Date: November 16, 2021

To,

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai - 400001, India

To,

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G Sandra Kurla Complex,
Bandra (E) Mumbai - 400051, India

Dear Sir/Ma'am,

Sub: Transcript and Audio Recordings- Investor Call
Ref: Symbol: EASEMYTRIP, Scrip Code: 543272 ISIN: INE07O000101

Please find enclosed the transcript of the investor call conducted after the meeting of Board of Directors on Thursday, 02nd November, 2021, with regard to the financial results of the Company for the quarter ended 30th September, 2021.

The audio recordings of the said investor call are also made available on the Company's website at www.easemytrip.com

Please take the same on your record.

Thanking you

Yours faithfully,
For EASY TRIP PLANNERS LIMITED

Priyanka Tiwari
Company Secretary and Compliance Officer
Membership No: A50412

"Easy Trip Planners Limited
Q2 FY2022 Earnings Conference Call"

November 03, 2021

MANAGEMENT: **MR. PRASHANT PITTI – CO-FOUNDER - EASY TRIP PLANNERS LIMITED**
MR. ASHISH KUMAR BANSAL – CHIEF FINANCIAL OFFICER - EASY TRIP PLANNERS LIMITED

Moderator: Ladies and gentlemen, Good day, and welcome to Q2 FY2022 Earnings Conference Call of Easy Trip Planners Limited. This conference call may contain forward looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict. 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 the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Prashant Pitti – Co-Founder of Easy Trip Planners Limited. Thank you and over to you, Sir!

Prashant Pitti: Thank you. Hello and Good afternoon everyone. Today on the call I am jointed by Mr. Ashish Bansal – our Chief Financial Officer and Orient Capital – our Investor Relationship Partners. We have uploaded and updated investor deck and result highlight on the stock exchanges and company website. I hope everybody had an opportunity to go through the same.

If I speak on the quarter gone by, we saw strong recovery on the back of pent-up demand and business travel, which was under severe lockdown across the states for the last 18 months. Opening up of economy and mass vaccination drive aided and boosted the confidence of people to step out of their home and resume to the normalcy once again. This has in fact had huge tailwind to the travel sector. Since people were stagnated across the peripheral borders of their respective cities and states for almost the entirety of the year.

Now since they can move out with confidence, we saw a huge surge in demand for travel and tourism during the quarter went by, and this is still growing on month-on-month basis. We have witnessed not only travel uptick in the domestic market, but now people have also started planning international holidays, which will boost the pent-up demand even more.

Going forward we are optimistic on demand scenario and see more and more people traveling in short and long destinations for frequent holidaying.

Let me speak about our performance and highlights for the quarter. We had a remarkable quarter with adjusted revenues north of 100 Crores per quarter and profitability of more than 25 Crores this quarter. Our gross booking revenue stood at 895 Crores which was 164% up on year-on-year basis and 151% up on quarter-on-quarter basis.

Our B2C revenues for the quarter stood at 92.3% displaying high brand equity and great customer stickiness across our portal for multiple services. Our profit after tax for quarter two of FY2022 stood at 27 Crores, a significant increase of 330%.

For half year of FY2022 our profit after tax stood at 42 Crores almost up by 400%. We have been able to perform exceptionally on operational front as well.

Our air segment which is net of cancellations grew by 2.5 times in Q2 of FY2022 and three times in the first half of the year of FY2022. We have been able to sell 25.79 lakhs air segments in the first half of FY2022. Our hotel segment is the highlight for first half of FY2022. We saw a strong momentum going forward as well.

Our hotel night sold has seen a jump of 13 times in first half of FY2022 on year-on-year basis, and the hotel night which we sold was 68,600 as compared to ~62,000 for the entire FY2021.

Our train, bus and other services clubbed together grew by 267% for first half of FY2022 and 199% for FY2022. The total transaction for bus, trains and other services was 2.31 lakh for the first half versus 2.19 lakh for the entire FY2021. This growth also represents a strong recovery of India's travel sector that was severely affected due to pandemic. We are now extremely bullish about the strong pent-up demand in the travel industry. We will continue to strengthen on all fronts and are confident that our continued focus on financial and operational efficiency will help us achieve sustainable business growth in the coming quarters as well.

Let me spend some time on recent milestones at EaseMyTrip. We are going to acquire a company called as Traviate; this is going to be our first acquisition which is a 100% technology driven platform. Traviate lists more than 1.2 million hotels and has enabled more than 200,000 transactions till date. This acquisition will add a new revenue stream and enable EaseMyTrip to do B2B hotel and holiday transactions. We have also expanded our wings internationally to countries like Philippines, Thailand, and USA. We anticipate a huge pent-up demand across the globe and these expansions will aid in rooting the Ground in the international markets.

We continue to focus on increasing our revenue and market share alongside our equal efforts are distributed on operational efficiency and cost management. We will continue to do our best in creating a lean cost model and remain profitable and increase profits on consistent basis. For example, despite increase in revenues by almost 300% our cost has been under control. Our employee expenses stood nearly at the same as what it was in the first half years of FY2021. In fact, it is marginally down. Our employee expenses as a percentage of GBR is 0.8% for first half of FY2022, which was 2.2% for first half of 2021.

Our marketing and sales promotion as a percentage of gross booking revenue was 0.9% of first half of FY2022 as compared to 1% of first half of FY2021. Our other expense also reduced by 0.2% of the overall GBR as compared to the previous fiscal. We are doing multiple tie-ups with banks to cross-sell each other's products and leverage brand strength for both the parties. We are also engaging with multiple banks and e-wallet companies to provide additional benefits to customers for engaging with them and making them stick on our portal.

Let me speak on financial performances. Our gross booking revenue for quarter 2 stood at 895 Crores as compared to 339 Crores for quarter 2 of FY2021. The GBR for the first half stood at

1,252 Crores as compared to 438 Crores for the corresponding last year. Our adjusted revenue crossed 100 Crores mark for the quarter and stood at 101 Crores up by 291%.

Our PAT for the quarter stood at 27.1 Crores up by more than 330%. Our cash flow was negative this time because of few reasons, one the payment of the advance to the supplier, we made a payment of the advance to supplier to the tune of 71 Crores to get better commission for the business going forward. Second, we also gave dividend worth 22 Crores and third we moved 26 Crores from cash in hand to the long-term FD. Despite negative cash flow our cash and cash equivalents stood at 179 Crores as on September 30, 2021 showing strength in other balance sheet and business model.

With this, I open up the floor for questions and answers.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Praveen Sahay from Edelweiss Financial. Please go ahead.

Praveen Sahay: Thank you for taking my question. The first question is related to your segment revenue, there, in the revenue segment you had given some for a hotel package and other services losses in the revenue. Can you please explain those?

Prashant Pitti: Absolutely well, we are growing our hotel sales right now. If you see, we have been able to increase our hotel sales by 13 times compared to that of last half year. In fact we have already sold more rooms than the entire last year of last year in just first half of this year. So, the margin might be miniscule negative right now, but overall it is a very positive trend for the company where we are giving slightly more discount to the consumers to make them form the habits of using EaseMyTrip for hotel bookings as well.

Praveen Sahay: So you are burning cash on these two businesses right now.

Prashant Pitti: For the hotel department it is a miniscule loss making business right now, yes.

Praveen Sahay: So, how to look at this business because the way forward also you are growing also very on the higher side and because it seems like you are a burning cash on that giving in terms of discount or something, you are burning cash in that and you are also quite bullish on this business. So, when you are expecting this stream to come to some positive revenue side at what level of, at what like the numbers you had already provided the hotel nights at what number of a hotel nights it will become positive.

Prashant Pitti: As I mentioned we are trying to actually run this business at breakeven stage the amount of negative what you are saying is actually pretty minuscule so the idea is not to burn money over here but it is just slightly miscalculation you can say in order of offering discounts and that is why the amount is negative right now; however if you pay attention the growth is tremendously fast right now and we intend to remain a break-even company or profitable company in the future as the growth tapers down a bit.

Praveen Sahay: The next question is related to your acquisition Traviate. So how big that company is in terms of revenue??, how is the margin of that company??, how much employees they have?? how much you paid for the acquisition?? and some details of that acquisition, if you can share.

Prashant Pitti: So, we have entered into non-binding agreement and the due diligence and other procedures are under process right now. So, I may not be able to share a whole lot of detail right now, since it is not disclosed yet. However, I can tell you a little bit about the financial operations of the company. The revenue model of the business, of the company is actually pretty simple what this company allows is, it connects travel agents with corporates and travel agents with other travel agents and everybody can upload the best possible rate of hotels which they have so imagine if you are a travel agent sitting in Garbhanga. Now the rates which you might have for the hotels in Garbhanga probably are the best even better than what market gets or other competitors get. Now with Traviate a travel agent will be able to upload their rates and other travel agents sitting in the other parts of the India of the world will be able to book it using Traviate as a business model. So, it is creating a whole new kind of inventory on its own and the revenue model is very simple it is basically per transaction fee whatever transaction happens Traviate charges a transaction fees on that. The company's profitability of course is growing very strong. In FY2019 the company incurred a loss around 1 Crore, in FY2020 the company incurred a loss of around 40 lakhs. In FY2021 results are yet to be displayed by the company but we are extremely bullish on this company since this company deals with travel agents and EaseMyTrip has the largest relationship with the travel agents across India. In the past ~56,000 travel agents have used EaseMyTrip of the total 70,000 registered travel agents in India. So, we are extremely bullish of providing our network to this company and they have created a very good technology which is going to create a new kind of business model as what we are saying right now.

Praveen Sahay: Okay great. Next question, Sir, related to your international expansion and you had added a few destinations, international destinations. So how are you going to see the expense side because going to Philippines, or US is that escalating your expense?

Prashant Pitti: So the company is showing the right fee for the future right now this is how I would see this, we have disrupted the India market by keeping our operational cost, our cost to be extremely low and offering value to consumers by giving them an option to not to pay convenience fee and this is what our anticipation is for the future that using the current cutting-edge technology which we have and the best-in-class operational efficiency which this company has we would be able to offer a great value to consumers living abroad for their own respective country travel. See the idea is not to have a humongous cost center at these countries we probably would need only few people in each of these countries, who would deal with the local airlines, who would deal with the local payment gateway, and create, and enable the system, while the entire operation and technology that will continue to run out of India.

Praveen Sahay: And the last question I have related to your 71 Crores which you had said about the deposit can you give more detail on what frequency such kind of a deposits you made at, is there any seasonality or any timeline in a year, financial year for these kinds of things.

Prashant Pitti: Well, we have given an additional advanced payment to our suppliers around 71 Crores, 72 Crores in the first half of this year and for that we are enjoying much better commission. This is a rotational advance. As we deposit the equivalent amount in the bank, as we deposit the amount in the bank account, we utilize the same amount by making bookings and then we refill it. So, it is not something which is given to them forever and this amount can change dramatically it can go down as well dramatically as this is yet to be seen, but however it is a rotational deposit it is not a fixed advance which we have given.

Praveen Sahay: So, because you are doing a business for a quite long with the airline companies. So must have some deposit advance, deposit to them is this a additional advanced deposit I can say.

Prashant Pitti: That is correct this is an additional advanced deposit then business as usual.

Praveen Sahay: So, your business is increasing and that is why this additional advance required.

Prashant Pitti: You can say that and also this is to get better commission from the airline. This is the deal which happens on one-to-one basis and on the basis of giving them additional rotational deposit we are able to enjoy better commission.

Praveen Sahay: Okay. Thank you for taking my question, I have some more question, I will come in the queue and all the best Happy Diwali.

Moderator: Thank you. The next question is from the line of Jimesh Sanghvi from Principal India Mutual Fund. Please go ahead.

Jimesh Sanghvi: Sir on the Traviate deal will it be a complete buyout or there will be a certain stake buyout which would happen and if you can throw some light on the promoters who are they right now and if anything on the background if you can share out that, that is one, and second we also did some tie-up with InterGlobe Technology wherein we have also an agreement worth $10 million so if you can share some further details on that as well how does it actually work and how will it benefit us.

Prashant Pitti: Absolutely your line was not very clear but I think I have gotten the gist of what you were asking. A little bit about the Traviate as you want. At this particular time and moment I may not be able to disclose what exactly the deal structure is since it is under the due diligence and the process is happening right now however I can tell you what our thought process is while we are going to be acquiring companies in the future as well. At EaseMyTrip we are looking for companies who are somewhat like EaseMyTrip but just five years prior. Now we are looking for mostly tech companies who are asset light, could be bootstrap should be very close to profit maybe you can just mute yourself since there is a lot of disciplines coming from your side.

Should be very close to profitable or already profitable now and also we are mostly looking for companies in non-air segments hence within the air segment we are already among the market leaders and we are growing profitably in non-air we are expecting to double our business organically every year but we could use some inorganic acquisitions in non-air to grow faster but most of us the acquisition strategy which we are following is very scalable, we are not planning to merge any company but allow them to run independently also in most cases we are looking to acquire between 80% to 100% of the company. so that the founder has minority stakeholder remaining with them and they have intentions to grow the company in the future. This is a bit about our strategy about the other question which you asked related to interglobe. See interglobe and we have been working together since forever the deal which we have done recently is basically they are giving us advanced incentives worth $10 million and once we utilize those advance incentives we will look forward to regain the deal with either MIDF or InterGlobe and that guy probably will happen in the future. So this is the advance incentive which I provided to the company and the reason I believe that this deal has happened right now is that the international air ticketing thing is supposed to grow and because and for all the international air ticketing we will continue to use InterGlobe Technology.

Prashant Pitti: So, it is based on certain milestones of bookings that you will kind of offset this advances or something. So with every segment which we book via InterGlobe we have tied-up with an exclusive partnership with them with every segment which we will book via InterGlobe we will get some incentives from them and those incentives will keep on getting reflected as revenue in the company. Right now this $10 million is put as a liability in the company and as we continue to make the bookings they will keep shifting from liabilities to the revenue.

Jimesh Sanghvi: Sir, on the Traviate side I remember you saying in your past calls that probably we will be looking more at equity buyer like sharing equity stake in our company with the subsidiaries does that continue to hold true even for this Traviate deal or probably that would be a cash buyout or something.

Prashant Pitti: So that will be decided by the board, I may not be able to make a comment on it. If the deal size is big we may use equity if the deal size is small we can use the cash which we have in hand as well, but it is to be decided by the board.

Jimesh Sanghvi: Sir any kind of details on the promoter who are they?

Prashant Pitti: Yes, so Ranita Chugh the promoter of Traviate. She has been in the travel industry since God knows 10, 15 years and she has done a wonderful job with Traviate business existence last six years and she and her team has done a wonderful job in creating a very scalable and a very, very robust business model in fact we have been using Traviate in the past as well but now the idea is that we can acquire this company and we can open up our travel agent networks with them and help them grow faster on the technology which is already built.

Jimesh Sanghvi: Sir, lastly can you share what percentage of our gross booking revenue will be for the B2B segment and what percentage would be from the retail segment.

Prashant Pitti: So, as I mentioned in the opening remarks 92.3% of our business is B2C right now and remaining is either travel agent or corporate business.

Jimesh Sanghvi: Fine Sir. Thank you. That was helpful.

Moderator: Thank you. The next question is from the line of Prateek Kumar from Antique Stock Broking. Please go ahead.

Prateek Kumar: Good afternoon, Sir. My first question is on employee expense. So, as you would know that is of late too much noise around employee cost inflation or in the tech sector particularly so how are you like sort of dealing with it in controlling the cost and keeping the cost under control, I mean very controlled way and going forward.

Prashant Pitti: Sure. So, thank you for this question. We have about 370-odd employees in the company off which 72 employees are in the tech space and of course as rightly said the tech employees salaries and costing are the highest among all the other, of the salient 370 around 180 to 200 people are in the back end job which could be taking calls, replying to the email, just chatting with the consumers, booking or canceling the tickets. So those jobs can be taken care of by the freshers or the people who have one year or two years of experience. So those kinds of people are really do not cost much money to the company and another thing this company has done is that we have not outsourced any people, any employee everything is done in-house for this organization unlike our competitors. On the tech, our average tech salary is somewhere around 11 lakh per annum for the 72 around 10 to 11 lakh per annum for the 72 employees which we have. So clearly it is one of the biggest costs to the company and it is rightly said because at the heart of it we are a technology company. But now there are few ways by which we have safeguarded ourselves in the future on the tech cost rising as well. So, one thing is we are using a .net technology as a website. Now there are a lot of internet companies these days who all are using python or java or node.js as a technology and hence they are competing amongst each other for a very small pool of population and that is why the tech costs for those companies are rising astronomically. However, the technology base the tech stack which we have used the employees are available far in a building and thankfully we are not seeing a lot of coaching happening from the tech world on our employees just because the tech stack which we have used is slightly different than what the other internet world were suggests.

Prateek Kumar: So, this is something which you feel is like going to sustain in your advantage and like this tech stack and so employee cost is likely to be contained.

Prashant Pitti: Absolutely. So, one thing we also we also shared this in multiple newspapers, that suggesting that how people who join EaseMyTrip have stayed with EaseMyTrip for really, really long and have continued to work with EaseMyTrip for really, really long. For the tech employees which we have I can probably count on my fingers for the first 10 tech employees which this company has offered seven are probably still working with the company even after 13 years. So that talks volumes about the company retention and the policy and we believe that our tech cost will continue to go up but it will not go as high as what it is going for the other startups which we all are hearing, right now.

Prateek Kumar: Thanks, and my second question is on how do you see the ramp up of your competition clear trip under the ambit of Flipkart has there been any material pickup which is something industry should understand or is it something very stagnant and we recently heard also a running of also investing in that company or taking the minority state is it something which impacts the industry.

Prashant Pitti: Well, see we have been in this industry for the last 13 years and we have been facing this kind of competition in fact the competition intensity has only gone down, but we are seeing the work of the intention, intensity of competition, burning money, money was burnt as fluidly as you can imagine I believe that the market opportunity is very large and at this stage we believe that we will be able to sustain on our own and we will be able to deliver the growth which we have delivered in the past and with our newer business initiatives. So there has been some activity which we are seeing on the creative side but I think that is pretty much coming from the billion sale which Flipkart anyways does during this particular time of the year. But besides this the company feels very confident if I speak specifically about the air ticketing industry it is a $15 billion industry which is poised to become $25 billion industry by FY2025 as more and more new airports are coming in India. So we believe that we have a very good runway towards the future.

Prateek Kumar: And one last question on the take rates so has there been any change of stance or I mean…

Prashant Pitti: There has been no materialistic change so far since last three, four quarters it is just continuing as business as usual and there is no materialistic change as of now.

Prateek Kumar: Sure, Sir. Thanks and all the best. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Saurabh Shah from AUM Fund Advisors. Please go ahead.

Saurabh Shah: Hello, Sir. Just following up on the previous question; Sir, just salaries and the technology cost I wanted to get some sense you mentioned that people who have been there with you for decade plus and we saw from the annual report there seem to be these three names over there which are significant. So how do you manage to pay what is the profile of these figures I think the salaries of PC gentlemen I think it was in the range of 20 lakhs plus so for the rest I guess it is even lower so what is the profile of this technology help that you have in their qualifications average experience and what is the addition they are doing because you sound like a technology intensive business which may require a lot of constant application development interfaces, etc. and all that. So just understand some sense of your technology costs relative to the operations that are required to know maintain your business kind of position.

Prashant Pitti: Absolutely. So, as I mentioned we have about 70 odd people in technology teams and the average salary is between 10 to 11 lakhs per annum for the technology team and that I believe is somewhat compared to what the industry standards are we might be slightly on the lower side specifically because we have chosen a different tech stack compared to what most startups choose because of which we have been able to insulate ourselves from the rising cost and also unavailability of such tech employees. Now the usual profile is that most of them are engineering background who might have had two or three years of experience in the past and then they continue to work with these markets, their salaries probably get on annual basis get incremented between 20% to 30% on an annual basis and we continue to see them serving these matters for a longer tenure.

Saurabh Shah: But what tech stack is this, is this very different from what other peers for example in the IT services industry work on out of course their salary is the starting size and total at least 20% to 25% higher and does your tech stack then afford you the same amount of upgradation that is needed for your business. So of that technology what platforms you use.

Prashant Pitti: The technology platform we are using is .net on the backend and then all the servers are on the cloud either we are using SJO or we are using AW and now as I said the technology does not stop us from anything the technology is also getting upgraded it is a Microsoft technology it is a very well reputed technology and the employees are available in the market in abundant. So there is no dearth of employees as well and we believe that we are able to manage our costs in a very, very efficient manner and continue to grow over technology alongside we started with a technology team of five people right now we are 72 people in fact just prior to COVID our technology team was somewhere around 50 people so during the COVID times when people were actually letting go of our technology people we went ahead and hired more people because we knew that technology is the core of the company and utilizing them we can create more automation in the system.

Saurabh Shah: Anyway, so, Sir, .net you expect to change in the near future it seems like a selective at least for my limited understanding…

Prashant Pitti: In fact it is changing as we speak, it is getting better .net right now was not an open course technology but the future of .net is open course and we believe it is an incredible technology and we wish to stick by with it for a longer duration and there are many other good companies who are using .net as a technology. So for such a strong consume oriented UI intensity at least what we have got this .net may have some limitations compared to the more newer platform that we see out there, but the only limitation I do not agree with that statement the only limitation which or limitation I would not even call it as a limitation the only difference I would probably say is that the costing of the servers are slightly higher but I would choose that any day since I am able to insulate myself from increasing cost of salaries of the employees.

Saurabh Shah: Sir, second question was on Traviate I know you are still in the process but in terms of size your number of employees how again what is the tech strength of that company etc. is it possible to get some color.

Prashant Pitti: I am advised to not to talk about it since the deal is on the top.

Saurabh Shah: Okay. But just short request, I mean, I know you are in the process of doing it but we did some work on glassdoor and other things on Traviate and I think maybe you should use yourself to also do the same when the stack was still going on there it would be aspiring. See I am sure with the change in the company's management the cultures will also probably change and we will work along to integrate Traviate in the same culture and the spirit as what we have done for this market. Thank you. All the best. Thanks.

Moderator: Thank you. The next question is from the line of Madhuchanda Dey from Moneycontrol Research. Please go ahead.

Madhuchanda Dey: My question is a little long-term, now there is a change in ownership of air India and we are hearing about a couple of new low-cost airlines coming into the picture so obviously the airline industry is going to see a lot of competitions the inventory level is also going to be higher so what does that mean in terms of the take rates for airlines and its impact on a financial of an OTA like yours.

Prashant Pitti: So to answer your question I would start with the OTA industry. The OTA industry will be more strengthened as more and more peers coming. The reason why people would talk for an OTA would only increase with more peers coming in, in the picture and as you rightly said the competition between the airlines will increase and that is why there is a possibility that the take rates towards the OTA might increase in order to build to get more business. See from the consumer's perspective as an OTA whether it is me or my competition we are the front line between the airlines and the passengers and the dependency on OTA is only increasing because five years prior majority of the searches were happening on desktop right now 87% of searches are happening on mobile either mobile browser or mobile app which means it was still okay for people to search for various airlines by opening various tabs on their desktop but on mobile it is extremely cumbersome because of it the dependency on OTA is only increasing and as we get more airlines come in picture as we should anticipate for the take rates to only go slightly higher.

Madhuchanda Dey: Okay. Thank you. Thanks and all the best.

Moderator: Thank you. The next question is from the line of Chintan Sheth from Sameeksha Capital. Please go ahead.

Chintan Sheth: Thanks Prashant for the opportunity and congrats on a good set of numbers. On the take rate and the advanced rate. Sir, last year it was 50 Crores, we topped it up with 71 Crores additionally in the first half that is the understanding right.

Prashant Pitti: That is correct.

Chintan Sheth: Okay and the total advance will be around 121 Crores and that will stay as it is and we will be stopping up as and when we utilize some from that pool.

Prashant Pitti: That is correct.

Chintan Sheth: And even if I look at the take rate sequentially the gross take rate has kind of declined to 50 bps from 13% to around 11% right now so how should one look at gross take rates on 100 Crores or the GBR is around 850 or 895 Crores so how should one look at it.

Prashant Pitti: I would not see the take rates to be declining because when you are saying it was 13% and now it is 11.3% there is another component in the other income which is claims written back now claims written back if you see does not change much it is basically what is coming from two years prior which has nothing to do with business right now. So that is why for the last quarter the business the GBR was less but the other income claims written back was 12 Crores. Now the other income which is claims written back is still 12 Crores but the business has gone up the GBR has gone up that is why we have seen difference from 13% to 11.3% I hope that makes sense.

Chintan Sheth: But even if I look at the net basis, on the net adjusting base, the discounts and the claim written back we are seeing a slight decline over there as well.

Prashant Pitti: It is an insignificant decrease of 0.3%, it is an insignificant decrease, I may not be able to comment on this right now, but the policy what we are understanding of our sales.

Chintan Sheth: But at the current level you think this is sustainable right based on the agreement.

Prashant Pitti: So, this is what we have been seeing for the last four quarters now and we believe that this is the status quo right now.

Chintan Sheth: And on the discounts that bit has also kind of jumped up a bit still at a 5% of GBV that you continue to see going forward it was historically very low it was 10% which has increased to 5%.

Prashant Pitti: Correct. So, discount has been high for both quarter one and quarter two I would agree on that compared to the last year. The primary reason is that we are getting much better commissions from the suppliers and the entire industry is passing on the benefit to the consumer right now and so it is in the lines with the competition it is in the lines with the industry and that is why the numbers are higher I believe that this number probably will taper off.

Chintan Sheth: Okay got it and we will be able to retain the additional commissions that once that happens.

Prashant Pitti: So the commissions are basically a different set all together and discounts is a different set all together discount is dependent on the industry commission is dependent on the relationship with the airlines. I do not think that they have something in commonality right now.

Chintan Sheth: And on Traviate again the deed signs or you are not supposed to make that.

Prashant Pitti: It is not a public information as the deal commences I am sure it will be part of the PR release as and when it happens.

Chintan Sheth: That is all. I will join back in queue. Thank you.

Moderator: Thank you. The next question is from the line of Praveen Sahay from Edelweiss Financial Services. Please go ahead.

Praveen Sahay: Thank you for taking follow-up question. Just to on the last participant question. If I just look at your X of a discount net revenue and that is as a percentage of a GBR so historically if I look at like for know two years back that was on the lower side now in the first quarter and the second quarter reached to around 5% odd. So where do we see this number and also you are guiding to discount to go down from here so will that percentage of a GBR is expected to increase for you or it will be in the range of a 5% which has improved from 2.7%, 2.8%.

Prashant Pitti: So as I said in the last question I anticipate the discounts to go down as the competition and the intensity of discounting decreases this is one of the times when the travel is opening up again and that is why everybody is trying to give better discounts to consumers and get consumers on the platform but once the normalcy is resumed let us say from quarter 4 onward I believe that the intensity of discounts will reduce dramatically and this number should look like what it was in the stable of time was there any other question.

Praveen Sahay: Sir, so just for a future just for a sake of understanding I am asking whether to stabilize these numbers over here or there is a further room for improvement as a percentage for GBR your networking.

Prashant Pitti: So it is hard to anticipate because this is primarily market driven it is given not just by us it is the entire industry the competition it is driven by the entire fraternity so it I would be extremely hard to make any forward-looking statement on that.

Praveen Sahay: And the second question if you can guide on the, any acquisitions like the one acquisition you are already informed so is there any mix for borrowing in that.

Prashant Pitti: Borrowing as in…

Praveen Sahay: So for acquisition do you borrow money for that or you have enough cash for that.

Prashant Pitti: No, we have 180 odd Crores sitting in the bank right now so right now we do not see the need to borrow the money but it depends on what kind of acquisitions we will do in the future and but as I highlighted earlier that in principle our thought process towards acquiring companies is to acquire companies which are PBT driven they must be a growing company but they must focus on the bottomline we do not just care about the toplines as a vanity number we care about the real business who are doing business profitably we love travel business, we love technology, we like asset light model, we like company who has very little amount of debt, the ones who are about to be profitable or are already profitable and the business is there by getting them on board is matter we will be able to make one plus one is equal to six where with the deeper integration between both the companies we will be able to add value in both the companies. So this is the thought process and we are looking forward to see more acquisition happening at each market.

Praveen Sahay: And next related to your marketing and sales promotion where do you expected to stabilize those at this level only or because you are growing in the different segments like of our hotels and others so do we believe these numbers as a percentage of a GBR or as a percentages of a net sales to go up from here.

Prashant Pitti: So if you noticed for the last couple of years including the two quarters our marketing spend has not changed much as a percentage of GBR; however, I would like to inform that we are going to up the **marketing spends** and start spending some amount of money on branding activity which historically speaking our company has not done much in the past but overall it will not make on the overall basis it will not make any huge impact.

Praveen Sahay: Thank you.

Moderator: Thank you. The next question is from the line of Rakesh Sethia from HDFC Asset Management. Please go ahead.

Rakesh Sethia: Thank you for the opportunity. I just wanted to understand when I look at your cash flow at existing level you made about 28 Crores in the first half but then there is a lot of working capital movement and effectively it seems like you are not making much at the net of the working capital so can you help us understand it, that know that why your working capital is so high in this first half of which the cash flow is actually negative.

Prashant Pitti: So pretty much the entire working capital which went up came from the additional. So, the entire amount of negative working capital mostly came from the 72 Crores of additional advanced payments which we have given to the supplier to enjoy a better commission. Now this as I mentioned earlier this is a rotational advance it is not an amount which is given to them and forgotten it is an amount which we deposit with them and we use while we make our booking. So, for example let us say if we are depositing x Crores in one of the airline for the next 10 days we will utilize with whatever bookings we are going to make the money will keep getting offsetted from the amount which we have deposited in their bank account and once the balance is done we will redeposit the same amount in the airline so it is a working capital requirement exist right now as the business is also growing that is number one and also we are enjoying better commissions by offering them certain advances for the future right now.

Rakesh Sethia: So does that mean when the traffic would return to fully normal and probably growing at a faster rate airlines will not require such high deposits from you and therefore they will give you lower commissions would that be a fair understanding.

Prashant Pitti: So at least I could say for the month of September we were almost either 95% or 100% of our pre-COVID numbers. So EaseMyTrip has bounced back from the COVID numbers and we are still seeing this and the business is going on in this with the same take rates and the take rates are also not just dependent on the advances which we are offering them it is also dependent on the relationship we are a growing company see there is a lot which an OTA has in his hand right if you are searching for a flight ticket and OTA decides on the first page which airlines do we want to show on the top three sections which airlines do we want to come which airlines do we not want to come it is not mandatory by law that we have to show airlines in the ascending order of time or ascending order of price so there is a lot of things which are happening at the OTAs end as well and OTAs also command the power of changing the market share by a bit between airline to an airline so it is a relationship which we carry between the airlines and because of which we are seeing our take rates go up at this time.

Rakesh Sethia: And if you can share any mix of tickets among the three airlines and would the deposit be also in the similar proportion or you probably would have a disproportionate commission or disproportionate share of deposit to one or two players and your mix of tickets would be different or would be fairly aligned if you can help us understand that.

Prashant Pitti: So being the second largest OTA in India right now our market share across the airline actually matches with what the market share airline commands there is no huge differentiation it might be a 10 bps to 50 bps here and there but otherwise our market share is very well aligned to what you see in the industry.

Rakesh Sethia: And the deposit which you have extended.

Prashant Pitti: The deposit also varies that to be honest that actually is a floating thing sometimes we make a very deep relationship with one particular airline or two airlines for that particular month I mean in the next month we switched to the other airline because we want to maintain good relationship with everybody. So hence that is also something which I do not think so I will be able to comment on how exactly it goes but it is a deal, it is done on it is driven on deal to deal basis.

Rakesh Sethia: Yes, understood. Thank you very much.

Moderator: Thank you. The next question is from the line of Aditya Choudhary from Landmark Group. Please go ahead.

Aditya Choudhary: Hi! Terrific set of numbers. Congratulations, happy diwali already. I am a big fan from the customer as a customer as well and I am one of those sticky customer and also a shareholder. So congratulations. My question is a little bit related to the last question which is that the market leader among the airline industries. Do you have different set of trades so for example let us say that the average take rate is x do you govern the market leader give a very differentiated rate comparative to the smaller airlines or is it like these smaller airlines are given a better rate would you want to comment on it.

Prashant Pitti: So of course the take rate varies by the airlines there is no denying on that fact however the gross margin which we earned is not just directly the commission which we get from the airlines there are five ways by which we earn money our gross margin which is 11.3% right now constitutes of five things commissions from the airlines, incentives from the Galileo or Amadeus the $10 million which we talked about. Third is cancellation fees or UAC, fourth is incentives from credit card and prepaid card and fifth is convenience fees we do charge convenience fees in some cases the case is we are using a discount coupon we charge convenience fees to make an apple to apple comparison so these are the five means by which we earn and put together we earn around 11% we earned in this particular quarter around 11% so but to answer back to your question yes the take rates do vary between the airlines and sometimes it could be higher for the airlines which are smaller in market cap because they are trying hard smaller in market share I mean because they are trying hard to grow their numbers right now.

Aditya Choudhary: Thank you. The second question is regarding the non-airline business I think by March 2021 you had mentioned that so it was mentioned that it was a loss-making entity by that time and now since the numbers have boomed up relatively much on a higher rate are you seeing the commissions making the net profit down the line or I mean what is the timeline in your head for non-airline business to give a big boost to their bottomline.

Prashant Pitti: So one thing I should have mentioned earlier but good that you are asked this question again right now our marketing expenditure on non-air is very minuscule we are able to grow our hotel sales, our bus sales, train sales, holiday sales purely so far via cross selling and this is a great demonstration for the company that compared to last year our sales have gone up 13 times over the last half year. Now we are able to do that by not keeping, in a way we are not keeping any margins what we are enjoying in this industry we are giving those margins up to the consumers as a discount and we believe that this is a great way to continue to grow our numbers we probably will do that for at least next couple of quarters and continuously increase our base in the non-air space so that we get the mind share of the people that at EaseMyTrip they just do not have to book air tickets but they can use us for other services as well.

Aditya Choudhary: Very last question, very quick question. The funding that the other competitors receive on a very big scale though they are loss making and all they would also have this power of sharing a good amount of money surplus already and keeping it with the airlines obviously it goes it is one of the very pressing matters so do you think that a very big round of funding which might happen in future would take away it would be a disadvantage for you relatively speaking so I believe that now we have come to a place where we are at level playing field.

Prashant Pitti: See historically this company has been bootstrapped we have never raised any round of money and imagine us running this company growing this company to this stage and surpassing five deeply funded travel companies already without having any money in our pocket now honestly speaking with the recent listing of being recently listed in India we in fact chose to be listed in India specifically because we knew that this will create a lot of brand awareness for the company for which we do not spend money on marketing so now I think that the times are only getting easier for EaseMyTrip as what it was earlier before we have seen we have gone through the various phases of our competition raising huge amount of money burning most of that money within the six months and then we see our numbers go back up again so I would agree to the fact that if somebody receives a lot of money it might hamper our market share by a little for a quarter or so but in the long run we believe that people care for a sustainable value which you offer them and the sustainable value can only be offered by having a lean cost structure see at the heart of it we believe that businesses are only done for two reasons. Reason number one to serve your customers extremely well and reason number two to do it profitably so you can continuously serve them for a longer duration now VC money, PE money, I believe is a good money to solve your teething problems but I think most of the entrepreneurs or internet companies not just in India but across the world probably start getting dependent on that VC money for decades which I think is a lovely job of an entrepreneur so to be honest at the heart of it we are not worried about that part and we believe that in fact now I think the time has come where capital is expensive even for our competition capital raising capital was very cheap for them earlier but I think now given where we have come today I think raising capital for our competition also has become expensive.

Aditya Choudhary: Thank you so much.

Moderator: Thank you. The next question is from the line of Jimesh Sanghvi from Principal India Mutual Fund. Please go ahead.

Jimesh Sanghvi: Sir on the ad spend do we have an annual budget target for this year recently we saw you coming up with ads in each of the newspapers at each day full page ad. So do we have an ad budget for this year or how should we look at that number.

Prashant Pitti: So we usually look at our ad budget as a percentage of GBR we anticipate what this quarter GBR will be and then we multiply it by a percentage in our mind and then we use that money to spend on marketing activities now what you saw recently was actually one of the very first initiatives by the company to do a branding exercise 95% of the money which we use on marketing is basically for performance advertisement which is basically showing EaseMyTrip if you search Delhi, Bombay flight on Google or on Facebook so most of the money which we have spent historically has been on performance marketing but now we believe is the right time where the brand value is also going up to spend some money on the branding exercise so as a percentage of GBR I do not see a big change which will come it might go up by a little but however as a percentage of change between performance marketing and branding exercise you can anticipate us to spend some more money on branding.

Jimesh Sanghvi: So that number in terms of percentage to GBR should we assume it closer to 1, 1.1 to the GBR.

Prashant Pitti: You could say, you could safely say that it should be lower than 1.5% for the future.

Jimesh Sanghvi: 1.50.

Prashant Pitti: Correct.

Jimesh Sanghvi: And any guidance on the GBR that you are foreseeing for this year what kind of a growth one can expect on the GBR front.

Prashant Pitti: So for the quarter which went by we did GBR of 895 Crores now if there is no COVID wave three there is a very subtle COVID wave three we believe that the quarter three should be much more stronger than the quarter two and quarter four should be even bigger than the quarter three the pent-up demand and the revenge travel all these words which we are hearing are real we are seeing them live in action right now and this company as we are gaining market share we are gaining more popularity we are gaining getting the brand image of the brand name we are gaining a lot of tailwinds as well from the other side. So I believe that the numbers should look pretty healthy but to give an exact number around whatever expectation should be a little bit difficult given that dynamics can change on the basis of pool you play.

Jimesh Sanghvi: And sir when you said your marketing spend to increase from 0.9% to 1.5% kind of a range do we have a number in terms of our operating margins or something that we will look at how should one look at the bottomline or the EBITDA growth because this number that you said is going to substantially increase over the next year or two.

Prashant Pitti: So our PBT as a percentage of our GBR was around at 4.1% for this particular quarter now as I said that you can safely assume that our marketing budgets would be lesser than 1.5% even if we take let us say another 0.5% away from the PBT but use that to grow even faster than what we are I think it will be in the benefit of the company in the share process.

Jimesh Sanghvi: So should one work with a 4% PBT as a GBR percentage rate or can that PBT percentage go down when you are kind of budgeting your other expenditure and everything do you look at the

PBT number as well to be at around 3% or 3.5% or something how is the percentage which we have.

Prashant Pitti: Again as I said that a lot of this is dependent on the take rates which we are enjoying right now. So I mean I could say that there should not be a huge amount of materialistic change in the future as the business grows the employee expenses as a percentage of GBR only goes down right since there is not much need of people and also for the other expenses the percentage goes down so in a way even if we put some more money on marketing I think overall at net, net basis it can probably, it may not be a considerable amount of change.

Jimesh Sanghvi: So basically I am just trying to understand that it may not happen that probably FY2023 or FY2024 probably the bottomline growth kinds of just remains more flattish, but you continue to see your top line GBR growth.

Prashant Pitti: That is not what our intentions are as I said that historically we are a very bottomline driven company and we believe that we have chosen the right approach of offering a sustainable value to consumers by which we are able to increase our topline as well at the fastest rate but by continuously improving our bottom line. So we are a bottomline driven company I do not think so we will change that strategy for the future however at the company level we do want to spend some more money on the branding activity which we have not done in the last 13 years.

Jimesh Sanghvi: All right, that was pretty helpful, Sir. Thanks a lot, I wish you a happy Diwali and a happy New Year, Sir. Thanks a lot.

Moderator: Thank you. The next question is from the line of Chintan Sheth from Sameeksha Capital. Please go ahead.

Chintan Sheth: Thanks Prashant for the follow-up. One thing I noticed in the balance sheet that our debt has increased from 17-odd Crores to 60-odd Crores, 64-odd Crores while we still hold the substantial cash on books so any reason why we choose to borrow money.

Prashant Pitti: Well, this is basically, yes I understood your question this is basically not to break the long-term FDRs this is basically the amount which we will get and this will be repaid that we did not want to break the FDs which we have which are the long-term in nature.

Chintan Sheth: Again on the advances any cycle monthly cycle we have to redeposit the gap or it is, you mentioned that it is on the revolving basis but any monthly cycle within which we have to deposit the money back into that to.

Prashant Pitti: So this is basically right now business as usual the money it is a floating capital retail which airlines or hotels or tour operators enjoy from these market and in order to, since we are offering a little bit more of floating advance to them, we are getting, we are enjoying better commissions from them. So we believe this is a very good deal for the company financially and you know we look forward to continuing this but again as I said that this is basically a function of two parties not just one party so it may change in the future but right now since last four quarters it has remained the status quo that is what it is.

Chintan Sheth: But I am asking whether it will be, we deposit whatever commission you kind of draw from that pool whether it is a monthly cycle of?

Prashant Pitti: It is not a monthly cycle, it is not a weekly cycle, it is the amount which we deposit we utilize the entire money this money which we deposit in them it does not have any date associated to it that you must use this money by this date. There is no definitive time period to it if there is more sales, we will utilize that money quicker and we will redeposit it.

Chintan Sheth: Okay right. I am just trying to understand whether on the quarter and we will have that money still remaining in that advance or there will be some momentum between the quarters or the balance sheet base that is the reason why I was asking. That is it from my end and one more question on the appoint of Manoj, Siddharth, we have not kind of, have we shared that with the exchanges because I see on his linked in profile that he is joined as CTO in E&P. So, if you can talk more about his role and his appointment if you can.

Prashant Pitti: So, I think we are about to file on the exchange to be honest I am not exactly a 100% sure of what the state is but yes Mr. Manoj has joined as the CIO of the company and the technology space, and we are looking forward to having him and work along with him to grow our technology and the team under review result.

Chintan Sheth: But does that change the .net.

Prashant Pitti: No. we have been doing it for the last 13 years that has not changed anything now.

Chintan Sheth: That is all from my side. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, due to time constraint that will be the last question for today. I will now hand the conference over Mr. Prashant Pitti for closing comments.

Prashant Pitti: Thank you. Thank you everyone for listening to our answers very patiently. To conclude I would like to highlight that we have a huge runway for groups we are increasing our wallet share from existing customers by making them use us for hotel and holiday with adding new customers and we are getting better in operating efficiency and operating leverage pay we believe that we are well positioned to capitalize on the growth opportunities and increase profitability in the future and thank you everyone for joining us. I hope I have been able to answer all your query and in case if you have any further questions or details please feel free to contact us or Orient Capital. Well thank you once again and wishing you all a very Happy and Prosperous Diwali. Thank you.

Moderator: Thank you very much. On behalf of Easy Trip Planners Limited that concludes this conference. Thank you for joining us, you may now disconnect your lines.