message to say that we should start closing soon because we are already passed by 15 minutes.
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Yeah-yeah.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- But can maybe take a last question and the rest we can always address in subsequent forums.
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Sure. Sumant, please go ahead.
  
- **Mr. Sumant – Participant:**
- Yeah. So, can you talk about like we have taken 10% increase in corporate rate, so is there any mixed changes driving ARR growth also? Customer mix change?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- So, I don't think, Sumant and Kallol has that slide. But, I think, our Direct segment is the largest segment and that's has become a more important segment if you look at the last five years. Direct has really substantially increased. Corporate is Number two, Leisure is Number three and MICE is Number four. And when I mean Leisure, this is primarily foreign leisure. For us, we define leisure as coming through a destination management company or a tour operator from overseas is our foreign leisure definition. So, that would be the trend.
  
- **Mr. Sumant – Participant:**
- So, Direct customer mix change compared to previous year same quarter has increased?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- I'm sure it has.

- **Mr. Sumant – Participant:**
- Just any sense on that?
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Yeah. So, Kallol, could you have a look at that? I don't have it, but I think you have a slide on that. You don't give them, but you give the general trends and...
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Yeah, I'll put it up for Sumant's benefit once again. Just give me a second, please.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Sure.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Sumant, is this visible to you?
  
- **Mr. Sumant – Participant:**
- Yes, Sir.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- So, it's on Slide 9, which gives you an idea of what the trends are like in various segments.
  
- **Mr. Sumant – Participant:**
- Okay. Thank you.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Thank you.
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Sumant, is your question answered?
  
- **Mr. Sumant – Participant:**
- Yes-yes, thank you so much.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- Thanks, Sumant. Thank you so much.
  
- **Mr. Sumant – Participant:**
- Welcome, Sir.
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Friends, we've run out of time. Actually, we've taken a lot of extra time. I've shared my email ID with you on chat. Whatever questions remain unanswered or if you have any follow up questions, request you to please send them to me. I'll follow them to the management and get back to you.
  
- On behalf of all of us at SKP Securities, thank you very much Vikram and Kallol, for taking time out and in case there's any closing remarks, please.

- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- No, Navin. Kallol may have some closing remarks, but I just wanted to say thank you and it's always nice to be on these calls and speak to people. Many of the people who attended this call try on more than one occasion, so it's nice to catch up. My thanks to everybody, particularly, to you and to Naresh as well. Thank you.
  
- **Mr. Naresh – SKP Securities:**
- Thank you.
  
- **Mr. Kallol Kundu - CFO, EIH Limited:**
- Thank you, Vikram. And thank you, Navin and Naresh. And thank you, ladies and gentlemen. We look forward to the next Earnings Call and maybe some announcements around that time. Thank you so much.
  
- **Mr. Naresh – SKP Securities:**
- Thank you.
  
- **Mr. Navin B. Agrawal - Head - Institutional Equities, SKP Securities Ltd.:**
- Thank you very much. Buh-bye and have a nice day.
  
- **Mr. Vikramjit Singh Oberoi - MD & CEO, EIH Limited:**
- You are too. Thanks very much. Buh-bye. Bye.

***END OF TRANSCRIPT***