

30th April 2026

MHRIL/SE/26-27/13

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051
Symbol: MHRIL

BSE Limited
Floor 25, PJ Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 533088

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call for the fourth quarter and financial year ended 31st March 2026

Further to our letters dated 10th April 2026 , 27th April 2026 and in compliance with Regulation 30 read with Schedule III, Part A, Para A (15)(b) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“ SEBI Listing Regulations”) please find enclosed herewith the transcript of Earnings Conference call for the fourth quarter and financial year ended 31st March 2026 held on Monday, 27th April 2026, which concluded at 7.03 p.m. (IST).

In compliance with Regulation 46(2) of the SEBI Listing Regulations, this intimation and the transcript of the aforesaid conference call is also being uploaded on the website of the Company and can be accessed at <https://www.clubmahindra.com/investors/stock-exchange-filing/investor-news>.

Kindly take the same on record.

Thanking you,

For Mahindra Holidays & Resorts India Limited

Mansi Laheri
Company Secretary
Membership No.: A21561

Encl.: a/a



“Mahindra Holidays & Resorts India Limited
Q4 FY '26 Earnings Conference Call”

April 27, 2026



**MANAGEMENT: MR. MANOJ BHAT – MANAGING DIRECTOR AND CHIEF
EXECUTIVE OFFICER – MAHINDRA HOLIDAYS &
RESORTS INDIA LIMITED
MR. VIMAL AGARWAL – CHIEF FINANCIAL OFFICER –
MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Mahindra Holidays & Resorts India Limited Q4 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal an operator by pressing star and zero on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manoj Bhat, MD and CEO. Thank you, and over to you, sir.

Manoj Bhat: Thank you. Good evening, everyone, and a very warm welcome to our Q4 and full year FY '26 Earnings Call. On the call with me today, we have Mr. Vimal Agarwal, our CFO. Our results and investor presentations are on the stock exchanges and on our company website, and I hope you've had a chance to go through them.

As we start this call, I think for us, F '26 has been a year of transformation for the company on multiple perspectives. We had a significant revamp of our offerings and launched a simplified privilege-led product portfolio called Keystone, that launch happened in December. This one aligns with our vision to scale our core business and establish ourselves as India's largest leisure hospitality player.

If I look at the other measure of growth in the business, I think our network expansion continues on a good pace. We are expanding inventory while focusing on quality. During the year, we added about 900 keys. Our total inventory today is about 6,228 keys. We added 7 managed resorts this year, which is same as last year and completed expansions at 5 existing properties. This 900 keys is the highest ever in our history that we have added. And I think as we go into F '27, we are looking to build on this and we expect more than 1,000 keys to be added in F '27.

During the quarter, we added 3 resorts, Dapoli and then resort in North Goa and Chikkamagalur in Karnataka. The other side of the equation is about the ongoing projects. We have 3 ongoing greenfield projects, greenfield brownfield projects, and a land bank of almost 500 acres. So we have ample opportunity for future expansions. Preconstruction which is design and so on and so forth has been initiated for another 5 resorts on these land parcels which should collectively add more than 600 keys in the next few years.

The other thing which I want to talk about is the multiyear upgrade of our resorts and I think from a timing perspective, we are timing these closures with the nonpeak seasons. We've already transformed about 100 keys this year. I think the planned upgrades going into next year, this is on the owned resorts, is 300-plus keys in the next year.

The last bit is about we have been talking about letting go of keys, which are suboptimal. During the year, we surrendered about 500 keys. And as this will continue into the next 2 or 3 quarters as we sharpen the quality of our portfolio. And hopefully, by the end of F '27, we should be

largely done with the portfolio rationalization. And I think then the true picture in terms of the growth, in terms of inventory will come through.

The other thing which is happening is that these are improving availability meaningfully. I think that is driving a strong wave of member upgrades. Upgrade value was up 33% year-on-year, which is members who are current members are upgrading to either better duration or better plan within the same duration and that is up 33% year-on-year this quarter. We are also seeing robust momentum in referral and digital and both these channels now are at about 69% of the total customer acquisition compared to 63% in quarter 4 last year.

If you look at the other metric, which we track sales value. Sales value is about INR160 crores, which as you know, this doesn't come directly into the P&L. This is amortized over the life of the membership. And that is at INR162 crores this quarter. This is a new sales plus upgrades. And to me, this number is now starting to grow from this quarter onwards.

If I look at the other metric around premiumization, our AUR is now at INR14 lakhs, if I include upgrades. Otherwise, it's about almost close to INR6 lakhs, give or take, on just the new sale basis, which is, again, a healthy increase of more than 30% in AUR. So both metrics around overall as well as new sales is increasing.

And we had always talked about a very selective approach to member acquisition and focusing on the right kind of target segment for our membership. Overall, at a net level, this is including cancellations, we added 1,144 new Keystone members. Our overall membership base is roughly constant at about 304,000.

The other thing is about our technology journey. I think there are several initiatives across the guest journey, where we are using AI and technology. Some of the key examples are that we have a digital platform for consistency from a sales perspective. We have implemented a booking recommendation engine, which has helped us focus on managing inbound demand for rooms. There are some elements of paperless check-ins, which have been implemented and an integrated system for capturing customer feedback and improving on how do we become more personalized and more focused based on the data we have on most of our customer behaviors.

So I think this is helping us create more engaging and curated experiences for our guests. The other thing is all of these have led to a strong utilization of above 80% and double-digit resort revenue growth this quarter. The other thing I must mention is despite the ongoing LPG crisis, which has impacted some of the industry on the ability to serve customers on the F&B front, we were able to provide that all of the menu options with minimal disruption and this was because of our long-standing commitment to sustainability, and we had invested in electrification and solar power in many of our resorts.

And I think we had accelerated these efforts also early into the crisis. And to me, I'm very happy to say that we have the ability to swing across fuel types and sources of energy and continue to deliver our offerings without any disruptions and interruptions. So that's something which was an event which happened and we are able to respond very, very quickly.

On the numbers, I think while Vimal will talk more, the stand-alone profit, excluding one-offs, grew 22% year-on-year and a margin expansion of 220 basis points. I will also touch upon our European subsidiary. And there, I think we did see some impact because of weather conditions in Finland. There was no snow in 1.5 months or so. And that impacted people coming in as well as we saw some early summer come through.

The other thing which happened during the quarter is, overall, from a credit perspective, I think there were some rejections, which were very high on some of the new sales. Now we are onboarding other banks and other partners, which should rectify that situation as we go along.

To conclude for the quarter, I think we have made very good progress on our India business. And I think we are in the right direction. But if I look at the European business, I think there is a set of initiatives, which we have to work upon in the coming year to actually look at improvements there.

The last point is more in the stand-alone books again, recognizing the various geopolitical situations and the economic situation in Finland. We took an impairment in our stand-alone books of about INR234 crores. This is obviously a one-off. With that, the current holding value of the business in the India books is now 0. And this only impacts stand-alone and does not impact consolidated.

With that, I'll ask Vimal to expand a bit more on the numbers. Thank you.

Vimal Agarwal:

Thank you, Manoj, and hi, good evening, everyone. I'll get into details so far as financials are concerned, let me first call out MHRIL stand-alone Q4 highlights. Our total income was INR407 crores. Within that, operating income was up 4.3% and resort income grew by about 11%, EBITDA was INR142 crores, which again was up 8% on a Y-o-Y basis, and our EBITDA margin also expanded by more than 180 bps to 34.9%.

This quarter, we have taken an impairment charge, as Manoj mentioned, of INR234 crores towards equity investment in Mauritius entity, driven by HCRO business outlook. Excluding this one-off charge, our PAT was at INR55.4 crores.

Our cash position continues to be healthy at about INR1,446 crores as on 31st March 2026. So far as consolidated Q4 highlights are concerned, our income was at INR844 crores, up by about 5% Y-o-Y basis, and the EBITDA was INR221 crores with an EBITDA margin of 26.2%. PAT was at INR41.5 crores including forex impact. Excluding one-off impact, Q4 consol PAT stands at INR52.3 crores.

Moving on to full year financial performance. At a stand-alone level, total income is INR1,613 crores, up 4%. Resort income grew by 12% on a Y-o-Y basis. EBITDA for full year was 36.7% versus 31.8% in F'25, an improvement of 5 percentage points. Reported PAT for full year was INR5 crores. However, if we exclude the one-off charges, then our PAT was INR240 crores plus, which is up 22% on a Y-o-Y basis.

At consolidated full year level, despite our international operations impacted by geopolitical headwinds, a slowdown in Finnish economy and adverse weather condition during the year,

profit excluding one-off remained stable. Our total reported PAT for F '26 was INR67 crores. However, if we exclude one-off items primarily Labor Code and forex movement, the PAT will be INR136 crores for F'26 versus INR126 crores in FY '25. PAT, excluding one-off, grew by about 2% versus last year.

These were the few key numbers on the financials. I request if you can open the floor for the discussion, please. Thank you.

Moderator: Thank you very much. First question is from the line of Dipak Saha from Ashika Institutional Equities. Please go ahead.

Dipak Saha: Congrats on good set of execution on the stand-alone side. Sir, my first question is when I look at your numbers, especially on the resort occupancy side, I mean, in a challenging quarter like this when we had so many geopolitical implications. So what is heartening to see 82% kind of occupancy?

But what we understood during the quarter on the luxury side, leisure side, there have been quite meaningful cancellations. So just trying to -- because of this war environment. Just trying to understand, is it like our dependency on foreign guests is less or we executed the quarter well despite having foreign dependency, which led to 82% kind of an occupancy? Just a few thoughts on that.

Manoj Bhat: So Deepak, first of all, I think our dependency is less on foreign guests. So if I look at our foreign guest impact, it is a very, very small number during the quarter. And so compared to probably some of the others in the industry, that's one thing in our model, which is largely domestic because of the occupancy being led by members. And typically, what we have seen is that we have been hovering at high occupancies for both members and non-members put together. And that's something which is in a way, I would say, I think a feature of the model.

And that is -- and this one is actually on the increased room count, if you compare it to some of the previous quarters. So in that sense, it is absolute value terms, it is probably something which we are inherently in our model. And the last one is that, obviously, we are seeing a shift from member to non-member. Non-member occupancy also continues to show steady growth as we look at the occupancy stats.

Dipak Saha: Got it. It is very heartening to know. And another thing is, last couple of -- I mean, the last 3, 4 quarters, we have seen consistent expansion in EBITDA margin on the stand-alone side, driven by a reduction in marketing and rental other expenses. So going ahead since you have already capitalized on marketing side and rental side and other expenses, so how should we think of going ahead, will this expansion continue? Or will we be entering into more of a stabilization phase as far as margins are concerned on the stand-alone side?

Manoj Bhat: Yes. So firstly, clarifying on what drove this improvement. I think there were multiple measures around cost of acquisition for sure. We also looked at our practices on collection cost overall, and that has helped. So I think there are multiple drivers there. I think as we look into the future, some of the easier ones in terms of getting the benefits are lower. But I think if you look at how we are looking at the next 12 months, I think the combination of continued focus and bringing

down overall acquisition costs as well as increase in resort revenues, will contribute positively to margins.

The only factor I would say as you look at F '27 is our treasury income could potentially drop because as we do spend on capex, and this I have probably mentioned earlier also, as we look into F '27. So our operating side of the profit, we do expect the trajectory to continue. Now all this is given the current conditions. If anything changes in terms of potentially the long-term impacts on India, which at least we are not seeing at this point, that could change, but that's the way to think of how profits going forward.

Dipak Saha: Got it. And on the new subscription that we launched that was our Keystone package. Last quarter, I understand we had limited period, this was the full first quarter in terms of the feedback and the response that you were getting. So earlier, my understanding is we saw kind of 15%, 20% increase in AUR driven by Keystone. Now this quarter, what was the effect in terms of -- what are the effects in terms of incremental benefit coming from Keystone and changes in upgrades?

Manoj Bhat: So if you look at just new sales AUR, I think new sales AUR has jumped up roughly 30%. So it's holding that number, which we had mentioned in December. So that's something which is happening. And that is led by a couple of things. So one is potentially we are seeing more of the 10-year product selling, then the mix for us, the largest product was the 5-year product.

Now the largest product is the 10-year product. And so that has helped overall AUR. And there are other such changes, but I'll wait for some more time because this is just the first 3 months, but clearly trending in the right direction and holding that improvement in AUR.

Dipak Saha: Got it. Just 1 last question before I...

Moderator: Sorry to interrupt, Mr. Saha, may we please request you to rejoin the queue, sir. Next question is from the line of Jayant Parasramka from 3PIM.

Jayant Parasramka: Am I audible?

Manoj Bhat: Yes, We can hear you.

Jayant Parasramka: Just a couple of questions. Just going back to our Vision Day statement of tripling our revenue over the decade. Just trying to understand the growth implications from here going forward. If I just do a back of the envelope calculation, it implies around 17%, 18% revenue growth. Given the member addition has been quite stable. It's been around 1%. So from a revenue growth point of view, how should we think over the next 3, 4 years, what will drive revenue growth for the company going forward?

Manoj Bhat: So first of all, we had said 3x during the decade. So the baseline, I don't know whether that corresponds to 17%. So I think it will be my calculation, if I remember correctly, it will be low teens kind of number in India. And we had built something in Finland. So that's how we had reached that number. If I remember correctly, I don't have -- but it won't be in the 17%, 18% range.

However, on the profit side, I think we had said that, that's something which might be a slightly higher number as we go forward from point to point. So what we had said was that in the initial period, maybe treasury income falls. But as we shift the model, I think we would see that point-to-point profit growth would be very healthy going forward. I think that's the broad structure we had talked about.

Jayant Parasramka:

Sure, sure. Just following up on that because the point on the stand-alone business being that VO income and ASF income is mostly linked to member addition. And resort income, I believe, is the one where you have a benefit of both FITs and non-members and members. So how should I think over the next couple of years since our member to inventory room ratio is now below 52. How do you think that will grow over the next couple of years and potentially by FY '30, how should we think about that?

Manoj Bhat:

So the way to think about it is a large proportion of incremental growth given -- so let me kind of recap what we said, right? So we said that we are focused on getting higher quality members with higher AUR. I think we are coming off a base of much higher member addition. So we are seeing that kind of slowdown, which is happening in terms of the revenue growth from membership and ASF. The incremental growth which we were talking about was really looking at how do we get to more resort revenue as you correctly said.

And within that, I think there will be a non-member revenue push, which will happen because considering that we are keeping aggregate membership flattish, I think our member to room ratio will continue to improve. So there will be aggregate availability for members as well as non-members. And that will then reach to the number where we feel that the growth will come in from that direction.

From a utilization perspective because that's the other thing which I've got asked many times. This quarter, we are able to showcase that utilization we are able to manage at 80.7% or 81%. So I think so what's happening is even as the member to room ratio is now 50, I think the utilization slack is being picked up by the non-member revenue streams. And so that's the way to think of this kind of growth buildup.

Jayant Parasramka:

Sure. Just one last question on the HCRO business. I know we've taken an impairment hit, any views around the same on FY '27? What are our views around this?

Manoj Bhat:

So Jayant, I think, see, obviously, there was an element of somewhat below par quarter because of, I think, the vagaries mostly around the weather and some of the credit conditions changing. And what's happening is if you look at Finland, I think given the slowdown, we are actually seeing that people are tending to save more rather than spend. So I think - the big surprise is actually the weather because and that's specifically in Finland, in fact, our Canaries and Sweden operations continue to do better than last year.

The other thing is if I look at -- as we look at F '27, I think there are multiple things which we are looking at. So one is, of course, the credit situation. We are onboarding new partners, which should actually help in terms of conversion of sales because I think what's happening is quite a few people are not getting loans to buy the product. And as you know, some of these economies,

they do depend on credit. And that's something we are onboarding new partners that should happen in Q1, Q2.

The other thing is about really thinking about how do we optimize in terms of the cost. And then clearly, I think this is the year we might start looking at longer-term strategic options for the business, and that's a more longer-term kind of solution. But that's what we are focused on right now. And I think needless to say, any situation change in whether it's the Ukraine war and currently what's happening geopolitically will be positive for Finland, but I'm not kind of building that into anything I say right now.

Moderator: Next question is from the line of Shreyans Gathani from SG Securities.

Shreyans Gathani: I had a few questions. So the first one is on the AUR that we saw. The rise that you saw in AUR. Is that -- so a lot of it pretty much comes from the upgrades. So I'm trying to understand, how much of juice do we have left in there? Or was this quarter like a one-off because of the Keystone launch and pretty much a lot of people -- like sort of a front-loading kind of an effect and that will taper off as time passes, if you could just give some sense on that? Or how long do you see these upgrades continuing in terms of the population that we have eligible for upgrades?

Manoj Bhat: That's a great question, Shreyans. So I think I would say that we have also been positively surprised by the adoption of Keystone by our current member base because that's what these upgrades are. And I think what we have heard is that the simplified because we have eliminated a lot of rule sets. We have offered breakfast as a standard offering because that used to be one of the requests. We have introduced a concierge service. So many of those things are finding a lot of resonance. And to me, that's something which is a very good sign.

So that and as you rightly said, that is contributing to the so that's why I gave the other number. If I remove upgrades also, our base new AUR is also up 30% and that also is a very good sign, right? So we are actually seeing both the engines firing. I do feel that based on whatever we are hearing and seeing from the resorts because a lot of these upgrades happen at the resorts. I think the momentum ideally should continue unless, of course, there are events which happen, but I think that's what I would bet on.

So if you look at the last 4 quarters, I think it's been a consistent trend that upgrades were in Q1, about INR56 crores. And in Q4, they are about INR93 crores. And so it's been a constant journey of upgrades going up. And I think given that we have more options now, so we are giving season, room size and tenure all as options for upgrades, it is giving the customers to choose what is the right product for them. And that is also contributing positively to upgrades.

Shreyans Gathani: Got it. Got it. That's helpful. So my second question was on the resort revenue. We've seen like a pickup even though we've seen like a stagnant occupancy as such. So like I'm just trying to understand, we break it down into like F&B, wine and liquor and then room rentals, how much of this comes from the F&B, wine and liquor section versus the room rentals because room rentals would pretty much contribute like to the backfilling the occupancy that has opened up due to the members, right? So like if the F&B and the wine breakup, if that is available, like in terms of growth, that would be helpful?

Manoj Bhat: So I mean, this kind of growth is probably has to be driven by room revenues itself. So the way to think of it is we have expanded capacity and on that expanded capacity, there are two things happening. One is a member probably given that we are flattish on members, the absolute member occupancy in terms of room nights is the same. And so actually, as a percentage, it is declining. And that is being picked up by non-member, and that is contributing to room revenue growth and that then translates into F&B and other growth.

The predominant component is room revenue. And I think we are optimizing across both member and non-member segments using a combination of technology as well as resort wise kind of trends around what has been the historical member preference, and that's working for now. And that's something which will continue to evolve.

Shreyans Gathani: Got it. Got it. So just following up on that. We're looking at just like lower member additions as we've passed through this year. And then most of the marketing and customer acquisition expenses are put in the other expenses line item. But that if I compare with March last year, just pretty much the same INR162 crores versus INR160 crores on the stand-alone. So where are we like in terms of customer acquisition costs, like what is holding the other expenses constant, I would have expected some benefit over there in terms of lower marketing costs for like lower number of customers that you're adding now?

Manoj Bhat: So I think on marketing costs, there are 2, 3 things. So there was a Keystone launch. So of course, there were some expenses towards that, which we did, which has come in very small amount probably in Q3 and then some amounts in Q4. I think so that's one factor. But more importantly, the philosophy here as we go forward.

And that's what I said is focusing on the metric of COA and not absolute cost, which means that I think we do expect at a gross level, given that we have the new product and what is the response of the market, we do expect scaling up member additions, not to the extent from the previous year, but definitely compared to what is happening in the last 2 quarters, and that should contribute to a percentage COA. Because the idea is that how do you continue optimizing from a percentage perspective and not so much from an absolute perspective.

Shreyans Gathani: Got it. Got it. That's very helpful. And sir, last question...

Moderator: Sorry to interrupt, Mr. Gathani, may we please request you to rejoin the queue, sir. Thank you. Next question is from the line of Nandan Madhiwalla from East72 Capital.

Nandan Madhiwalla: So I just wanted to understand, as non-member revenue is expected to probably do better given that we are adding so much room inventory. What is the channels that we will look to sell that inventory through? Is it the same? Or are you looking to do more on that front? And if you can give some color on that?

Manoj Bhat: So the channels are very different, right? So if you look at how do we think about non-member channels. I think, obviously, there are the travel agents, whether online or offline, then there is corporate as a channel. And then there is the social and wedding and then there is the website, which we are developing right now as another thing. So I think -- so they are very different and mutually exclusive channels which we are developing.

So there is no connection between the channel which sells memberships and the channel which sells FIT except maybe at the corporate level, where there are some unified products for corporates, which could incorporate. For example, we have a product which allows corporates to buy points in bulk and then distribute as rewards and recognition to their employees. So those could be common, but otherwise, it's all separate.

Nandan Madhiwalla: So are we looking to go sort of the traditional direct route as well given that if adding 1,000 rooms, we are sort of creating space for 52,000 members which obviously looks like a tall order. So the percentage will move towards non-member, and we might have to have more aggressive marketing on that front as well, right? That's where I'm sort of coming from.

Manoj Bhat: So - clearly, that's the direction we are going in terms of ,so that's number one. Number two, as we look at F '27, there is a spend which we will do on relaunching the Club M brand. And I think what we are doing now is actually putting together a campaign, which allows that thing to happen in terms of and the timing could be maybe about Q2 or Q3. And so that will then incorporate some of the brand-related expenses for both channels because I think it's more focused on the entire relaunch of the Club Mahindra brand.

And that's something which I think you will see an increase, a reasonable increase in both those quarters as we spend on the full plethora of marketing activities. Currently, also, we are incurring marketing costs on FIT as well as on member sales, and some of that is already in the baseline numbers.

Moderator: Next question is from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited.

Sucrit Patil: I have 2 questions. My first question to Mr. Bhat is I just want to understand how do you plan to derisk international operations, given forex volatility and demand headwinds in Europe? And what measurable outcomes do you expect from digital initiatives like Keystone in terms of member engagement and retention? That's my first question. I'll ask my second question after this.

Manoj Bhat: So those are two questions, Sucrit, so I'll try to answer them in 2 parts. So the first one is, as I said, on international operations, there is a set of activities around credit availability, which we are trying to address through more partnerships. There is obviously, from an overall perspective, I think we are looking to see how we can really focus more on some of the areas where these challenges are not so severe, for example, there's Sweden, there is Canaries. But as I said, the sentiment there is not so positive and that's something which we will have to look at.

In terms of derisking, of course, on the cost side, there are initiatives which we are taking, which will minimize the impact of any adverse and that's something which will come through the course of the year. And lastly, I think from a forex perspective, I think we are currently carrying a net liability exposure on the euro. And at least from a perspective of some measures around how do we think about it. I think those could be actions which will be planned in the course of this year.

And to me, the current call is that a large portion of the euro appreciation against the rupee is already in the numbers. So I think the current view is that it might not be something which might be a sharp movement, but we are ready to react if any such movement comes in the coming year.

On your second question around digital initiatives and how does it really impact from a member engagement perspective and then specifically on Keystone, I think I would, again, bunch it into two. If I look at Keystone, for example, today, we are offering digital upgrades, which are completely with 0 intervention, right? So if you're a non Keystone member, you can actually go to our website and potentially upgrade yourself. And today, it's a very small portion. I would think it is probably maybe 3% to 4% today.

But that's something which we are actually encouraging members because the plan is much, much simpler, and we feel that, that might be a way to engage. Second is, I think from a new sales perspective, given that it's a new launch, I think the entire sales engine is still probably getting familiar with the way to think about the product because one of the things we are seeing is that we are engaging with a little bit of a different target segment. And typically, what we are seeing is that the conversion times compared to the older product is a little bit longer.

I think so it's a mixed thing between probably a lot of focus on training and familiarity from a sales perspective as well as a customer familiarity because, for example, even if I look at our referral channel, a lot of members are saying that they want to first understand the product before they refer someone. So these are all the launch stages. I think we had expected some of this to happen. And I think those will start settling in.

I think on the other side for engagement, I think there is a lot we are doing. For example, I spoke about in my opening statement that today, we have an integrated view of the customer using an AI sentiment meter. And what it does is all interactions across multiple channels is now available in a single place and available to the front office in the resorts and also to all the agents who -- and potentially, we are creating it for the salespeople also. So all 3 will have probably a sentiment meter for the customer. And so our ability to personalize offerings.

This we launched in December, so it's about 3 months, 4 months. And I think the rollout is happening as we speak. And to me, that's going to be the core of our tech-enabled engagement for customers at various touch points.

Sucrit Patil:

My final question to Mr. Agarwal is with cash reserves exceeding about I think INR1,400 crores, how is capital allocation being planned between new resort development, debt reduction and shareholder returns? I want to understand your plan of action on it.

Vimal Agarwal:

So fundamentally, INR1,500 crores, which we have got, we do have a plan in place to ensure that we are deploying it for the right priorities. And when I say priorities, there are 3, 4 things which are at front and center. One is the overall customer experience and therefore, resorts where we can get into transformation or renovation which leads to better customer experience and feedback is something which we are prioritizing. On a very small base of about 100 rooms transformation or renovation which we did, we do have plans to invest or move that number at least by, say, 3x in F '27. That's one.

The second one is that we have 2 resorts right now where significant investments are going on. One is in Theog, which is Himachal, the second one is Ganpatipule, which is Maharashtra. Both these resorts are at a decent stage of construction. Ganpatipule should we should be going live by quarter 3 of this year.

Apart from this, so we do have about 4 or 5 land parcels where the room keys will be about 600 plus. We are right now at either approval stage or pre-design or design stage. So all these will get into construction phase very soon. Apart from it, there are critical land acquisitions. You would have seen one announcement today of we acquiring about 50 acres land parcel in Chikkamagalur. And the whole idea is to get to the right locations by investing where we believe that it will lead to a long-term say, operating margin accretive investments, that's the key priority right now.

So far as our international part is concerned, we do have some leverage. But as of now, we don't have any plans to sort of infuse for the equity in the short run, at least.

Moderator: Next question is from the line of Dhvaneet Savla from Savla Family Office.

Dhvaneet Savla: Congratulations on a good set of numbers. I had 2 questions. First is on the HCRO business. I see that we have a very prolonged time since we have been facing challenges in this business. So how confident are we that you can turn this around? And secondly that the impact of this business on our books is huge. So I was just trying to understand that how should we look at it in terms of both revenue as well as PAT, okay?

Secondly, on the India business, I wanted to know so much of cash balance and we are trying to deploy it. But how do we go about actually looking at it at which of the properties or which are the land parcels are actually going to give operating margin accretive to us?

Manoj Bhat: So let me take the second question first. I think if you look at all the land parcels we have, I think many of them have been acquired a long time back. So from a cost perspective, it's a minimal cost overall in terms of capital invested. And so I think the way we are going about it is we are looking at the overall IRR and the projections and making those calls. And to me, the way to think of it is, if you look at what's happening today in the market, I think people are looking for newer experiences, newer locations, looking for being enveloped in nature, and many of if not all, all of our land parcels pretty much fit the bill.

And to me, with increased connectivity. So for example, we do have, as an example, we have almost 100 acres in Kaas plateau, which is where the flowering happens in front of the lake. Now today, it's about 4 hours, 4.5 hours from Mumbai, give or take. But if the missing link comes in, that's going to probably reduce by 30 to 40 minutes. So it becomes 3.5 to 4 hours. And I think we are seeing more and more people inclined to take those holidays and actually reach those locations.

Similarly, so a lot of locational things which where is the nearest catchment in terms of potential guests. And then many of these places, I think if you see what's the trend which is happening is that if the resort is good and if the location is good and if there is not really a benchmark around and which could also be potentially true, and if it is in the right segment, I think people are

actually willing to pay the value for such a vacation. And that's something which is a consistent trend across in the industry. And that's something we are also kind of betting on that as we build this brand in the future. That's what we are going to focus on.

I don't know if you have a follow-up, otherwise, I'll go to your first question. Yes, on the first question, I think as I said that I think it is obviously compared to if I look at overall international ops, right, including the forex loss, et cetera, I think this year, you can equally split it roughly between forex loss as well as operational kind of degradation in Finland. And to me, the forex loss is something which is anybody's guess, but I would guess that it's probably more in the nature of a sudden move, which I think might probably not repeat itself so strongly.

And as I said, that if we don't feel that way, then we'll have to move in terms of limiting exposure at that point so that the loss doesn't happen. I think on the operational side, I think it's not a very easy solve. I think it will require, as I said, operational actions. We have to move towards more channels in terms of -- for credit, which will improve sales as well as potentially, this is the year that we will evaluate what do we want to do from a long-term partnering strategic perspective. I think that's where we are today.

- Moderator:** Next question is from the line of Senthil Kumar from Joindre Capital Service Limited.
- Senthil Kumar:** In your earlier response, you mentioned that management is taking long-term partnership strategy. Could you kindly share some more clarity on what specific steps the management is considering in HCRO operation?
- Manoj Bhat:** No, I think there is nothing to report today, Senthil. I'm just saying that in F '27 because I had mentioned in one of the previous calls that this is not the time to do a strategic review of the business. I think F '27 is the time to do a strategic review of the business and assess what are the long-term potential partnerships or others, which we can think of, which will be probably beyond the ambit of operational improvements only.
- Moderator:** Next question is from the line of Navin from ithubought PMS.
- Navin:** Yes. First of all, congratulations on a great set of numbers. I just wanted to get some more color on the signature resorts, so do you have any updates to share on that? Are we on track? Anything that you would like to highlight?
- Manoj Bhat:** So I think we had said that somewhere by end of in this F '27, we would be getting ready. I think as we have gone into the details around what we need to do, I don't think it will come in F '27. It's probably going to get pushed to F '28. And that's because it's our first offering, and we have actually put some more thought into what exactly needs to be done in terms of some of the design elements.

And so it's a little bit of a delay compared to where we said we would be. Having said that, I think we have a lot more clarity in terms of the next set of locations also. So we are actually actively prospecting 2 or 3 more. So we are making progress on that front. But the first one, I don't think will come in F '27. As I said, maybe it goes to F '28.

Navin: Got it. Got it. And then the next question is on beyond HCR, the Finland operation. So I just want to get your understanding of like so I'm assuming you have this great understanding of the business so far, right, like about the seasonality, about the kind of customers that you get and all, so like over the past 2, 3 quarters, do you think anything that you've maybe understood needs some kind of revision, like not from a strategy perspective, but from understanding the market itself, like do you think to fundamentally go back to the drawing board and re-think certain things like from that perspective itself? Or like are you still of the belief that this is a great business to be in, like that's what I'm trying to understand?

Manoj Bhat: So I think there are -- I would say that if I look at the last 3 to 6 months, I think incrementally, I think the consumer behavior has changed towards more savings because of the uncertainty. And that is obviously causing some sort of a depression in terms of our ability to get our product across. The other thing is that from a perspective of, I think, the weather vagaries is an unpredictable one, and I don't think anybody would have been able to see. So that is one difference if I even look 3 months back to now.

Those are the two major changes. I wouldn't want to comment on I think, as I said before also, I think F '27 is when we will do a detailed review of the business and including whether what are the various options from a strategic perspective. But as of now, I think the state of the business needs action on certain fronts, which is the 1 -- 2 things I spoke about, how do we address more partners for credits, etcetera, and how do we think about really thinking about optimization? I think those are the two immediate actions, yes.

Navin: I'm very sorry, just a small follow-up to this thing. What I was hoping to understand is, is there any particular reason we took the impairment in this quarter? Like so the underperformance or the uncertainty has been there for a while, right? So just wanted to understand that aspect?

Manoj Bhat: Yes. So if that was the question, I think the way we felt was that given because our expectation was about that the uncertainty around geopolitics will go down. But I think it's prolonging. And also, we have another conflict which has started, which could have some impact. So we said that this is the appropriate time to look at the business from a purely an accounting charge perspective and reflect it correctly. Now if some of these situations changes, 12 months later, we could be having a reversal but that for a future date. This is to reflect our current view of the business and the fair value of and the carrying value in the books is what I think you should look at it.

Moderator: Next question is from the line of TVK Vivek Kumar from Bestpals Research and Advisory LLP.

TVK Vivek Kumar: My question is on how should we think about member addition, I understand you have improved the quality of the kind of membership and the non-member, so what would be the occupancy rate, you will try to maintain occupancy rate at above 80%, 85%, assuming whatever is the number addition, right? So can we think like that, that you're aiming at occupancy and then member addition you are going to go more from the pull side, like you are more very particular on the kind of members you had. So can we take this? Or do you have any target on the member addition?

- Manoj Bhat:** So as I've said in the past also, I think the quality of the members is more important, and we are targeting a utilization metric broadly, right? So -which means that I mean, we are moving from probably just thinking about it in terms of members to as guests, whether it is member or non-member and that transition,so the way I think of it is, obviously, we have internal targets for member addition.
- But I think more importantly, we have internal targets for guests and occupancy. And that's what we are more focused on. So one of the things as we thought about this journey is, if you have to make it a pull brand, we can't have targets on a minimum number of members to join, we should be able to pull members and non-members both and will fulfill our occupancy targets. That's the way to think of it.
- TVK Vivek Kumar:** So then my second question is when this occupancy target, can you share it like what is your -- can you maintain on the same levels of 80%, above 80%? Two, are you still on the target of FY '30, 10,000 rooms, 12,000 rooms or 1 year that side this side, it will not be delayed by 5, 6 years kind of thing? Are you on the target? Because now we don't have the capital from the member addition, right? So that's what I because we now don't have the cash flows from the member addition, the way we used to have. So that's why I'm asking, is the room addition still there, that target?
- Manoj Bhat:** So the room addition target doesn't change, number one. Number two, even this year, if you isolate, we had a one-time tax payment. And I think the other thing is we started paying tax also this year. Even this year, for example, we have had a INR300 crores plus normalized cash flow from operations. And to me that -- so that's a balance. I don't think we'll ever go down to a level where that becomes an issue.
- The second thing is that if I look at the various responses we are getting from the market, I think the current level of member addition is definitely sustainable. I think the question is, how far do we want to grow without member addition without compromising on any of the metrics we have set as guardrails.
- TVK Vivek Kumar:** So if you do not mind, that was my clarification. So because we now do not -- let's say, we add around 1,000, 1,500 members per quarter, so is the cap -- and INR300 crores from the business? Is it enough to double our -- because now the capital from the -- because I don't know the model...
- Manoj Bhat:** Capital is not a constraint.
- TVK Vivek Kumar:** So doubling of the room target. Yes, that's my question.
- Manoj Bhat:** Yes. That target remains and capital is not a constraint?
- TVK Vivek Kumar:** And member addition, we are not going to compromise on the quality that we can. So -- and then occupancy, you are not ready to share the number, sir, above 80% or above 75%, where do you want to end up?

- Manoj Bhat:** Vivek, somebody will put it in an Excel model. And so I do believe that we'll target an occupancy of around 80%. But that's why I don't want to be precise, so we obviously have precise excel spreadsheet saying how the occupancy will move, right?
- TVK Vivek Kumar:** So last, just 1 confirmation that we will not go for debt for capital -- like for this doubling of rooms. We will not really need debt. So can I agree -- can we -- almost -- not small debt, but a huge debt will not come on to the balance sheet?
- Manoj Bhat:** No, nothing will come because I think I have clarified and nobody has asked in this call, let me clarify then. Only probably 25% to 30% will be owned. The balance will come from capital-light models, whether lease or other structures.
- Moderator:** Ladies and gentlemen, in the interest of time, we will take this as a last question for the day. I now hand the conference over to the management for the closing comments.
- Manoj Bhat:** Thank you all for joining, and I believe there are 1 or 2 or 3 people who might be still in the queue. And if you have any questions, please e-mail us. We will try to answer it. Apologies, I think we have run out of time, but we are definitely approachable, so please e-mail us and we'll take care of it. Yes. Thank you.
- Moderator:** Thank you sir. On behalf of Mahindra Holidays & Resorts India Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.