



## Financial Analysis of Mahindra Holidays and Resorts India Limited

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### Abstract

During 2022, 6.8% of India's GDP came from the travel and tourism sector, according to The World Travel and Tourism Council (WTTC). Eight percent, or about 40 million jobs, were added to the Indian labor force as a result. To boost tourism and generate more foreign exchange revenues and employment, the travel and tourism sector must put up endless effort in collaboration with our partners and the Indian government's Tourist Department. 6.19 million foreign tourists visited India in the year 2022. The number of international visitors that entered India under the tourist e-visa program exceeded 2.5 million, representing a 24% increase over the previous year.

**Keywords:** Financial analysis, ratio analysis, hotel industry, tourism, MHRIL Growth

### Introduction

Tourism has become the world's largest industry, generating wealth and employment, opening the minds of both visitors and the visited to different ways of life. India has strong signs of becoming one of the emerging giants in world tourism. The most imperative factors for successful tourism development include product enhancement, marketing, regulations and human resource development. India's tourism is one of the flourishing sectors in terms of its scope. Tourism in India is growing continuously to generate employment and earn large amount of foreign exchange in order to stabilise the country's economic and social development. It also helps in preserving and sustaining the diversity of the India's natural and cultural environments.

The fear of getting infected from Covid-19 has impacted the travel and tourism industry of the country domestically and internationally. Foreign travelers of many nations have canceled their bookings. The Government gives social distancing directions to the public transport industry and mandates air travel to left empty the middle seat to maintain social distancing. Thus, they reduced seating capacity, which increased the flying cost, and for this reason, the travel cost will also increase. Because of the emergency related to the Covid-19 panic, many flights, domestic and international, can be canceled. International Transport Association

estimates that the global loss of revenue to airlines would be about US\$ 214 billion while pending customer's refund due to cancellation of flights stands at US\$ 35 billion. The air transport industry is severely affected due to flight ticket cancellation. The air transport industry's revenue has been reduced significantly, and this situation does not improve soon.

Basically, portability for enjoyment is what the travel industry offers. Along with being a comfortable endeavor, it is the fastest growing industry in the world, with participation from both the wealthy and the less fortunate in each of these social orders as well as the created and creating social orders. Generally speaking, the constructed social orders take on the role of guest to the latter specified. All things considered, the emerging social orders take on the role of hosts, and their assistance is not only implied but also specifically requested due to the enormous financial power of the travel service sector.

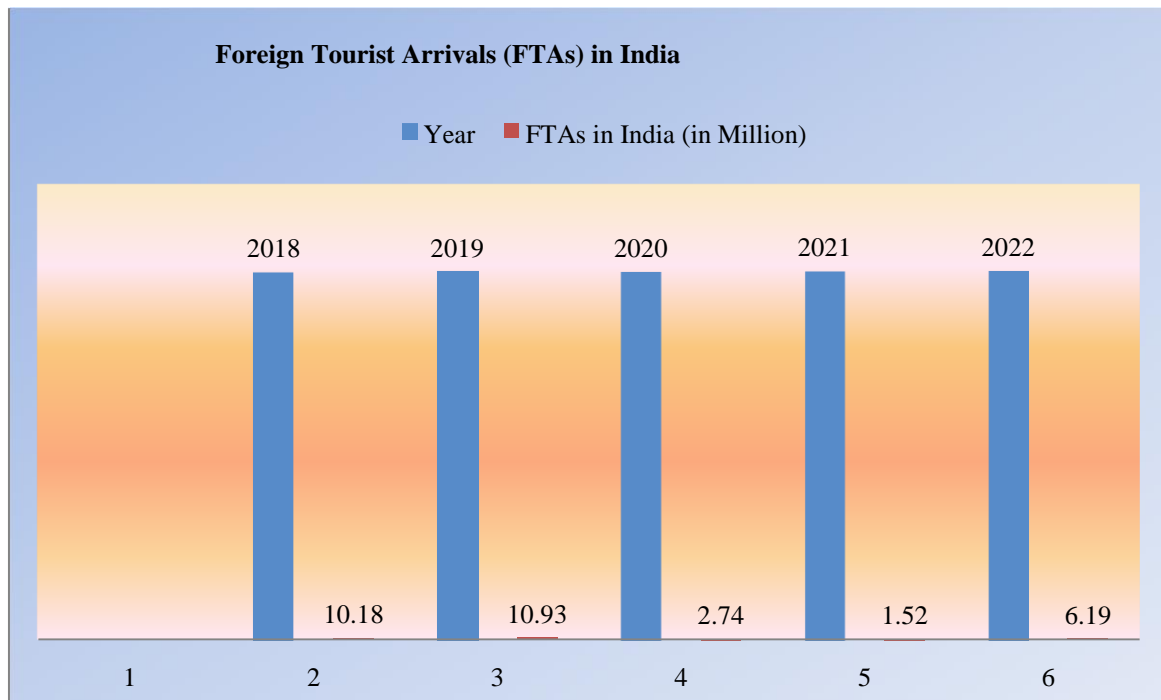
### Tourism in India

Recently, there has been a notable increase in the number of foreign tourists visiting India. The Ministry of Tourism has released reports that show that, in 2022, there were 6.19 million foreign tourist arrivals with an annual growth rate of 305.4%. Indian national departures during 2022 were 21.09 million (Provisional) with a growth of 146.7 over same period of the previous year.

**Inbound tourism:****Foreign Tourist Arrivals (FTAs) Arrivals of Non-Residents Indians (NRIs) and International Tourist Arrival (ITAs) 2018-2022****Table: 1**

Year	FTAs in India (in Million)	NRIs arrivals in India (in million)	ITAs in India (in million)	Percentage change over previous year		
				FTAs	NRIs	ITAs
2018	10.18	6.87	17.42	5.20	1.40	3.70
2019	10.93	6.98	17.91	3.50	1.70	2.80
2020	2.74	3.59	6.33	-74.90	-48.60	-64.70
2021	1.52	5.48	7.00	-44.50	52.60	10.60
2022	6.19	-	-	305.40	-	-

**Source: Bureau of Immigration, Govt. of India Note: Data for the year 2022 is provisional. ITAs = FTAs + NRIs**

**Chart: 1**

The Ministry of Tourism redesigned the program and introduced Swadesh Darshan 2.0, which aims to create responsible and sustainable travel destinations all throughout the nation. The Ministry has revised the plan in light of the thorough examination. The redesigned program, called Swadesh Darshan 2.0, aims to achieve "Aatmanirbhar Bharat" by utilizing India's full potential as a travel destination under the motto "vocal for local." With the support of institutional and policy reforms, Swadesh Darshan 2.0 represents a generational shift in the Swadesh Darshan Scheme, evolving it into a comprehensive mission to develop sustainable and responsible tourism destinations covering infrastructure related to tourism, services related to tourism, development of human capital, destination management, and promotion.

**About Mahindra Holidays and Resorts India Limited**

Mahindra Holidays & Resorts India Limited (MHRIL), a 1996-founded Indian hospitality company, is known for Club Mahindra. It offers timeshare family vacations and is a part of the Mahindra Group's Leisure and Hospitality division. Over a 25/10 year span, MHRIL has been providing family vacations largely through vacation ownership memberships. Club Mahindra, which offers a 25-year membership, is the company's flagship brand; additional goods include Bliss, Go Zest, Club Mahindra Fundays, and Savasta Spa. As of September 30, 2022, MHRIL has 86 resorts in India and overseas, and its affiliate, Holiday Club Resorts Oy (HCR), Finland, one of the top vacation ownership companies in Europe, with 33 Timeshare Destinations and 9 Spa Resorts in Finland, Sweden and Spain.

Table: 2

Type	Public
Industry	Resorts
Founded Year	1996
Founder	Mahindra Group
Headquarters	Mumbai
Number of Locations	125+
Area Served	India and Abroad
Key People	C P Gurunani (Chairman)
Products	Hotel, Resorts and Restaurants
Owner	Mahindra Group
Website	www.clubmahindra.com

### Literature Review

Anand M. M. (1976) The study attempts to examine the concept of this diverse travel plan, whose activities vary from promoting a trip to a public monument to the layout of open housing. He has examined the arrangement's layout and operation. He stated that prediction of things to come interest, or information regarding the amount and kind of individuals who might be using the offices, is the primary necessity for the expansion of industry. It is as far as the suggestion that the proper accumulation be developed at the appropriate value, at the right spot, at the right time.

Singh R. Y (2014) according to author the current study demonstrated the various factors that contribute to high attrition in the hotel industry. The objectives of this study were to compare the factors that contribute to a high attrition rate between chain hotels and independent hotels. Both primary and secondary types of data were used in this research. Data collected through random sampling method from chain and non-chain hotels of Udaipur. 300 sample size had chosen by the researcher. Structured Questionnaire were used as a research instrument by the researcher. To obtain the opinions of diverse respondents from various department of chain and non-chain hotels in Udaipur district, questionnaire and interview schedules were designed by the researcher. For data analysis, mean, percentage, standard deviation, "Z" test statistical tools were used by the researcher. At the end of the study researcher suggest that, when employees are doing good job, management can appreciation him., motivate employees by giving awards and rewards for achievement.

Dong Jin Kim (2017) He examined the financial ratios of hotels and restaurants, which pertain to two segments of the hotel business, in his paper "A Comparative Analysis of Money-Related Ratios between Hotels and Restaurants." This investigation specifically looks for differences in the

liquidity, dissolvability, mobility, and productivity ratios between the two portions. As opposed to the hotel, they find that the lodging sector has higher liquidity and action ratios. The hotel and restaurant have greater capacity to meet their long-term financial obligations in terms of dissolvability ratios. The two pieces' production ratios in distinguish don't significantly differ from one another.

Dayuan, W (2022) this article used ratio analysis to assess their financial situation and conducts a case study of the research into Hilton Company to provide a real-world application of this particular research. Six upscale hotels are chosen as representative samples. The findings show that, while there were no severe liquidity problems during this time, profitability declined across the brand for the hotel business, suggesting that solvency challenges may arise in the future.

### Research Methodology

Research Objective

- To study the financial performance of Mahindra Holidays and Resorts India Limited
- To analyse the profitability of Mahindra Holidays and Resorts India Limited

### Research Design and Data

The Study was done by applying descriptive research. We have conducting research by using data of Mahindra Holidays and Resorts India Limited. Data sources used in study are balance sheet and profit and loss account. Data are collected from website of Mahindra Holidays and Resorts India Limited

### Hypothesis of the study

- H0 =There is no significant difference in net profit ratio of Mahindra Holidays and Resorts India Limited
- H1=There is significant difference in net profit ratio of Mahindra Holidays and Resorts India Limited

**Table: 3**  
**Net Profit Ratio of Mahindra Holidays and Resorts India Limited**

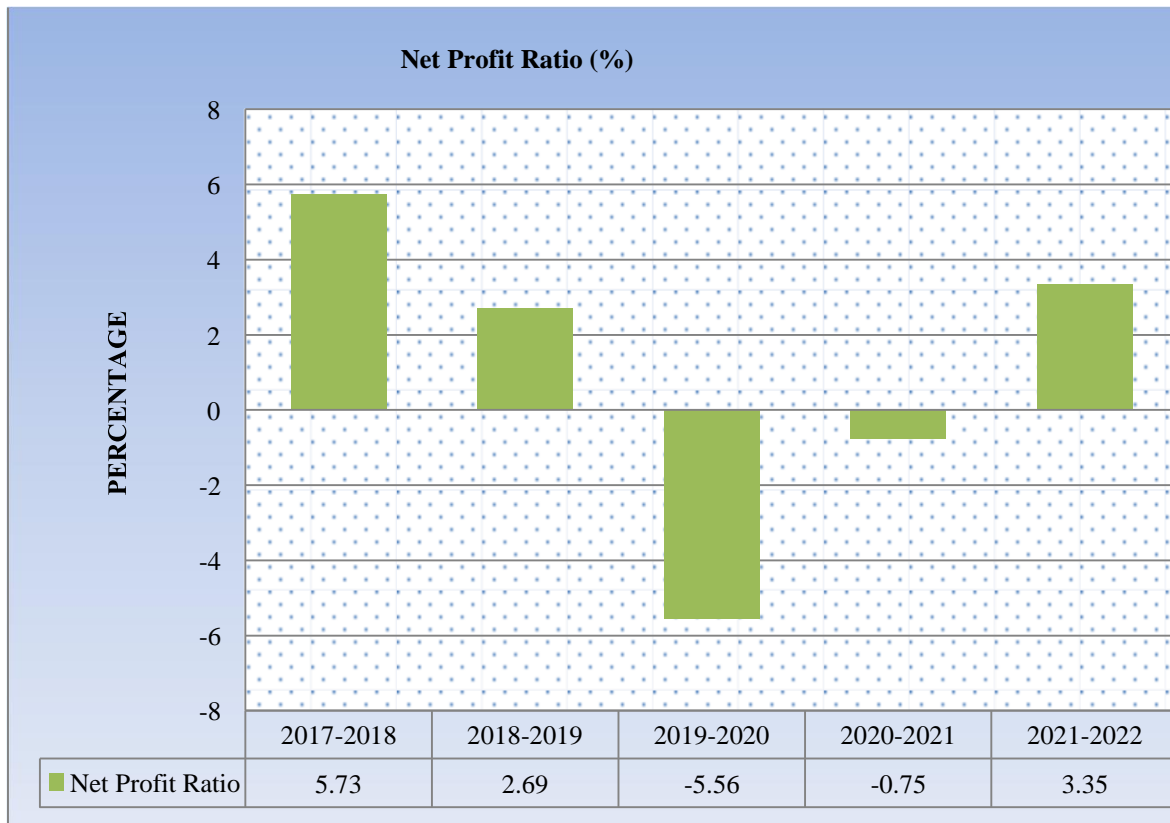
Year	Net Profit (In Lakhs)	Sales (In Lakhs)	Net Profit Ratio
2017-2018	132.96	2,316.92	5.73
2018-2019	59.49	2238.99	2.69
2019-2020	-134.28	2371.87	-5.56
2020-2021	-14.03	1729.96	-0.75
2021-2022	67.62	2013.30	3.35
Average	22.352	2134.21	1.092

**Source: Annual reports of Mahindra Holidays and Resorts India Limited**

The net profit of this company shows in the above table from the year 2017-18 to 2021-22. The net profit of the company was -134.28 lakhs in the year 2019-20, it was the lowest net profit throughout the last five years. The net profit of the company was 67.62 lakhs in the year 2021-22. The net profit of the company was 59.49 lakhs in the year 2018-19. The net profit of the company was -14.03 lakhs in the year 2020-21. The net profit of the company was 132.96 lakhs in the year 2017-18, it was the highest net profit throughout the last five years. The net profit of the company was decreased to -134.28 lakhs in the year 2019-20 and 14.03 lakhs in the year 2020-21, it was the effect of Covid-19

pandemic on profit of the company. The average net profit of the company is 22.352 lakhs. The sales of this company show that from the above table from the year 2017-18 to 2021-22. The sales of the company was 2316.92 lakhs in the year 2017-18. The sales of the company was decreased to 1729.96 lakhs in the year 2020-21, it was the lowest sales in the last five years. It was increased in the next year. The sales of the company was 2371.87 lakhs in the year 2019-20, it was the highest sales throughout the last five years. The sales of the company was 2013.30 lakhs in the year 2021-22 and the average sales of the company is 2134.21 lakh.

**Chart: 3**  
**Net Profit Ratio of Mahindra Holidays and Resorts India Limited**



To determine its profitability using the net profit ratio, the statistical hypothesis testing using the relevant test is also computed below.

**Hypothesis Testing**

Anova: Single Factor

**SUMMARY**

Groups	Count	Sum	Average	Variance		
Column 1	5	111.76	22.352	10379.5		
Column 2	5	10671.4	2134.28	69720.4		
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	1114989	1	1114989	278.397	1.68E7	5.3175
Within Groups	320401.1	8	40050.4			
Total	1147021	9				

**Interpretations**

The net profit ratio of Mahindra Holidays and Resorts India Limited does not significantly differ from the above calculated value of  $F = 278.397$  and Critical Value of  $F = \pm 5.3175$ .

This indicates that the null hypothesis is rejected because it is false within the rejection region of the critical value  $= \pm 5.317$ .

**Result of Hypotheses Testing**

**H1 = There is significant difference in net profit ratio of Mahindra Holidays and Resorts India Limited**

**Conclusion**

Traveling was not as enjoyable as it is now in the distant past. The explorer of old was a shipper, a voyager-researcher seeking out old messages, and even a curious traveler hoping to find fresh and stimulating experiences. The tourism sector represents people's fleeting and transient exposure to objections outside of their usual living and working environments, as well as their activities there. The travel business welcomes any personal growth that takes place outside of a person's hometown for whatever reason, with the exception of moving or regular job duties.

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