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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 third quarter and nine months ended 31<sup>st</sup> December 2025**

Further to our letters dated 13<sup>th</sup> January 2026 , 29<sup>th</sup> January 2026 and in compliance with Regulation 30 read with Part A, Para A (15)(b) of Schedule III of SEBI (Listing Obligation and Disclosure Requirements) 2015 ("SEBI Listing Regulations") and other applicable provisions, if any, of the SEBI Listing Regulations, please find enclosed herewith the transcript of Earnings Conference call for the third quarter and nine months ended 31<sup>st</sup> December 2025 held on Thursday 29<sup>th</sup> January 2026, which concluded at 6.28 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 hosted on the website of the Company and can be accessed at <https://www.clubmahindra.com/investors/financials>.

Kindly take the same on record.

Thanking you,

**For Mahindra Holidays & Resorts India Limited**

**Mansi Laheri  
Company Secretary  
Membership No.: A21561**

**Encl.: a/a**

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**Mahindra Holidays & Resorts India Limited**

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## “Mahindra Holidays & Resorts India Limited Q3 & 9M FY-26 Earnings Conference Call”

**January 29, 2026**



**MANAGEMENT: MR. MANOJ BHAT – MANAGING DIRECTOR & 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 and Resorts India Limited Q3 and 9 months FY26 Earnings Conference Call.

As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manoj Bhat – MD and CEO of Mahindra Holidays & Resorts India Limited. Thank you and over to you, sir.

**Manoj Bhat:** Thank you. Good evening, everyone and a very warm welcome to our Q3 Earnings Call.

On the call with me today, I have Vimal Agarwal – our CFO. You can also find our Results and Investor Presentation on the Exchanges and on our Company Website. I hope you have had a chance to go through them.

Let me start by talking about our last meeting in November where we talked about our new strategy and setting our sights on becoming India's leading leisure hospitality provider:

In a lot of ways, I think this quarter we have stayed true to the commitment to elevate member experience and drive core business growth. If I look at the first aspect which is about our inventory addition, I think we added about 273 keys during the quarter and our total is now about 6,015 keys. We also added three new resorts. In Maharashtra, it's a place in Ambhaghat near Kolhapur, Bandhavgarh in Madhya Pradesh and Corbett in Uttarakhand to our portfolio. This is continuing the journey of actually adding and giving more options in our network to our members. That's one of the stated goals we had. We are also advancing two greenfield projects. One is in Ganpatipule in Maharashtra and Theog. Our ongoing expansion at Puducherry Resort is going on. That's something which we will continue to do Greenfields also in parallel with adding resorts from a lease or a partner-led model.

The other thing which we had spoken about is looking at a high-quality portfolio. Just to recap, we have exited seven resorts this year. We continue to look at customer feedback and look at other aspects to make sure that our overall portfolio quality is something which keeps going up. I do believe that this journey will continue into probably Q1 or Q2 of next year. I hope that by that time most of these reductions will happen and the portfolio will be in a shape where it is much better in terms of quality as defined by our members.

The other key event during the quarter is we launched our most extensive refresh of our membership plan. We launched our plan called Keystone in December, which is on December 17<sup>th</sup>. It was in effect probably the last 10 days of the quarter or so. Early indicator is that there is a lot of good member appreciation and prospects are looking at this plan very-very good.

Although it has just been about a month, I will look for more longer-term trends. But that is something which has got a very good reception.

Talking about the quarter:

We added 1,493 new members and that is something which I think is in a steady state compared to the previous quarter. However, I think if I look at average unit realization or average sales value, that was a 58% rise. It is now at 9.7 lakh per new member added. The other thing is that if you look at what is very encouraging is our upgrades also grew over last year and that is something which is becoming a trend and that is something which is reaffirming our belief that as we focus on the basics, I think we will see more and more validation of member interest through upgrades. The other thing which we said was that we enhanced our sales process and adopted a completely digital model for engaging with customers through an assisted selling program called DigiSales. And that is something which has enabled us to actually get to sales quality and optimization which is a continuing journey but that is something which we have achieved successfully during the quarter. Overall sales including upgrades stood at Rs.145 crores.

Stepping back, the industry of course, I think despite some slight disruptions in December, I think occupancy was back to record highs. If I look at November data, it was 73%. ARR is climbing to about Rs.10,300. So, I think the industry seems to be in a very good place and I think we are also seeing some of that reflecting. If I look at our resort revenue, year-on-year we delivered 16% growth and our occupancy rate is 81.5% on a much larger inventory base which does mean that both occupancy as well as growth are coming on the resort income side.

So, overall the performance remains very-very strong. Consolidated revenue is up 10% year on year. And as we execute on our refresh strategy, we believe that we are firmly on track to achieve our goals.

I will now request Vimal – our CFO to take you through some of the financials and then we will open it up for questions. Thank you.

**Vimal Agarwal:** Thank you, Manoj. Hi, everyone.

Moving on to the financials, let me first call out the highlights for MHRIL:

Total income for MHRL standalone is Rs. 415 crores, which is 6% increase year-on-year. Within that, resort income has grown 14% in MHRL standalone. EBITDA came at Rs. 149 crores, up 17% on YOY basis.

Our EBITDA margins have expanded by 350 basis points YOY to 36% now. That is primarily on the back of structural interventions which we carried out in the last four to five quarters. Our PAT was at Rs. 55 crores, up 8% YOY. This includes one-off impact of new labour code as well

as FOREX. Excluding these one-off, our PAT is Rs. 61 crores, up 17% YOY. Our cash position remains healthy at Rs. 1,470 crores as on 31<sup>st</sup> December 2025.

Moving on to the consolidated financial highlights:

Our consolidated income was Rs. 783 crores, up 10% YOY. EBITDA was at Rs. 174 crores with a margin of 22.2%. Our PAT was at Rs. 1.4 crores. However, this PAT includes FOREX loss of Rs. 6 crores and new labour code impact of Rs. 11 crores. Excluding these one-offs, our consolidated PAT stands at Rs. 16.5 crores.

I request if you can now open the floor for further discussions and questions and answers. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Navin from ithought PMS. Please go ahead.

**Navin:** Congratulations on a great set of numbers. So, just a couple of questions. First one regarding the room inventory addition visibility. So, just wanted to know if there are any projects that are close to completion and how much visibility we have on the room inventory addition side in general.

**Manoj Bhat:** So, if I look at, two ways to look at it, right. So, what I would conventionally, so we don't call it signing. This is some agreements reached for future inventory. That funnel stands at about 3,600 keys today. So, and this will come over the next few years. So, that's one data point in which we track, how are we thinking about inventory addition. The second is, as I had said that, I think one of our goals for F26 was to add at the gross level 1,000 keys. I do believe that we are still on track to achieve that gross number for this year. Of course, in this area, sometimes it slips by a month or two. But I think broadly we are on track from a near-term perspective also. The other thing I had mentioned is that we are looking at relinquishing inventory. So, this year I think we have relinquished around 450 keys already. And I think we will relinquish another probably 150 or so in the 4<sup>th</sup> Quarter. And that's, I think a net number of inventory addition probably will be between 450 and 500 keys during this year. I think from a longer-term perspective, inventory coming in till F29, F30 is about 3,600 keys funnel, plus whatever I told. We are in a good shape. Of course, we have to build more and take it further up. But that's where we stand today. I don't know, Navin, if you had any follow-ups on that.

**Navin:** One small follow-up would be, considering, I just wanted to know if anything has been deferred in the first three quarters. Like any project, have you been seeing any delays or anything like that? Because I think they have added the 550 to 600 rooms already. I just wanted to know if you planned something and something got delayed or anything like that.

**Manoj Bhat:** In projects, it is quite usual that some projects get delayed for reasons beyond our control. For example, our model has moved to partner-led inventory addition. That is, we don't put our capital, because of that, there are some delays which are there happening in terms of partners.

So, if I take a cumulative view from the beginning of the year to now, the total delays would be probably between 150 to 200 keys, which will move into next financial year, just to give you a sense of what kind of delays we would have experienced. So, out of the, let's say, we will deliver gross 1,000, maybe about 150 were delayed. So, otherwise, we would have delivered more during the course of the year.

**Navin:** Got it. The next question is going to be on HCR. So, last quarter, I remember when we were discussing the HCR business, we mentioned that H2 is seasonally much stronger for the business. Please correct me if I am wrong on that, but I just wanted to get your thoughts on the same. And obviously, performance has been very difficult. I just wanted to get your thoughts on that.

**Manoj Bhat:** So, HCR first of all, Q3 performance was lower than we expected, largely because of two things. One is, the weather situation, where there was hardly any snow in many of our resorts in Finland in December, that really hampered because a lot of people come there for doing snow-related activities. So, that impacted some of our revenue streams, as well as some of the timeshare sales, because there was flooding. So, if you look at the Q3 number, at the overall PAT was negative 3.8, which is worse than what we had thought. But Q4 looks like it's back on track. I think the January month is normal. And I think Q4 is usually their strongest quarter. That's what I meant by H2 is much stronger for HCR. That was the meaning of that statement.

**Navin:** Thanks a lot. I will join back in the queue.

**Manoj Bhat:** Thank you.

**Moderator:** Thank you. Our next question comes from the line of Pankaj Kumar from Kotak Securities. Please go ahead.

**Pankaj Kumar:** Thanks for taking my question, sir. The question pertains to again on the inventory addition. So, as you stated, this year we were targeting anywhere (+1,000) numbers. Probably we may be short by around 100 or 150. So, with this, how do we see FY27 when we are entering and we have a greenfield with us also coming in?

**Manoj Bhat:** I think again next year we will be targeting at a gross level about 1,000 plus additions, out of which we probably today have visibility of 70% to 80% already. So, that's the kind of number. And that's something which we will keep a constant momentum. The second thing is the funnel. A lot of them are also built to suit kind of resorts. So, it is a bit back ended in terms of delivery. As we go into FY28 and FY29, we should see that acceleration happen also. That's where we are, I don't know, Pankaj, if that kind of gives you a sense of what you wanted to know.

**Pankaj Kumar:** That gives you a fair idea. Also, the new resorts that we added, some of these are at the similar locations. So, how do we see the strategy going ahead in terms of new location versus existing or the properties that you are planning?

**Manoj Bhat:** If I look at the three, we have added, I think Bandhavgarh is a new location. So, if you look at, let me step back, we had partnerships in some of these places. And our model is we would test out the partnership. And if that is a location which makes sense, then we would set up our own resort. So, in this case, for example, Ambaghata, we had a partnership. Now we run a fully managed resort. So, we control the entire customer experience. Similarly, Bandhavgarh falls into that category. And Corbett, we actually replaced the portfolio because there was another resort which we had exited a couple of quarters back. And we are adding it back now. It's not one bucket. But in terms of new locations, we are going to add, as I said in the coming year, for example, Ganpatipule is a good example of a new location. We are looking at one new location in Andhra. So, it's a mix of new locations and existing locations because our idea is not to have more than one or two resorts in each location. So, we will diversify out into newer locations.

**Pankaj Kumar:** Okay. Since you have rolled out KEYSTONES, so what kind of increase in AUR that we can expect with this new product that we see?

**Manoj Bhat:** So, Pankaj, it's early to say because there is a function of mix season, which mix of season, duration, etc. But whatever early data we are seeing, we are probably seeing about overall AUR increase of between probably 15% to 20%. But it's only a month's data, so I would not use it as a guidance, but just to give you a sense of what's happening.

**Pankaj Kumar:** Okay. Lastly, on this signature resort, how do we see that ramping up? Of course, we have Theog coming in next financial year. So, how do we see by when we can see a sizable, you can say, business coming from this?

**Manoj Bhat:** So, the Theog ramp up will be, as I said, probably the latter half of next financial year, assuming everything goes according to plan. And then I think we should start seeing more additions come in F28 and then '29. So, it is going to be back-ended because some of these locations, I think, for example, we are considering another Greenfield, which will only come in '29. So, it is going to be a ramp-up in a slow manner, but it will accelerate towards the end of the period. That's the current visibility.

**Pankaj Kumar:** Thank you, sir. All the best.

**Manoj Bhat:** Thank you.

**Moderator:** Thank you. Our next question comes from the line, Senthil Kumar from Joindre Capital Services Ltd. Please go ahead.

**Senthil Kumar:** Thank you, sir. And congratulation on a good set of standalone numbers, and as usual a disappointing consolidated number. I am tracking this MHRIL for the last 6 years. I could find that the offshore business has been precipitous for the last several years. I can understand there are many, many factors for this particular case. But I think that even the future seems to be not promising given this economic fall in Europe. I can give you an example of that. Now, I just

want to understand this. This happened in Mahindra Group earlier. Mahindra Group has experience of similar acquisition of SsangYong, the SsangYong Motors in South Korea, I think it is in 2010. Later in 2020, they have divested it and replaced the resources fully in the domestic market. After that, Mahindra's was very-very optimistic and the growth was really good. The growth has been then in the northwards. My question here is, now why can't this board consider a similar decision of divesting this offshore business and improve its stakeholders' values?

**Manoj Bhat:**

I think it's a great question, Senthil. So, if I look at the overall HCRO situation, one change was an event. The event was the Russia-Ukraine war, which I really don't know where it is headed because it depends on what news you choose to believe. So, that event was really something which contributed quite a lot to the decline in performance. And I think, from whatever indications, we should know where that is headed probably, if we believe the media news, pretty soon, either it's going to happen or it's not going to happen. The second was more economic situation, probably partially led by some of these events where the Finnish economy was highly integrated with the Russian economy in terms of raw materials, etc. So, that has caused another knock-on on the economic side. Now, that is more, while the official forecast talk about growth in the next year but that's something which we will see. The last one is probably, I would call seasonal, which is the weather event which I mentioned, which is not very usual and that has obviously, at least for this quarter, impacted negatively. So, to your broader question, I had mentioned that we will undertake a strategic review but from a timing perspective, that will happen sometime in the next financial year and not right now because right now, the business is very-very focused on managing through these changing times and you are right, the group has taken calls if that is the right call to take and our board would also probably look at it from that perspective but as I said, I don't have a comment specifically on what we are thinking but at this point, these are the three kind of ways to look at why the Finnish business is not doing well Senthil.

**Senthil Kumar:**

That's it from me. Thank you.

**Moderator:**

Thank you. Our next question comes from the line of Krish Shewani from Crosseas Capital Private Limited. Please go ahead.

**Krish Shewani:**

Hi, sir. Actually, I wanted to have a follow-up question on the overseas business. As you mentioned that this quarter was not as we hoped for because of the weather. In the next quarter, do we see a break-even happening in this year because we are down a lot in these 9 months when it comes to the losses that have been occurring from the financial year?

**Manoj Bhat:**

So, I think this financial year at the EBIT level, we will be close to break-even. At the PAT level, probably not. It will be down because of some interest-related cost. But at the EBIT level, we will end up break-even is our sense as of now.

**Krish Shewani:**

Okay. Got it. If you don't mind elaborating on the Russia-Ukraine situation which is harming the business over there. What exactly has happened in the last 3-4 years?

**Manoj Bhat:** So, let me elaborate and maybe for some of the others also. So, that Russia is the largest land boundary with Finland and large parts of Russia are like a few hours' drive from Finland. So, a lot of the timeshare as well as the hotel was used by Russians and the characteristics were they were high spenders. They used to come often. They put in a lot of money and so the resorts were designed in a certain way to accommodate that kind of demand. Now what has happened is, with the withdrawal of the sanctions and all that, all of that has stopped which means that backfilling that kind of demand I think if I am not mistaken probably 20% to 30% of demand was indirectly from Russia and that disappeared very soon. And they were from an average spend perspective quite high spenders in the resorts. So, we have had both impacts and that really pulled it down. So, it started with COVID then this happened then now related to that is the economic slowdown. I think that's the chain of events just to give you a background.

**Krish Shewani:** Okay. Thanks.

**Moderator:** Thank you. Our next question comes from the line of Shreyans Gathani from SG Securities. Please go ahead.

**Shreyans Gathani:** Good evening. I had a couple of questions. So, the first one was basically around the resort the change in the plans that we had the Keystone. I just wanted to understand deeper in what way I know that the number of plans have reduced from 27 to 12 and it's a more easier to understand plan. But besides that what are the other changes that we made to this plan which would entice a customer versus what it was earlier. So, just trying to get a sense of that and also the higher AUR that you mentioned. I know you said it's only one-month data like what is driving what would drive these two like what is different in Keystone that would entice a customer versus before.

**Manoj Bhat:** Let me step back. So, when we started this journey of trying to see what should be Keystone or refreshed or completely reimaged membership model, we went back to customer members prospects and really did a survey on what they don't like about the product and then we went about incorporating that. So, for example one of the things we got consistent feedback is that our membership plans didn't have breakfast included. So, we have included that. So, that's one example. The second thing which we heard consistently was while we get there to the resort but I think a lot of members said if there was a home-to-home kind of service where we take care of their needs in terms of whether it's transportation whether it is booking of experiences what to do in the resort. So, we put in a concierge service. The other thing we said was that in terms of the other thing which came about is we had a lot of rules and restrictions which we have said that we have done away with almost all of them and that just makes it easier for members to understand the product. The other thing we introduced is that one of the things which people were saying is that in our older plans that there was a feeling that you commit and you are kind of not having any option. So, we have introduced a buyback option to make sure that we don't allow somebody who does not want to continue is not locked in. So, many changes I am just pointing out a few and what has come out is that in the interactions afterwards with prospects and members we have not heard any negative from a member feedback perspective that it's not

that 'okay this is not there'. So, I think in that sense that's the journey and I think if I look at whether it is our own sales team which is a very good proxy of how members react or prospects react, there also we have not had a single case where we have said 'okay we could have added this in the product'. So, in a sense based on all this research we have packed it with the features and made sure that it is easy to understand and simplified and that and we have made it easier to change some bookings and so there is a lot of stuff we have done but those are the key points and that is what I think is driving some of these early indicators but take it with that warning that it's only one-month data.

**Shreyans Gathani:** No, that's very helpful to just understand what the new changes are. So, just following up on that existing members how do they get migrated to the new plan or do they have to stick to their old or do they have to pay up do they have to do an upgrade or how does that work?

**Manoj Bhat:** So, the current path is an upgrade and the upgrade could be dependent on season. So, if you are in the same season to same season, it is a minimal cost of upgrade but of course if you are upgrading season then it is a higher cost and so but we have a path for every member to upgrade that is also in place. We also have it on the website there's an auto upgrade if people want to access that, so we are just making it easier for members to understand and then participate and of course if people want to stay in their older plans they are more than welcome to because from our perspective it's not that the older plan is worse off it is a different plan and we will serve them in any case so I think we are giving members the choice and option which is where this whole journey started.

**Shreyans Gathani:** Got it. Thanks for that. Next question is on the land bank so we have land that we own in certain locations are we looking to do our own CAPEX on those or do like lease model where we don't have to incur CAPEX just trying to understand how we are looking to use the land that we own.

**Manoj Bhat:** So, we have about 600 acres today in various locations out of which we have identified, I think 4 which we are going to develop already. Some of them, Shreyans our model has always been we think of potential destinations and it might take a few years for the destination to develop so we would buy the land a bit in advance and as the destination develops I think we will develop it so think of this as maybe this land will all be utilized we are adding by the way we have added probably 3 or 4 land parcels this year also. So, we are creating this land bank more as a potential future investment but most of the growth today is coming from a partner-led model where we are not putting capital of our own.

**Shreyans Gathani:** Understood. My question was more on like so the land that we own, the resort that we build on that land, is that going to be our own CAPEX or is that the partner driven CAPEX?

**Manoj Bhat:** No. The way we think of it is there are certain locations we want to be present and we will put the CAPEX and own it, because from a longer-term perspective, that's a better model, but in other locations where, for example, if it is in Goa, I am just giving an example, that we might

want to own long-term. In some other cases, we might want to have a partner put in the Capital, but in most of our land bank, the current model is we put our own capital.

**Shreyans Gathani:** Got it. So, I ask because most of these bigger, larger brands like Indian Hotels and Marriott, all of these, have pretty much, over a period of time, just moved to pretty much not owning all of these assets and thereby increasing the return ratios. Because return on capital for owning an asset, pretty much is very low versus having to manage a resort or any other structure, basically. So, is that something that we consider in that?

**Manoj Bhat:** First of all, yes. I think if I look at incremental growth, I do believe only 30% will be owned, 70% will be capital light expansion. Secondly, in the Club M brand, it doesn't lend itself to management contracts because of the structure. So, the preferred model is a bit of leasing and a mixed-hybrid kind of model. So, that's what we are using today. So, it is not exactly like-to-like with some of the examples you mentioned. But in effect, capital is going to be invested in only maybe 30%, roughly, as a ballpark figure. 70% is going to be capital light even for us.

**Shreyans Gathani:** Got it. So, for Signature, this wouldn't apply. We would be able to pretty much do what others are doing. So, is there--

**Manoj Bhat:** Yes. So, what will happen there, just again putting that point, as we establish the brand, the first 2-3 resorts maybe, but after that, it will lend itself immediately to that kind of growth path.

**Shreyans Gathani:** Got it. That's helpful. And, sorry, just last question, when do we expect the Theog resort to be operational?

**Manoj Bhat:** I think we had said end of this financial year, roughly. So, that's something which we are working on and obviously, it's our first resort. So, we are taking due care and so, it might slip a bit here or there, but that's what we are targeting.

**Shreyans Gathani:** Got it. Perfect. Thank you so much. That's all from my end.

**Moderator:** Thank you. Our next question comes from the line of Lokesh Srinivas from Aionion Capital. Please go ahead.

**Lokesh Srinivas:** Very good evening, sir. And, thanks for taking up my question. My first question is with regard to the new labor law code. There was an exceptional item of approximately like 10.9 crores in standalone and 11.1 crores in consolidated related to new labor code. Is this like a one-time provision or will it lead to higher recurring employment bills going forward?

**Manoj Bhat:** Thanks, Lokesh. I will ask Vimal to answer that question.

**Vimal Agarwal:** Hi, Lokesh. So, number one is the past due liability, which we have provisioned for as one-time expense based on the new labor code, which got implemented on 20<sup>th</sup> November. Our estimate is that majority of one-time exception we have already booked. And therefore, the recurring

expense will be much lower and as and when that gets incurred on a quarterly basis because of the change in solution, it will come in the employee expense line but expected to be much lower.

**Lokesh Srinivas:** Thanks for the explanation, sir. And my second question is with regard to the tax expenses. The tax expenses appear to be elevated in the recent quarters. What explains the effective tax rate and do you foresee normalization in coming periods?

**Vimal Agarwal:** Are you referring to standalone or consolidated?

**Lokesh Srinivas:** Both. The tax expense seems to be higher when compared to previous quarter and year-on-year too.

**Vimal Agarwal:** On a total tax line basis, including deferred tax as well as current tax, our tax impact is exactly 25.5% and that we expect to see. There may be some interchange between these two line items but no effective tax rate which will come out. Same for HCRO or consolidated accounts, we do not create deferred tax asset for smaller entities but that has been the position in the past and that is expected to continue for near future as well. So, no change there also.

**Lokesh Srinivas:** Definitely, sir. Thank you.

**Moderator:** Thank you. Our next question comes from the line of Dhvaneet Savla from Savla Family Office. Please go ahead.

**Dhvaneet Savla:** Hi, sir. I had two questions. My first is with regards to our goal of reaching 12,000 keys by 2030. So, I can see that in this quarter also we have ended up closing down some resorts. So, going forward if we are going to continue with constant evaluation of which properties are not doing well or better. So, do you think that this 12,000 thing will be a gross level thing or will it be net of all these closed down that we will reach the 12,000 keys mark?

**Manoj Bhat:** So, let me split that, Dhvaneet, into two parts. So, first is the Club M brand. We said 10,000. And in whatever I am talking about is Club M. So, as I said in the beginning also, I think by the first half of next year, most of our exits would be done. So, after that, you should see the gross translating to net in a sense. So, that is what we are trying to do because it is not a continuous evaluation and that is something we will try and do. The second is that on MSR, we have set a goal of 2,000 keys. And obviously, the first one is still to start and to me, as the management contracts open up and so on and so forth, that is where we hope to see that acceleration come later. So, I think I will split that into two parts and that is how you should also look at it.

**Dhvaneet Savla:** Thank you. And secondly, just to follow up on that, is there any split which we are trying to say that how many of these keys which we are planning to be within India and international? Because I think so predominantly, we would want to be placed in India, right?

**Manoj Bhat:** Yes. Most of the keys you should assume is in India.

**Dhvaneet Savla:** And my second question is with regards to the membership. So, right now, a lot of these older 25-year-old memberships would have been closing down. Is there a metric on the renewals which we are doing? Like someone has taken a 25-year-old membership and is renewing it again for another cycle or something?

**Manoj Bhat:** So, obviously, we track that metric, but I don't think we have put it out in the public domain. What we are doing is we are—with the new product, we are—targeting people who are renewals or end of membership much more actively. And I think maybe another quarter or so, we should have a better sense of what it is because one of the things which was happening was that people were saying that it's the same kind and some of these features were not there. For example, I spoke about some of the added features. So, I think we are seeing better traction today with the new product in terms of retention, in terms of upgrades. But that's something I will just wait for a quarter before I get into what sort of trends we are seeing.

**Dhvaneet Savla:** Thank you very much and all the best. Hopefully, we put on a much better performance in the next coming quarter.

**Manoj Bhat:** Thank you, Dhvaneet.

**Moderator:** Thank you. Our next question comes from the line of Prashant Kshirsagar from Unived Corporate Research Private Limited. Please go ahead.

**Prashant Kshirsagar:** Thanks for the opportunity, sir. I just want to ask you on slide #12 in the standalone business, you have talked of resort two resort transformations. So, can you share the names of that and how many keys are involved in that?

**Manoj Bhat:** This is Kumbhalgarh and Poovar. These are the two resorts.

**Prashant Kshirsagar:** And how many?

**Manoj Bhat:** Kumbhalgarh should be close to 80 or 90 keys and Poovar should be about 70, if I am not mistaken. We can send it to you offline, but it should be in that vicinity.

**Prashant Kshirsagar:** And you have said that three are planned. So, which ones are those?

**Manoj Bhat:** That is Munnar, Jaisalmer and Gir.

**Prashant Kshirsagar:** And what time frame is required for such transformations?

**Manoj Bhat:** So, it depends on the resort. So, for example, Poovar, we should be done in about 7 or 8 months. Kumbhalgarh also probably about 9 to 10 months, Munnar might take slightly longer, maybe 10-11 months. So, it's depending on the size, etc.

**Prashant Kshirsagar:** And when do you plan to do the transformation in this for Munnar or other ones?

**Manoj Bhat:** So, Munnar, we are hoping somewhere in Q1. If I look at Jaisalmer also, probably we will start in Q1. Gir is also around that same time frame, give or take.

**Prashant Kshirsagar:** And Ganpatipule, when should you be thinking?

**Manoj Bhat:** I think that will be probably available for members in Q3.

**Prashant Kshirsagar:** Q3 of FY27?

**Manoj Bhat:** FY27, that's right.

**Prashant Kshirsagar:** And how many keys it will have?

**Manoj Bhat:** That's about 160 keys, give or take.

**Prashant Kshirsagar:** 160 keys. And a question on membership I wanted to ask. This Keystone which you have launched, if a member wants to upgrade, say from a Red Season to a Keystone membership, then the ASF will be the same as the old plan or it will be higher?

**Manoj Bhat:** If it is the same room category, the ASF will be the same. .

**Prashant Kshirsagar:** And so the cost will be only for the upgrade as you have for the normal upgrades?

**Manoj Bhat:** Absolutely, absolutely.

**Prashant Kshirsagar:** Okay. Now my question is on HCRO.

**Manoj Bhat:** Prashant, this is the last question because there are others in the queue, but we will answer this, but then if you can come back in the queue if you have further questions.

**Prashant Kshirsagar:** Yes, sure. I will do that. In the slide #31, you have talked about spa hotels having an uptick, slight uptick in Q3. So, the spa hotels would be, just to understand the business, the spa hotels will be, it's like an F&B in your resort?

**Manoj Bhat:** So, let me explain the terms. Timeshare is where we sell weeks, right? Spa hotel is our hotel business, which is like a conventional hotel. Renting is where we have inventory and we then sell that inventory on a night basis. So, we have some rooms left over which we have not sold or weeks left over and real estate management is what we recover from the various property companies because each of these timeshare is hosted in a company and the services are provided by HCRO.

**Prashant Kshirsagar:** And the villas would be, it's a small business, but it will be, just to understand.

**Manoj Bhat:** A villa is just another terminology for some type of timeshare.

**Prashant Kshirsagar:** And the last thing is, is the weather helping you in Q4?

**Manoj Bhat:** January has been good, but weather is the weather, but January has been good.

**Prashant Kshirsagar:** And can you share the debt figure for HCRO?

**Manoj Bhat:** Prashant, this is the last question.

**Vimal Agarwal:** HCRO's external debt was about €25 million Euros as on 31<sup>st</sup> March.

**Manoj Bhat:** It's a bit seasonal, where do we expect to end it.

**Vimal Agarwal:** We expect to end maybe at 26-27 million.

**Manoj Bhat:** 27 million by March is what we are expecting.

**Prashant Kshirsagar:** Okay, so December was 25.

**Manoj Bhat:** Last March was 25.

**Prashant Kshirsagar:** And for 31<sup>st</sup> December, sir?

**Manoj Bhat:** 31st December is bit seasonal but must be around 29 or so.

**Prashant Kshirsagar:** 29, okay, fine. Thanks a lot.

**Moderator:** Thank you. Our next question comes from the line of Rama Krishna Nethi from Zen Wealth Management Services Limited. Please go ahead.

**Rama Krishna Nethi:** Hi, thank you. Just one question from my side. This is related to the AUR. I remember, I think in the previous call or the other one, you were mentioning that 9 to 10 kind of AURs actually are not sustainable and they will gradually moderate over a period of time. So, now that this new plan in place and we are also rationalizing in terms of the membership and all, so just wanted to know your thoughts in terms of where do you think over the next 2-3 years, by the time you reach 10,000 rooms in Club M, what is the ideal or the normalized AUR levels that you are actually anticipating or expecting? Thank you.

**Manoj Bhat:** So, if you split the AUR into two parts, so one is new sales and then upgrades to existing members. That's the way we look at it. So, if you look at and that split is roughly, I would say about 4.6 is the new sales AUR, which is also up significantly from the past. And then the balance is about 5 is coming from all the upgrades to the existing members because they don't count as new members. So, I do expect that with the Keystone, the 4.6 will go up. The upgrade number, I think we are reaching a kind of full potential is what I think. But I have been surprised positively every time. So, I will just leave it at that. The second thing on AUR as you think about

a longer-term period is we typically take a price hike every April. That's something you might want to factor as we go along. But it's also a function of mix in terms of which plan gets sold. So, it's not a straight equation, but that's some things to just give you a sense of AUR.

**Rama Krishna Nethi:** Just one follow up actually. How much is it dependent directly on the members that get added during the period? I mean, is there any direct correlation because it's a numerator, right?

**Manoj Bhat:** So, the denominator is the members. So, I didn't get the question. Obviously, everything depends on the members because they buy the plan. So, I didn't get the question.

**Rama Krishna Nethi:** No. I am trying to understand in terms of members. So, what will be the run rate that every quarter we are anticipating over a period of time? Will it be around 1500 as we have been witnessing in the last few quarters or what is the thought process out there?

**Manoj Bhat:** So, I think my own sense is we don't know how Keystone will behave. Right now, it is already trending equal to whatever the older products were in the first month itself. I think we will have to wait for a quarter on that. And I have mentioned this before. I think the focus here is not going to be member addition only. It is going to be good focus on AUR, good focus on making sure that member experience is better, making more rooms available for members, and overall making sure that we journey from a sales model which is probably more digital with more pull. I think that's the journey and I have spoken about this in the past.

**Rama Krishna Nethi:** Thank you.

**Moderator:** Thank you. Our next question comes from the line of Navin from iThought PMS. Please go ahead.

**Navin:** So, one small follow-up is regarding, I remember a couple of quarters we have been discussing how we don't want to encourage the EMI schemes and looking for better customers who pay upfront. So, it's a two-part question regarding the same thing. So, one is, do you anticipate that with Keystone coming in and new sales getting split between the old plans and the Keystone, the EMI path will reduce further? And the next part would be, do you have any hard cutoff or any target by which you want to face this income stream out completely?

**Manoj Bhat:** So, Navin, let me clarify. Maybe I was not clear. We never said we don't want to do EMI. What was happening is there was a set of customers who used to discontinue EMI after some time. And that correlation was to a certain geography, certain kind of branches, etc. So, that is what we have discontinued because the EMI model actually is a reasonable model. We have good recoveries overall. And that's something we would like to continue. Having said that, I think a lot of people do pay upfront. I think about 50%. Sorry, I am mistaken. 10% pay upfront and then the balance is all EMIs. So, because that is like with any consumer product. It is something which we don't see much of a risk in terms of EMI recoveries.

**Navin:** Got it. So, no hard targets or anything like that on reducing the salience of EMI?

**Manoj Bhat:** No.

**Navin:** Awesome. Thanks a lot.

**Moderator:** Thank you. Our next question comes from the line of Preeti Agarwal from SK Associates. Please go ahead.

**Preeti Agarwal:** Thank you so much for the opportunity. I wanted to know that Keystone has been introduced as a simpler and more flexible premium membership product. So, initially targeted at the new customers. So, could you share early observations on Keystone in terms of ticket size or booking behavior and cost of acquisition and whether unit economics are shaping up differently at this stage?

**Manoj Bhat:** So, Preeti, 2-3 things I want to say. So, one is I did indicate that 15% increase in AUR we are seeing in Keystone. So, that is one data point for you. The second is that I think we are seeing that the middle one, which we call it Ivory, which is the peak is probably currently the highest selling season. And I think those are the two early observations because it's just a month's data. But at least this is what I can probably say today. And I think if you look at it, we are delivering more value on the same cost. So, it is obviously incrementally beneficial for cost of acquisition.

**Preeti Agarwal:** Understood. Also, our sales and marketing expenses have declined meaningfully year-on-year. So, is this largely driven by higher referral and digital distribution or are there structural efficiency gains in customer acquisitions that can be sustained as you scale Keystone and premium products?

**Manoj Bhat:** Preeti, what we have done and this is I am now talking about probably three-four quarters back and that is what you are seeing now is we looked at what areas have the highest cost of acquisition. And we actually cut our market access in those areas completely, which meant that we actually reduced our market presence by a substantial portion. I think it's about 40%-50% of the market. We didn't want to access because the behavior of the members acquired there is what we call early delinquency and so on and so forth. So, what that meant is whatever is left, we are seeing some of the benefits of lower COA because the highest COA was coming because of people actually selling to someone who discontinues, which then the whole thing becomes a little bit of a problem. So, that's one thing which is there. The second thing is, of course, we have carefully looked at various promotion schemes which we are using and that's something we have rationalized over a period of time. So, we are seeing some of that benefits. Now, as we look forward, what I am hoping is with Keystone and other initiatives, productivity will go up because I think productivity has not gone up yet and in terms of per salesperson or per relationship manager and that's something which will lead to improvement into the future.

**Preeti Agarwal:** Understood. So, the company has set a target of 2,000 keys for this new business venture. So, is there a possibility that the management may prioritize this vertical more heavily than the 10,000 keys targeted in the vacation ownership segment?

**Manoj Bhat:** So, Preeti, even in my strategy presentation, I had said that we have to scale the core because it's a great business which we have. And then the second priority was build a new. And we have separate teams doing that. So, it's not that the same team is focused on doing both of these. So, we have actually built a separate team for Mahindra Signature Resorts. So, in no way is anything going to kind of get less support, whether it is from a capital perspective or from any other perspective.

**Preeti Agarwal:** Understood. That's it from my side. Thank you so much.

**Manoj Bhat:** Thank you, Preeti.

**Moderator:** Thank you. Ladies and gentlemen, in the interest of time, that was the last question. I would now like to hand the conference over to Manoj sir for closing comments.

**Manoj Bhat:** Thank you all for joining. If there are any unanswered questions, please do reach out to us offline and we will try and answer to the best of our ability and have a good weekend.

**Moderator:** Thank you. On behalf of Mahindra Holidays & Resorts India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.