

**Thomas Cook (India) Limited**

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February 11, 2025

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**Scrip Code: THOMASCOOK**  
Fax No.: 2659 8237/38

Dear Sir/ Madam,

**Sub: Transcript of the Analyst and Investor Earnings Conference Call**

In furtherance of our intimations dated January 29, 2025, February 3, 2025 and February 5, 2025 giving intimations for the Q3 of FY 2024-25 Earning Conference Call for the Analysts and Investors and pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the transcript of the Earnings Conference Call held on February 5, 2025 has been uploaded on the website of the Company within the prescribed timeline and can be accessed on the following web link:

[https://resources.thomascook.in/downloads/TCIL%20Q3FY25%20Earnings%20Call%20transcript\\_11022025.pdf](https://resources.thomascook.in/downloads/TCIL%20Q3FY25%20Earnings%20Call%20transcript_11022025.pdf)

This is for your information and records.

Thank you.

Yours faithfully,

For **Thomas Cook (India) Limited**

**Amit J. Parekh**  
*Company Secretary and Compliance Officer*

**Encl a/a**

**Thomas Cook (India) Limited:**

**Q3 & 9M FY25 Earnings Conference Call – February 5, 2025**

**Management:**

**Mr. Madhavan Menon:** Executive Chairman – Thomas Cook (India) Limited

**Mr. Mahesh Iyer:** Managing Director and Chief Executive Officer – Thomas Cook (India) Limited

**Mr. Debasis Nandy:** President and Group Chief Financial Officer – Thomas Cook (India) Limited

**Mr. Vishal Suri:** Managing Director – SOTC Limited

**Mr. Vikram Lalvani:** Managing Director and Chief Executive Officer – Sterling Holidays Resorts

**Mr. Krishna Kumar:** Chief Financial Officer – Sterling Holidays Resorts

**Mr. Ramakrishnan:** Managing Director and Chief Executive Officer – DEI

**Moderator:** Ladies and gentlemen, good day, and welcome to Thomas Cook Limited Q3 FY '25 Earnings Conference Call, hosted by Systematix Shares & Stock Limited. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Chetan Mahadik from Systematix Shares & Stock Limited. Thank you, and over to you, sir.

**Chetan Mahadik:** Thank you, Sejal. Welcome, everyone, and thank you for joining us on Thomas Cook India Limited's Q3 FY '25 Earnings Conference Call. From the company, we have with us Mr. Madhavan Menon, the Executive Chairman and the senior management team. We would like to begin the call with brief opening remarks from the management, following which we will have the forum open for an interactive Q&A session.

I would now like to invite Mr. Madhavan to make the initial remarks. Thank you, and over to you, sir.

**Madhavan Menon:** Good afternoon, ladies and gentlemen. Thank you very much for the introduction. I think consequent to Monday's Board meeting, we came out with a spate of several announcements simultaneously. And I'm going to take a couple of minutes just to address each of those so that there is absolute clarity. I think the first one I'm going to address is the fact of my own retirement. I've completed 25 years at Thomas Cook. And having done all that I've done over this period, I thought it was time to pass the baton on to Mahesh, who has worked with me through

these entire 25 years, part of it in the foreign exchange business as well as various roles in management starting 2013.

As far as I'm concerned, this will be a very systematic transition, given that both of us have worked together all these years on matters where the company's governance, performance, etc, are concerned, the transition will be much easier. And therefore, I can assure you that there should be no hiccups. Mahesh is a Thomas Cook veteran of many years. We also have Vishal and Mr. Ramakrishnan in this room, all of them are veterans in their respective fields. Each of our managing directors come with extensive amount of knowledge in their respective businesses. And therefore, there's no shortfall in leadership.

And I'll -- just to give you a sense of the level of succession planning that we have in place. Today, if anybody leaves, there are multiple choices for the number of people who can occupy that seat at any level at any position within the senior management.

So, I think the succession planning, which is a part of the group's psyche has been implemented down to the tee and therefore, there should be no concerns regarding leadership transitions or replacements. The second important announcement that we made was obviously about the consolidation of the Nature Trails brand and its operations into TCIL's domestic operations.

Post-COVID, we have witnessed dramatic surges in some of our businesses and the domestic business was a classic case of this situation. While Nature Trails was an integral part of Sterling, Sterling themselves over a period of time came to the realization that they wanted to focus on their business, which is effectively in the hospitality sector Considering Thomas Cook's growing interest across multiple segments of the population, starting with the 25- to 35-year-olds and all the way up to the 40-, 50-year olds. We thought this was an opportunity to consolidate three resorts that are coming with this and expand our offering.

Now you will ask the question why it couldn't have been done by Sterling. The very simple answer is that once it's in the Thomas Cook's table, we actually can get our distribution to focus on this and sell properties. So, I think that's the second most important thing. You will appreciate that Sterling Resorts is a 100% subsidiary, and Nature Trails is a wholly owned subsidiary of Sterling. Therefore, doing this transaction did not require any regulatory requirements and hence it was the easiest option that we could have examined.

It also was triggered by the fact that over a period of time, we have seen other companies asking us if we were interested in similar segments. And therefore, we thought that this would be an

opportunity that we should pursue. Third element is the results. And I just want to address a couple of points before I hand over to Mahesh and Debasis and of course, Ram and Vikram Lalvani, is the fact that if we look at the India businesses specifically in the quarter gone by, they actually led the growth.

If you look at financial services, the turnover increased 16% year-on-year. If you look at DMS, it increased by 19% year-on-year. If you look at the B2C segment, was up by 29%, along with a 12% increase in leisure and, hospitality under Sterling holidays. Now the Indian businesses clearly saw strong demand, something that we've been talking about for some time. And therefore, I think that is in line with our expectations.

Some of our businesses were impacted by one-offs that we had in the year gone by and some changes that we witnessed during the year. But let me assure you that I believe all our businesses are on track to achieve their numbers in the coming quarter. And I think an important point I want to make here is that 2024 was a year where we witnessed a lot of challenges in the geopolitical space.

For example, if you look at Dubai, demand in Dubai was tepid all the way through November because of the problems that Israel and Iran had and combine that with Syria, Lebanon and Yemen. The reality is with the failure of the government in Syria, the situation just dramatically changed.

If you look at the first 2 weeks or 3 weeks of this year of January in Dubai, the hotels were running as high as 85% to 90% occupancy. And you'll appreciate that if I look at Dubai by itself, it most probably has more 5-star hotels than the whole of India put together. Now to be able to fill those hotels at that rate is quite difficult.

Secondly, if you look at sales, of both at Dubai Desert Adventures as well as DEI, we've seen a marked change that is reflective of that sentiment. So, I think that's one area of concern that we had. The US is another example that was strained last year because of the political problems in Europe with the Ukraine and Russia. But we didn't see any major change in demand there because I think Italy, which is one of our main source markets, really did not get affected by that.

So, I'm going to leave it there, and we'll be glad to answer any questions. Either on my departure or on Nature Trails or the results once the Q&A starts. I'll hand over to Mahesh at this stage.

**Mahesh Iyer:** Thank you, Madhavan, and good evening to all of you, and thank you for joining us on this call and the discussion on our performance for Q3 and 9 months of FY '25. Let me start off by

first covering our performance for the quarter ended December 2024. As Madhavan said, our financial performance this quarter was driven by some healthy performances of our India businesses. Noteworthy amongst them is the Financial Services business, the India travel business, which comprised of the B2C holidays.

The India DMS business represented by the brand TCI and SITA and the Leisure Hospitality business by Sterling Holidays Resorts. And Vikram Lalvani, the Managing Director of Sterling, will talk about it in the subsequent conversation. Just to begin with, I want to give you some lens on our quarterly performance to begin with. And if you look at our income from operations (without MTM) for the quarter, we actually saw a 7% increase from INR 1,938 crores to INR 2,083 crores.

I'd like to mention here that these are not strictly a comparable number. As you will recollect, we've been mentioning this over the last 3 or 4 calls that in the year 2023, we did a bulk of government business under the subhead of MICE, which is the Meetings, Incentives, Conferences and Exhibitions business.

Now that business was not present in the year 2024 and specifically in the quarter of October to December 2024. Just to give you a colour to that, in the October-December 2023, we had about INR 935 million worth of income that we got from the government business. And if I exclude that from the last year numbers and compared to this, you will actually see that our growth stands at about 13% as compared to the 7% that you see on the results.

Now what this reflects is that our growth in the business has been very stable. Our India businesses have actually fired. And as we have guided the market to a 12% - 15% growth in our top line income from operations, actually, our business have delivered. But since it's not a comparable number, you're seeing the impact of the one-off that sits on the income from operations.

Before I get into the profitability, I just want to give you a colour on the segment so that you understand as to how some of the segments in India has fired. If you look at our Financial Services segment, they reported a 16% growth in our revenues, and an EBIT margin expanded by close to about 592 basis points. So, if you look at for the quarter, you will see that our income from operations grew from INR 64 crores to INR 74 crores, reflecting a 16% growth.

And our EBIT improved from INR 21 crores to INR 28 crores, which reflects a 36% growth over a comparable quarter. If I flip that over to the 9 months, you will see that our income from operations actually grew by 7% from INR 233 crores to INR 249 crores and our EBIT actually improved by 25%

from INR 92 crores to INR 116 crores. EBIT margins in the Financial Services for the 9 months, actually improved by 700 basis points.

Now some of the factors that led to this growth are strong growth on the retail segment for foreign exchange, led by Education segment, which grew by about 11% and the Holiday forex segment, which grew by about 15%. We continue to make the operational efficiencies that we have built. Our digital adoption on the FX business continues to be very strong. We're currently at about 22% digital adoption and the float on the borderless prepaid card continued to grow.

Our borderless prepaid float at the end of Q3 FY '25 stands at about INR 1,364 crores, representing a 13% growth over a comparable quarter last year. From a digital penetration point of view, as I mentioned, the 22%, we've done about 2,900 video KYC enabled transaction, and that has happened with about 85% success rate. You will appreciate that sometime mid or rather the last quarter -- second last quarter of last year when we met at an investors meeting, I had shown you some demo on how the entire video KYC journey will work.

I'm happy to report that, that journey has actually moved forward. And as we speak, we are actually onboarding more and more customers through this channel. Forex via WhatsApp, which is another channel, which typically most organizations or service or industry use as a service channel, we also use as a sales channel. We are actually tracking close to about 2,000 transactions on that channel, albeit it's a very low base that we started off, but we are actually seeing very good traction on that channel, too.

Coming back to the travel and travel-related services and their performance to the quarter. Again, as Madhavan said and we highlighted that for the quarter in question, our income from operations actually grew by about 11%. And that's reflective of the fact that from a sales line point of view, nothing has changed. While the profitability, and I will comment on the one-offs that we have on the profitability a little bit, I think from a sales point of view, all our businesses continue to grow.

And in specific reference to our India business, we actually clocked a very high double-digit growth. Now if I have to exclude, as I mentioned about the MICE business, specific reference to the National Games in Goa that we did in Q3 of FY '24, and I exclude that, the growth will actually be close to about 19%. And that's a very sizable growth that we are talking about. If I transpose that number for the 9 months that we ended, you'll see that, that growth actually translates into close to 20%.

Commenting on the profitability for the quarter, and then Madhavan alluded to that, and I'll give you a little more lens on how that has panned out. First, the impact of the National Games. On a

comparable basis, the INR 935 million of top line sales that we had, which is the income, had a bottom-line impact of INR 60 million. Now this INR 60 million that we had in Q3 FY '24 is definitely not available in Q3 of FY '25. So that's one element that I would like to call out here.

Secondly, from our international operations point of view, Madhavan spoke about the geopolitical situation. We also had some one-off currency fluctuations. And you will appreciate that we've seen some large movements in currency in a short duration of time. And I think there has been ample coverage in large media over the last 2 days talking about how ASEAN currencies have moved in relation to dollar.

And we saw a sharp swing in some of the currencies and specifically in the ASEAN regions. Typically, our business is insulated when we look at the swing between 1.5% to 2%. But when you see a large swing ranging between 5% to 6%, and some of these businesses are pre-contracted, obviously, we are not prepared to take that kind of a swing that came in.

So that impacted our business and the impact of that was roughly about INR 60 million on our profitability. Also, there was this one-time grant that we got on DEI last year in Q3 FY '24, which was a grant that we got in U.S. was about \$1.6 million, about INR 134 million. Obviously, that is not available in the current year.

So clearly, if you look at it, this is not an apple-to-apple comparison or it's not a like-to-like comparison. But if I look at the overall sales growth, that reflects a 7% growth. And if I adjust for these one-time items, our profitability in the current quarter actually grew by about 5%. I'd also like to mention that during the quarter, we expanded our market and network by adding 7 new locations, 5 in the North state and about 2 in the Western part of the country.

Moving on to talk about some of those events that we are currently doing. As you all know, there is a lot of conversation around the Kumbh Mela. I'm happy to report that SOTC and Thomas Cook, the 2 brands that represent the domestic market here, have actively participated. We've booked about 1,000 tents, close to about 1,400 passengers have travelled through us till date. And we expect by the time this season ends or the Kumbh Mela ends, we would have roughly close to about 2,000 passengers who would have travelled through us.

Similarly, we spoke about Japan last year, and Japan was a big bang event for us. We actually launched Japan last year. We had close to about 2,200 passengers for Japan. This year, Cherry Blossom is actually getting delayed. We are actually going to see the season running all the way till about 15th or 20th of April. And as we speak, we are already close to about 85% to 90% of the

volumes that we did last year. So I expect the Japan to contribute very positively in the quarter to come.

Commenting on the Corporate Travel business, we have seen a 13% year-on-year growth in terms of top line sales. Our focus on this business has been on margin expansion. I'm happy to report that our non-air and card business has grown by 54% and 131%, respectively. These are 2 levers for margin expansion. From an overall portfolio point of view, in 2023, non-air business was about 5% of our portfolio.

In 2024, we ended at about 8%. So clearly, we are actually seeing the shift that's happening on the non-air side of our business, and we expect this growth momentum to continue, which will add positively to the gross margins on the business.

Last but not the least is the MICE business. On the MICE side of the business, we continue to manage large groups. You will appreciate that we had close to about INR 245 crores of the government business that we did in the 9 months ended December 2024 last year. And for the current year, we have none of that reflecting into our P&L. But despite that, our MICE business has actually grown. And I'm happy to also report that as we speak in the current quarter, we actually bagged a large business from government.

We are actually doing the National Games in Uttarakhand, which the total size of that business is roughly about INR 120 crores, which will now reflect in the current operating quarter. From a forward booking perspective, I'm specifically referring to the summers, we've begun all. The long-haul business is starting to show up. We are seeing some smart recovery that's happening. Albeit airfares continue to remain elevated. But despite that, from a volume perspective, we are actually seeing close to about 20-plus percent growth in terms of volumes. And in terms of value, we are saying close to about 35% growth.

On that note, I would like to hand over to Debasis to take the DMS part of it, and I'll be happy to come back to any questions that you have later on.

**Debasis Nandy:** Thank you, Mahesh. So, on the India DMS part, this is the beginning of the 6-month period -- the 6-month season, and they have done pretty well during the quarter. They are up about 24% over last year in terms of top line, benefiting from rising foreign tourist arrivals. As far as overseas DMS is concerned, at an overall level, sales have improved by 18% year-on-year for the quarter.



And if I try to give you a little more lens on that, we have seen very good growth in Asia - in Southeast Asia. In Asian Trails, the growth has been upwards of 30%. In South Africa, the growth has been about 35%. In Desert Adventures in the Middle East, which as an area has been impacted by persistent geopolitical tensions, as you are aware of that. But despite that, the Desert Adventures has seen a 7% increase in sales during the quarter.

As far as the U.S. market is concerned, Allied T-Pro, they have had a fairly healthy growth of about 9% during the quarter. This is obviously not a season for them, as you can well appreciate. The only unit which has not done well, and we have been talking about this unit even in the earlier quarters, was East Africa. East Africa suffered because, one of their customers went bankrupt in the month of May.

And that customer alone contributed to close to about 25% of the sales annually. And while they've been trying to get additional customers to make up for the deficit, that process takes time. It usually takes 12 to 18 months to replace that. And therefore, their sales have dropped by about 30%. However, overall, in spite of this setback, the overall increase has been 18% for the overseas DMS segment.

I would now like to hand over to Vikram to talk about Sterling.

**Vikram Lalvani:** Thank you, Debasis. Good afternoon, ladies and gentlemen. I'm Vikram Lalvani, I'm the MD and CEO of Sterling Holiday Resorts. And I'm also joined by Mr. L. Krishna Kumar, the Chief Financial Officer of Sterling. I shall be happy to take you through the Sterling Holiday Resorts results for Q3 FY '25 and also for the 9 months YTD FY '25.

I'm pleased to report that Q3 FY '25 has been the strongest ever quarter performance for Sterling, following 18 consecutive quarters of profitable growth. This comes on the back of a quarter with strong holiday demand, coupled with our expansion of supply by Sterling. We are pleased to report double-digit growth in income, EBITDA and EBIT. Our income grew 12% in Q3 FY25 versus Q3 FY24 with a 14% growth in EBITDA and a 13% growth in EBIT.

Our EBITDA margins for Q3 FY '25 has exceeded our intended threshold of 30% to 35% to close at 38.8%. Our income stood at INR 1,389 million, EBITDA at INR 539 million and EBIT at INR 427 million. We had a onetime exceptional expense of INR 37 million towards an Amnestyscheme that we had undertaken. Traditionally, ladies and gentlemen, Q1 has always been the most significant and the strongest quarter of any financial year for Sterling. This time, Q3 has exceeded Q1 on account of

portfolio balancing that we had undertaken as part of our expansion plans, thus expanding our revenue base in quarters other than just Q1.

It may also be noted basis my previous commentary that the investments we made in Q1 have fructified in terms of results in Q3 with the completion of the ramp up of the resorts that we launched in Q1. Our occupancies for Q3 were at 61%, also indicating the headroom available actually for us for further revenue expansion. This is despite our available room nights having gone up by 16% over Q3 FY '24. Our average room rate is healthy at INR 6,788, clearly depicting that Sterling now operates its portfolio of resorts in the upper mid, upscale and the upper upscale segments.

Our other significant line of business, Food and Beverage has shown a healthy growth of 20% Y-o-Y and we shall continue to strive to increase our contribution in food and beverage as well. On a YTD basis, Sterling has had a 14% growth in income at INR 3,942 million and at an EBITDA of about 35%. During the quarter, Sterling launched three new resorts, Sterling Lontano in Wayanad, Kerala. This takes us to the third resort in Wayanad, Sterling Coorg in Karnataka and Sterling Ranthambore in Rajasthan, thus also increasing our presence in Rajasthan already. This now takes our portfolio up to 48 locations in India and 57 resorts, hotels and retreats across the above-mentioned various segments.

Our expansion focus shall continue to be on an asset-right model with limited or no capex investments only to sweat our existing assets for scale. On an average, we have opened one resort a month in the last 18 months, and we have a healthy pipeline of additional destinations being made live in 2025. This will keep adding additional revenue stream to the company.

Our focus shall also continue to be on scaling lines of businesses of additional revenues also driven by operational cost efficiencies, use of digital practices for process stability and scalability, and continuing to scale our distribution channels without significant addition of fixed costs. Investments towards leadership and some refurbishments in our own resorts to cater to scale and the new customer shall continue even in the future.

Sterling has also launched Sterling Sankalp, our ESG initiative, having undertaken several initiatives under energy efficiency, waste management and water conservation. Some of the significant initiatives that we have undertaken in our resorts are as far as energy conservation is heat pumps, from a waste management, organic waste converters and rainwater harvesting and water recycling in some of our resorts.

A testament of our growing brand strength of Sterling is reflected with the industry-wide recognition that some of our resorts have got over a period of time. And in Q3, we are also happy to inform that we've got such four significant recognitions. Our Sterling Aravalli Udaipur won Travel + Leisure India's Best Awards for Best Emerging City Hotel.

Sterling Lake Palace Alleppey won the Hospitality Horizon Hotel Awards, top 5 luxury resorts in India. For the first time, our restaurants have started getting prominence. Our restaurant Amo Odisha in Sterling Puri won the Food Food Awards as the Top 50 restaurants of India in 2024. And Sterling won the 27th Today's Traveler Award 2024 as one of the fastest-growing hospitality brand in India.

On the people front, our focus continues to be on upskilling key potential talent within our resorts and to make them future-ready at various positions in the new resorts that we launch. Towards this, we have successfully completed a capability building exercise with the Indian School of Hospitality for our executive assistant managers, making them ready to run our future resorts as resort managers or general managers independently.

We have also groomed our almost 245 departmental trainers in Q3 across all our resorts for being the flag bearers of upskilling frontline talent. On a look ahead, we expect to close FY '25 with a healthy double-digit growth and with continuing to build our base on business for FY '26. Thank you.

**Debasis Nandy:** We will now hand you over to Mr. Ramakrishnan, who will talk about DEI.

**K.S. Ramakrishnan:** Good evening, ladies and gentlemen. This is K.S. Ramakrishnan from DEI. Talking about our revenue between Q3 financial year '24 to '25, we have seen a 7% drop from INR 241 crores to INR 224 crores. I would take this despite all the geopolitical issues, harsh climate conditions and the China attendance and local reduction of spend and the US closures, I think we have ebbed very well with our revenue still going down only by 7% to INR 224 crores. This basically reflects that our December was a good comeback.

From an EBIT or a PBIT perspective, from between Q3 financial year '24 to Q3 financial year '25, we've had from INR 22 crores drop down to INR 6 crores, as Mahesh and Madhavan already mentioned. Let's keep in mind, that there was a one-time grant that was included in the Q3 '24 of INR 13 crores, given that not being there this year. And in spite of having double cost on software, etc, that we've done, we seem to be holding good on that front.

As such, I've been maintaining this in all the quarter discussions with all of you that it's a one-off year '24, where we have multiple things happening at the same time. The good part of the story is

we weathered all the negatives that could possibly happen for the business through the single year and '25 looks pretty strong going forward. Attendance in December and January improved significantly, returning to normalcy.

Our tech platform seems to be in full form to get released by second quarter. And by third quarter, we should be able to see the results. I'm talking about third quarter calendar year 2025. And from a business perspective, we have been fairly robust in our renewal rates. We've had more than 92% renewal rate, 17 new partnerships renewed in UAE and Maldives and Singapore. We have 2 new partnerships just onboarded in India and Maldives.

And we have operationally launched 3 new partnerships in India, Maldives and Indonesia. With that forward-looking, we see 2025 to be a fairly strong year for us to get back to where we were -- where we have left it in the past. '24 has probably weathered all that could have done, some that were planned and some that were unplanned. And I look forward for a good 2025.

**Management:** Thank you, Ram. We can now open the floor for Q&A please.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question is from the line of Sanjay Shah from Pranisha Technologies Private Limited. Please go ahead.

**Sanjay Shah:** Thank you very much for the opportunity. I think you went through some of the reasons for the shortfall in margins, including the national games and a couple of other areas. Could you briefly summarize the decline in EBITDA margin from 8.3% to 6.7%. What are the components that led to it and how much, if that's possible?

**Debasis Nandy:** I think Mahesh summarized it well. I will sort of reiterate the key points, and you can ask questions for further clarification if needed. But primarily, we are talking about three one-time impacts.

One is, of course, in case of DEI. We had a one-time grant received in the US during Q3 '24, amounting to about INR 13 crores or \$1.6 million. That was a one-time grant, so not likely to repeat. So that's one.

The second factor, which Mahesh also explained, is the impact of the national games, the business that we had last year, where we made a INR 6 crores of profit. However, this year, that contribution is missing. However, as you also pointed out, we have bagged the National Games Uttarakhand business for the current financial year. It's happening as we speak. So, we will see a reflection of that in the January- March quarter. So, I would say it's more like a timing effect than anything else.

The third impact is related to the foreign exchange impact, what you are talking about. Now let me dwell on this. This is primarily in the Southeast Asian business that we have, and it relates to the exchange fluctuations that happened during the period October and November. Now just to put some numbers in perspective, between 30th September and the 15th of November, the Thai Baht depreciated against the dollar by an astounding 8%, which is very unusual. We don't see a currency depreciating by 8% in a matter of 45 days.

Now as you would appreciate that the inbound business where our inflows are in dollars or similar currencies and outflow obviously is peg to the local market. Now these rates are fixed well in advance because the contracts usually happen between 3 months to 6 months ahead of the actual date of arrival.

So, when we fix the contracts, we take the current rates into consideration and therefore we quote a particular price. And let me just tell you that the business is fiercely competitive. We can't expect to keep high margins for exchange fluctuations because somebody else will take the business away. Therefore, while there could be a 1% or 2% leverage or margin left in order to allow for exchange fluctuations, we certainly don't keep an 8% margin in a matter of 45 days.

Now that created a big impact vis-a-vis last year. Last year, it actually it was between September of '23 and the December of '23, the Thai Baht gained 6.5% against the dollar. So that actually helped us. This year it was just the reverse. So, this is more like a one-time impact. It's sort of change of rates by 8% over a 45-day period took us completely by surprise to be very honest.

And that's what has caused the difference. By the way, just to clarify further, the rate has been fairly stable since then. On 15th of November, the Thai Baht was 34.99 to US dollar. Currently, it is fluctuating between 34.1 - 34.2.

**Sanjay Shah:** And the last part contributed to how much in terms of an EBIT loss or a difference and the...

**Debasis Nandy:** So if I compare only the current quarter, the impact is approximately INR 5 – 5.5 crores. But you have to just suppose that against the gain that we had last year, the exchange gain because there the exchange rate worked in our favor. So, there we gain something like over INR 6 crores. So, the difference between the two quarters, which is what analysts are interested in is about INR 11 crores.

**Sanjay Shah:** Thank you for the clarity. I really appreciate it.

**Moderator:** Thank you. The next question is from the line of Sani from Axis Securities. Please go ahead.

**Sani:** Thanks for taking my question. So, I'm just trying to understand what forms the other expenses, we could see some rise there. So, there is one component on the console basis, mark-to-market which is reported separately that is around INR 18.7 million, but otherwise also the other expenses have increased significantly. So, could you just throw some light on that?

**Debasis Nandy:** Yes. This is Debasis Nandy. Let me try and answer your question on this one. So, the MTM thing that you see is actually a regular feature. It's on the holding of the small amount of Ques shares that we have for our employees. It's held in a trust. And the shares will be there in the trust till such time they are given out to employees, but as per the accounting requirements, we need to do a mark-to-market and that entirely depends on how the share prices of Ques move.

So, some quarters, we get a gain out of that, some quarters we get a loss out of that. Honestly, we cannot do anything about it really. But quite apart from that, I think the gap I'll try and explain that in four and five elements. One is the increase in rent and utility expenses. This is about INR 8.5 crores.

This is largely on account of the new airport counters that we have got in Delhi and in Goa. So obviously, the rent and utility expenses are being accounted for here, whereas the revenue will sit in the top line. There is an element of about INR 3.5 crores on account of marketing spend, which is over and above last year. And that's obviously the increased focus on leisure travel, domestic tourism, so on and so forth has resulted in that increase.

There is an increase of about INR 2 crores on account of items like power and fuel and such other establishment expenses. This is largely on account of Sterling. Now Sterling, as you know is setting up resort, expanding its footprint fairly quickly. And this is a result of enhanced business within Sterling.

The fourth one is on account of repairs, which I think we undertook some repairs of some of our branches and offices, etc which is not only in Thomas Cook, but across the group and this is about INR 2.5 crores.

Lastly, there is about close to INR 8.5 crores and this can be split into two parts. One part is which Ram briefly spoke of US business closure, which happened earlier in the year. There is some

inventory write-off consequent to that, and which has been considered in this quarter. And the balance is actually more like a regroup.

Sterling pays some contract wages, obviously for contract work. This works out to about INR 5 crores. This has earlier been classified as employee benefit expenses. That is how it was shown till last year. This year the auditors have said that it should be moved away from employee benefit expense because these do not represent full-time employees and should be clubbed as part of other expenses. So, all of this together, if you add up, it explains about INR 25 crores out of the INR 30 crores. I hope that answers your question.

**Sani:** Yes. So, in terms of run rate, do we think this will be normalized a bit at least in the next quarter?

**Debasis Nandy:** See, as I said, see some of these items bring in additional business, additional top line. For example, the increase in airport rentals, etc is obviously getting compensated by the additional top line. The increase in the -- if we talk about the expenses that increased in Sterling on account of power, fuel, etc, is obviously finds more than compensating effect in the top line. And marketing is something that is discretionary. We -- our marketing spends are very tightly controlled and it really depends on how much sales we make.

And if we see the -- do not see commensurate sales coming out of the marketing efforts, we tend to hold that back. So I think one -- the only one-time out of this is about INR 2.5 crores of the write-off or the provision I won't say write-off, provision that we have taken for the US business closure on account of inventory. That's the only one-time. Other than that, anything that will get spent will also find a reflection in the top line.

**Sani:** So sir, that INR 2.5 crores and the repairs related INR 2.5 is that correct?

**Debasis Nandy:** Yes. I can't call that one-time because repairs will continue as there are branches and there are offices, repairs will continue. We won't see a INR 2.5 crores growth every quarter, I admit. But honestly, it's very difficult to sort of predict a clear spend there. By and large, at annual level, it should be remaining the same.

**Sani:** Makes sense. Thanks a lot that for that explanation.

**Debasis Nandy:** On a 9-month basis, I think Mahesh just added that. On a 9-month basis just about 8% or 9%. So that's fairly close to the inflation rate.

**Sani:** Thank you. The next question is from the line of Nirav Sahai from Abakkus Asset Manager Private Limited. Please go ahead.

**Nirav:** My question is regarding the margins in the travel business. So, in the last quarter, you had guided that you're looking for a 5% EBIT margin. Now in a business where there are so many one-offs and exceptions based on currency swings, how do we see this a sustainable margin going forward? Because this has been an extremely weak quarter in the travel business when you look at the operating performance.

So, when do we see this 5% EBIT margins and is it something which you had indicated the near-term future, at least my sense was it was by FY '25. But is there any timeline or any strategy to make sure the volatility in margins can be reduced going forward?

**Debasis Nandy:** Let me try to answer this and Mahesh can supplement if that's not enough. I think first of all, on the guidance that he gave on the 5%. I don't think we gave a guidance for the quarter. Our guidance, which we had given some 6 months back was that our ambition or aim was to reach a 5% level over the next 18 months to 24 months and it is a journey. It will not happen overnight. It will happen over a period of time, one.

The second point is that from time to time and if you look at on a quarterly basis, there will be aberrations like the one that you have seen now. There will be national games in a particular December quarter and the next quarter and next time a national game may happen in January. Remember that we have got the contracts on both the occasions. It's not that we lost the contract, or we got the contract in 1 year then lost the contract in the subsequent year.

But timing is something that we can't really do much about, which is why we would encourage you to look at our full year results, so the full period, 9-month results rather than the quarter. Travel is a very seasonal business. There will be aberrations like that as we go along. And number three, as far as exchange fluctuations are concerned, honestly, when we talk about a 5% EBIT margin, we expect that exchange fluctuation would be at a particular level.

We obviously budget for some fluctuations here and there, but you will appreciate, I'm sure you'll agree with me that very seldom we see a currency going down by 8% in less than 1.5 months. So that is something that took us on unawares. I admit that. We are taking corrective steps for that. And I hope it will not recur in the future.

**Nirav:** No, sir, my point is that Q3 is our best quarter as far as...



**Mahesh Iyer:** I just want to add something to what Debasis just said. This is Mahesh here and I want you to please focus on the 9-month results that are there. And if you look at our EBIT margin on the travel vertical, we are holding at 3.9%. Now if you look at FY '24 and compare that to FY '25 for the 9-month period, the 3.9% is despite the one-offs that we have seen in the current quarter. If I was to adjust for those, you will actually see the margins actually going closer to the 4.1%, 4.2%, which is actually moving forward to the guidance that we have given that we aim to get closer to the 5%.

And I think it's also important to mention here that when we spoke about the 5%, we also guided the market to the fact that there are some of our overseas DMS entities who are not fully out of the woods. They are coming back. Some of them have come to breakeven. Some have started to generate profits. And there are some units which are still not doing it.

And Debasis in his commentary spoke about a specific unit, which is East Africa, where there was a customer who went bankrupt and there's a customer loss that happened. It contributed 45% of the top line business. So that income has obviously not come in the current quarter. Now if those kinds of events were not there, I think we would have been much closer to the guidance that we have given.

So obviously, there are some events which are external in nature, which are beyond our control, but our guidance to the 5% holds good. But if you were to ask me, will this happen in one quarter. Maybe that's not how we look at it. We actually looked at more like a period. And it's the same that applies for the foreign exchange business.

If you were to see it, we've guided the market more to a 40%, 45%. And there are quarters where we have done 47%, there are quarters where we have done 42%. And there is a seasonality to the business because foreign exchange flows up from the travel that happens. So obviously, you'll see some amount of the seasonality playing out.

**Nirav Savai:** So why I was emphasizing more on the third quarter is because particularly third quarter is the best quarter, which is seen for the holiday part of it within the B2C business?

**Mahesh Iyer:** No, I don't think. No. Definitely not.

**Nirav Savai:** On the holiday part of the business, I'm saying, not the entire...

**Debasis Nandy:** Not even for the Holiday part of the business. I suggest you go and look at our trend in the past, and we can share more data on a one-on-one basis. I think, especially if you are talking

about in the past. But quarter 3 has never been the best quarter for us. But I suggest that you have a chat with Urvashi, who will help you to understand the trends a little better.

**Moderator:** The next question is from the line of Advait Lath from Nippon India Mutual Fund. Please go ahead.

**Advait Lath:** Just wanted to get some clarity on the measures you're taking to mitigate the foreign exchange volatility moves, such tail end move. So, could you just give some light on that?

**Debasis Nandy:** Yes. I think I talked about that while I answered the previous question on this one.

**Advait Lath:** I'm asking for more granular level actions that you might be taking, sir?

**Debasis Nandy:** So, I can't give out my business strategies in this forum, I'm sorry. But we are taking sufficient measures to make sure that this doesn't come back again. It doesn't surprise us the way we have been surprised this time. But you'll appreciate that in a public forum, it's very difficult to talk about business tactics and things. It's something that we execute in the future. I do not really want to talk about now. But I can promise you that you'll see the results.

**Madhavan Menon:** I also think you need to realize that an 8% depreciation in currency over a very short period of time is literally one in a many, many years event. No country can allow its currency to depreciate by 8% or even 5% or even 4% in such a short period repeatedly that the economy will collapse. So, I think you need to recognize that this is a very, very rare event. But having said that, Debasis will advise you as to what we are doing to mitigate potential risk.

**Moderator:** The next question is from the line of Deepak Lalwani from Unifi Capital. Please go ahead.

**Deepak Lalwani:** I had three questions. I'll cut them into one. So firstly, on the B2C vertical, you mentioned that forward bookings are running at 35% growth. But if you assume that on a lower base this year, that we'll still be at 80% recovery when the endeavour was for 100%. So, is that assumption right? Will the revenues be better or lower?

So secondly, on the DMS vertical, the growth rates have been strong. So, any qualitative feedback that we should take on what you're doing on ground, whether it is regarding the B2B customers that we are onboarding, the productivity. So, if you can give some sense on that. And again, on the margin guidance of the travel segment, the 5%, I understand is for maybe a longer time. So what should be a number that analysts should be working with for '25 and '26?

**Mahesh Iyer:** I'll try and address your first and third question, and I'll get Debasis to comment for the DMS part of it. On the first part of it, look, we've been saying this repeatedly and Deepak, you've been on this call asking the same question over and over again. But for the sake of repetition, I'll say this again.

Look, when we look at the business, we don't look at individual, whether it's long haul, short haul. At the end of the day, we are holiday makers. We are here to make people travel and enjoy a good experience, come back with some good memories. And that's the aim for the brand, Thomas Cook, SOTC and brand in Hong Kong.

Now clearly, our recovery rate on the domestic and the short haul has been very, very strong. Our domestic business actually has grown more than 30%. Our short-haul business growth has been more than 25%. Long haul - And then we've been repeatedly saying this, was impacted because of visa-related issues, heightened airfares, availability of inventory and some of the stuff that has impacted that business.

Having said so, October-December quarter, we actually saw a decent growth. When I say decent growth, I'm talking about double-digit growth in our long-haul business also. If I look at -- and I guided the forward bookings, which represents not only summers, but also the Jan-March quarter, we are actually seeing fairly stable kind of growth rates and in high double digits.

When I said in terms of volume, when I say refer to volume, I'm talking about PAX growth. I'm looking at more than 20% PAX growth in the current quarter, and I'm looking at volume growth, which tops 25% to 28%. And going forward into the summers, our Europe are actually -- the Europe bookings have actually picked up, and we expect that as we complete our booking cycle, which will go on until the last week of March and early April, we will come and talk about it in the next quarter.

But I expect this season to be much better. From a recovery point of view to the pre-pandemic levels, we've said that we will endeavour to get closer to the 85%, 90% mark, and we stay true to that. Whether we'll end up there or some other segment will fire on the long-haul side, I really can't say. But if you combine the B2B and B2C put together, we are actually going to be closer to the 95% mark or 96% mark to the 2019 levels.

And I think that will be a very commendable performance as far as the comeback for the business is concerned. Commenting back on the margins. And as I said to Nirav to previously, I think from the 9-month period, the margins are stable. We are at 3.9%. If I factor in the one-off items that we faced in the current quarter, you will see the margins actually would have expanded.

So, this one quarter impact should not be overread. I think if we were to exclude those one-off items, the margins would have expanded by about 20, 30 basis points already, and we will be closer to the guidance that we have given, which is close to 5%. Now the 5% margin is something that we hope to achieve by the end of FY 2026.

There are parts of the businesses, which are currently in different phases of recovery. And as Madhavan said in his opening remarks about the Middle East markets, Desert Adventures, one of the business was also impacted by the geopolitical conditions. While the top line has grown, profitability has not because we focus to garner as much business as possible and stay ahead of the game.

And some of them has come at the cost of some margin compromise and stuff like that, but that's not necessarily the situation in 2025. So we expect a lot of recovery to happen there, which will all positively add to our margins going forward. Debasis, do you want to talk on the DMS?

**Debasis Nandy:** Yes. I think on the DMS, the story on DMS, we have been talking about for a while and the story hasn't really changed. I think that because this is a long-term story. So the things that there are 3 things that we have been trying to do in the DMS business. The first thing is automation. We have overall -- the software that they're using, and these are different softwares for different people. It's not the same.

So that's been completely overhauled so that the level of productivity goes up. And obviously, we achieve better cost rational, better cost structures. The second is the expansion of the customer base. Each of the units have been encouraged to go out and get more external business. The dependence on Thomas Cook is actually very minimal, in some cases, almost nil. And of course, the third one is the expansion of offerings that they do. So, in terms of products, etc.

So, these are the 3 things that we have been trying to do for a while. As you understand that as you know, the progress was obviously hampered by COVID. So, things went down for a couple of years. But now I think all the efforts have started paying off, which is why you see them growing in spite of issues like what Mahesh talked about, issues like the geopolitical disturbance in the Middle East or one of them suffering because a couple of their key customers went down in one financial year, so on and so forth. But again, so overall, you can see we can continue to -- we expect that the business will continue to grow the way it is.

**Deepak Lalwani:** Okay. That is good to hear. Sir, your qualitative assessment of the current pricing trends in the market, any challenges that we see with regards to discounts or the schemes that you have to give to your customers? And will that be a risk to growth and margins?

**Mahesh Iyer:** No, Deepak, we don't think so. I think we are very measured in terms of how we set our price to the market. We're also cognizant, and this is something we called out previously also that when we give margin guidance, we are also cognizant of the fact that we don't want to out price ourselves in the marketplace. And there will be some tactical moves that we'll make based on either a competition reacting or a price point operating at a certain point in time.

Just to give a case, I mean, look at kumbh, the kind of demand we have seen, where we see an opportunity to put the price up. We've actually done that because the demand was outpacing the supply in some form. So obviously, where there's an opportunity, we'll do it. But there will be times and there will be pockets or markets or products where we anticipate a certain amount of demand, but that's not coming in.

Our competition is playing a different game. Obviously, we don't want to be losing that market too. So, we will have to play that game. But we'll be very cognizant of how we play this. And currently, the pricing and discount strategy that we play is well benchmarked to how the markets across are operating.

**Moderator:** The next question is from the line of Meet Shah from Finance 360. Please go ahead.

**Meet Shah:** I have a couple of questions on MICE segment of the business. Earlier, we have -- earlier the management has told that we are being conscious on the government contract given the payment cycle. So now what has changed? I mean, have we negotiated with government entities on this front? And on the demand outlook for FY'26 on both government and non-government portfolio from MICE segment? That's question number one. And the other question is, now in India, we are seeing this mega trend going on concert economy, we have seen with Coldplay and other Diljit that the tickets get sold and they are fully occupied. And even Prime Minister is emphasizing on the infrastructure. So, are we -- as a Thomas Cook Group, are we planning anything to serve this trend which is happening in the economy in any sort of pace?

**Mahesh Iyer:** Meet, again, Mahesh here. I'll try and answer both these questions. Commenting on the MICE, I don't think we ever said that we will be not looking at the government business. I think what the statement that we made for 2024 is that it was a year of an election and not that there were too many government contracts that were coming up for bids.

The last quarter of 2024, we actually got the opportunity to bid for the national games in Uttarakhand. And as we speak, we are actually executing the games, which started on the 25th of January and will go on till the 17th of February, which is the ultimate day when the events end. There are close to 10,000 athletes, 5,000-plus support staff, 3,000-plus government officials, 2,50,000-plus meals in about 10 to 12 venues. It's a large-scale operation. We've got about 300 of our people who are on ground managing in a very difficult terrain in Uttarakhand. So that's the scale of operations that we are currently doing.

From money safety point of view, I think in all the government business that we have done till date, we have recovered all the money that we have to get from the government. While there are some delays, and I think we have also been wiser in terms of how we have priced our products also. So, we are factoring in some capital cost that goes into pricing some of these contracts.

Having said so, the contracts are drawn out in such a way that there is a payment schedule that the government has agreed with us. And I'm happy to let you know that payments as per that schedule have come in, in most cases. It's always the last part of it, where there is a certain percentage of the contract value, which is paid only after the events are completed and final submission. And that ultimately takes a delay of about 3 to 4 months. But I think that's something that we have already factored into our workings.

Coming to your second point on the concerts and other e-cultural events that are happening. I think, look, we've seen 2 such mega events. One, as you said, Diljit Dosanjh. The second one, Coldplay. Look, one of the bigger challenges is trying to procure the tickets for these events. It's not about providing accommodation or transport, but I think most of the people who want to go there also look for tickets, and there are unfortunately no bulk suppliers of these tickets that I can pre-package and sell.

But we have our eyes and ears to the ground. We will keep evaluating that opportunity. But currently, I think we have a plateful of offerings that we have to the marketplace. And if this opportunity grows up, and we see more opportunity or more revenues to grow our business and revenues there, we'll definitely consider that.

**Meet Shah:** Okay, sir. Got it. And sir, any qualitative or quantitative view on the MICE segment for next year?

**Mahesh Iyer:** Look, both on the private and public -- sorry, I didn't respond to that question. I should have. On the private sector, we haven't seen any slowdown. I think our forward-looking pipeline,

both for SOTC and Thomas Cook, the two operators in this space from the Thomas Cook Group perspective are very strong on the private side.

On the government, we had absolutely no business in 2024. We had a bulk business in 2023. And in 2025, we've actually started off with a decent score. I think we will continue to keep our focus and balance our portfolio. It's not going to be over dependent on one segment. But I think we haven't seen any slowdown. If the question is around to say whether the corporates are slowing down, no, we haven't seen.

And actually, we have expanded our offerings into the marketplace, both in terms of destination and our reach and the customer segments who travel with us in the MICE business. So, I think there is more leg room available for us, and there is more firepower left in the MICE business to expand and grow.

**Meet Shah:** Okay. Sure, sir. And sir, last one, is it reasonable to expect 12% to 15% growth for this segment?

**Mahesh Iyer:** Meet, I think that's what we've always guided for the overall travel segment. We've said 12% to 15% growth is our guidance on the travel segment. And I think MICE is going to be no exception to that.

**Moderator:** The next question is from the line of Parvin Sharma, who is an Individual Investor.

**Parvin Sharma:** I have a question on the DEI segment. The margin here remains enigma, because my understanding is once you have a tie-up with the property, and you put up the software and cameras and everything, a major part of the revenue, which is accrued should go into the bottom line. So why is the margin so low? And when we say that in '25, '26, we will go back to a good margin scenario. So, what is the margin we can expect there, in the DEI?

**K.S. Ramakrishnan:** Okay. I think I'm amused with the word enigma, but nevertheless, the business, your understanding probably is still completely not clear. Let me help you. When we tie up with the property. We get a contract to operate in that property, but we still depend on the attendance that comes to that property. And the attendance of tourists that come to the property, I've already explained, have been hampered, due to a few issues, geopolitical weather, etc, last year.

Again, that's a one-off case and doesn't happen every year. In the past 20 years, Dubai has never had that weather issue. It was the first time it happened. And hopefully, it will not happen again.

The geopolitical issues, again, is no one's prediction, but it was what it was. So, it is not like whatever -- once a contract is signed, the revenue is backed.

The contract is signed only to secure opportunity to create that revenue. And we do that diligently. And I think our purpose of saying that our comeback will be back in '25, '26 is because December, January has started showing that trend back from all those aberrations that otherwise happened through the year of '24. So that helps you understand the confidence level, we can say, plus we have a 20 years background behind us. We have been consistently delivering that in the past. So that gives us complete confidence that things are not going to change on that format.

**Parvin Sharma:** No sir, once the footfall is there and the revenue is accrued, why doesn't it go to the bottom line? What are the major expenses? Can you detail on that also?

**K.S. Ramakrishnan:** Well, I wouldn't be able to give a lot today but let me just give you a brief background. The business once the revenue is accrued, the revenue gets accrued only when we capture the images. Our business is the only business where every morning, you start with a zero inventory.

This is the only business where your retail, we run a retail operations with zero inventory when we start. And the inventory of capturing those pictures are facilitated by people we use for, which is where your cost is. So, we are priced in on the people that we invest to capture these pictures and technology up to a certain extent, that captures the pictures. We still are not a fully automated model, and that's why we are the largest and the best revenue operators in the souvenir imaging business across the world because of the human touch.

So those are all up to a certain extent, fixed costs, variable in some nature. So, there is a certain amount of fixed cost is always there. So, unless we don't bring into nearly about 100% of our revenue, we will not be able to make 100% of our profits, it's committed. If the revenue drops by 10% - 20%, the profits dropped by 40% - 50%, and the revenue drops by 20%- 30%, which is rare, was an aberration in 2024, our profits have been affected. That helps you understand why.

**Parvin Sharma:** And this WeC software will automate a lot of stuff, correct?

**K.S. Ramakrishnan:** Yes. So going forward, the WeC software will, but please keep in mind, the technology once deployed, which is in the third quarter, will take some amount of time to stabilize. We have a very, very healthy projection of our future in our minds right now. But as far as margins goes, we are very confident to bring back margins that we originally operated on pre-'24.



Once WeC gets deployed, come '26, we are also anticipating even further betterment of those margins. And that's the reason we are investing in that technology. It is up to a great extent fully automated there.

**Moderator:** The next follow-up question is from the line of Deepak Lalwani from Unifi Capital.

**Deepak Lalwani:** I had a book-keeping question. Sir, on the tax rate, since you have utilized the DTA in Sterling, so what is stopping us from moving to the lower tax regime, at least in India?

**Debasis Nandy:** It is not yet fully utilized. There is still something left, which will happen in this quarter, in the current quarter. And thereafter, the company will take a call on that. Nothing is preventing us. We want the DTA assets to be fully utilized. There is some amount which is still left out.

**Deepak Lalwani:** Okay. If you can help us to quantify that amount, sir, how much is left?

**Debasis Nandy:** It's a very small amount. Let's not get into so much of detailing. I think then it becomes a company-specific discussion rather than a group-specific discussion.

**Deepak Lalwani:** Okay. Got it. And the takeaway for us should be that we are thinking about the lower tax regime next year, right?

**Debasis Nandy:** Are you talking across the Group or are you talking about Sterling?

**Deepak Lalwani:** No, I'm talking about across the Group, not specific to Sterling.

**Debasis Nandy:** Across the Group, I can't commit like that. We are spread in 29 countries.

**Moderator:** Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.

**Madhavan Menon:** Ladies and gentlemen, thank you very much. I just want to thank all of you. This is going to be my last call that I'm going to take. Mr. Iyer will take control of the analyst calls from here on. I'm sure he is already doing the heavy lifting, if I can use that word, along with Debasis and Vikram and Ram. Just very quickly want to mention that this is a one-of-a-kind quarter. And our expectation is that it will not repeat itself when we're looking at trends, be it the forward bookings, be it other markets which we operate in, we are seeing far better numbers, primarily because of the impact of the geopolitical situation.

In the foreign exchange space, there has been some degree of volatility because of the Trump -- the new US regime that's in place and talking up the dollar with tariffs, etc. But I don't think that's going

to make a dramatic change from here on. So, my expectation is that we will be back to normal in the coming quarter. And as you will appreciate, that's the end of a financial year for us also. Thank you very much, again.

**Moderator:** On behalf of Systematix Shares & Stock Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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