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November 8, 2023

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Fax No.: 2659 8237/38

Dear Sir/ Madam,

**Subject:** Transcript of the Analyst and Investor Earning Conference Call

In furtherance of our intimations dated October 27, 2023, November 1, 2023 and November 2, 2023 giving intimations on the Q2 & H1 FY24 Earning Conference Call for the Analysts and Investors and pursuant to Regulations 30 and 40(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the transcript of the Earnings Conference Call held on November 2, 2023 has been uploaded on the website of the Company within the prescribed timeline and can be accessed on the following weblink: [https://resources.thomascook.in/downloads/TCIL\\_Q2\\_FY24\\_Earnings\\_call\\_transcript.pdf](https://resources.thomascook.in/downloads/TCIL_Q2_FY24_Earnings_call_transcript.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

Holidays | Foreign Exchange | Business Travel | MICE | Value Added Services | Visas

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## **Thomas Cook (India) Limited:**

### **Q2 FY 24 Earnings Conference Call - November 02, 2023**

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

**Mr. Ramakrishnan** - Managing Director and Chief Executive Officer - DEI

**Moderator:** Ladies and gentlemen, good day, and welcome to the Thomas Cook Q2 FY '24 Earnings Conference Call hosted by IIFL Securities Limited. 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 “\*” then “0” on your touch tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ranjit Cirumalla from IIFL Securities. Thank you, and over to you, Sir.

**Ranjit Cirumalla:** Thank you, Rayo. Good afternoon, all. On behalf of IIFL Securities welcome, everyone, to Thomas Cook (India) Limited Q2 FY '24 Results Earnings Concall. Today, we have with us Mr. Madhavan Menon, Executive Chairman and senior management team. I now hand over the call to Mr. Menon to begin the proceedings. Thank you, and over to you.

**Madhavan Menon:** Thank you. Good afternoon, ladies and gentlemen. Welcome to the earnings call for the quarter ended September 2023. Let me kick off by saying that, we registered a decent set of numbers in this quarter as well as for the half year. Over a period of the last four quarters, we have registered what we would call a recovery from where we started immediately after the pandemic where, as you're aware, we lost most of our revenues. I think the time has come now to say that the recovery from the pandemic in comparison to the pre-pandemic is almost done, if not already done. And going forward, we expect to register growth in our business under normal circumstances. Having said that, some of our businesses are still in recovery mode, but considering that, major parts of the group have recovered.

A lot of this has been driven by a variety of factors. I think the primary factor is that there have been changes in the profile of the segments that travel with us. We are seeing a younger generation travel with us. We are seeing customization of holidays becoming the need of the hour. We are seeing people who are technology savvy. So we're seeing a fair degree of change in the profile of the customers. And therefore, in anticipation of this, we have gone out and put technology into place,

which will allow our customers to deal with us seamlessly from beginning to end, if they did not wish to have a touch point.

An important input into the profitability of the Company has been the restructuring that we undertook alongside the technology upgrades at the same time. So this has resulted in the H1 as well as the quarter, savings of approximately 32%, and that has dropped to the bottom line. So we are actually able to manage our costs and maintain the savings while growing the business. And if we look at the forward bookings, again, there is a degree of optimism in terms of the growth of the business, and therefore, we expect it to continue.

At this point, I'll hand it over to Mahesh Iyer –who will give you a detailed view of the numbers and from there onwards.

**Mahesh Iyer:** Thank you Madhavan, and good afternoon everybody. Just to take off from where Madhavan left, I think it's been a decent quarter for us. And if you look at our income from operations, it has grown by about 52% for the comparable quarter last year. That's about INR 1,235 crores, it has moved up to INR 1,871 crores.

And consequently, our profit before tax has moved from INR 5 crores to INR 77 crores and the drivers behind this performance have been the Financial services, Travel services, Leisure and hospitality resorts and Digiphotography Imaging. Now what I mean to say here is that it's an all-round performance. All segments of our business have actually grown in high double digits, and that's a very good sense of how the business is panning out today and for the future.

If I look at the profitability, that's EBIT across these segments. Most of the segments have registered close to double digits, and when I say double digit again, close to the 40% growth in each of the profitability with a clear exception in the case of Travel businesses, which have actually grown manifold.

Some of the key drivers around each of the segments is what I'm going to cover in the next few minutes. And to begin with, about Foreign Exchange. If you look at the income from operations on Foreign Exchange, we've moved from INR 64 crores to about INR 78 crores to a comparable quarter. Some of the key drivers for this income from operations has been the growth on the retail business.

Our retail portfolio grew by about 21%. And within that, which is on the holiday side of it. And if I look at the education side segment, that grew by about 68%. So clearly, the retail holiday travellers as well as the education segment propelled our revenues and that flew into our EBIT. And if you look at our EBIT, that grew from about INR 21 crores to INR 29 crores. So clearly, a 21% growth in income and a 42% growth in EBIT.

It's also important to highlight that the business is now generating cash because there is a lot of float that is generated on the prepaid card business. And that's now translating into, I would say,

interest cost savings on to the business. So, from an expenditure it has actually started to become an income on to the business.

One of the other key highlights during the quarter has been our digital adoption. We've been talking about taking the Foreign Exchange business digital, which is where the customer has the choice of transacting with us either on our website or on our call center or a combination of both, other than the physical stores that we operate. Our digital adoption in the current quarter has moved up from 18.4% in September quarter of 2022 to about 23.4% in the same quarter of 2023. So clearly, there is a 6% growth that we have seen, and that's largely driven by our investments and the new ways that we are getting customers to transact with us.

It's also important to highlight here that we launched our 'WhatsApp Forex'. So, unlike most companies which use WhatsApp as a service tool, we've actually expanded that as a sale of sales tool also. So today, the customer has an opportunity to transact with us on WhatsApp, do a KYC on WhatsApp, upload his documents and the last mile fulfilled will be done by our staff going and visiting the customer. So clearly, we have opened one more channel for the customer to transact with us.

If I look at the card issuance. Our card load improved by 35% on a year-on-year basis. And if I look at it in terms of number of prepaid cards sold, that's improved by about 21%. So overall, if I look at the portfolio, we had a steady growth in the current quarter. We've added some new corporate accounts to our portfolio. And I think for the coming quarters, we see this business continuing its run as we go on.

Moving on to the Travel and Travel-related segments. If I look at the segmental revenue, it's grown by 59% from INR 899 crores to INR 1,432 crores. There are multiple segments within this, and I'll take you through the Holiday (B2C) as well as the B2B segments of Corporate Travel and MICE, and then I'll get Debasis to talk to you all about the DMS segments that we operate in.

So clearly, a 59% growth in revenue has resulted in about 1,354% growth in profitability. That's moving from INR 3 crores to about INR 50 crores. Now this growth in revenue has come from multiple channels. One, if you look at the B2C side of the business, I think while it was a bit of a shoulder quarter, as you would know, that April-June happens to be the peak travel quarter for us, and July, September is a bit of a shoulder months. But despite that, I think you've seen some fairly good run. Domestic demand was slightly subdued, as you would appreciate the fact that India was under monsoon and business does get impacted during that period. But our short-haul and parts of long-haul business continue. We had an extended long-haul in that sense, went all the way until end of July and some parts of August and that augured very well for the business. Apart from that, if you look at the B2B side of the Holidays, we had some large movements across both brands, SOTC and Thomas Cook, where we managed close to about 400 groups during this period. And this has kind of helped us to register a decent growth as far as our overall volume is concerned.

If you look at the MICE business within Thomas Cook, we also manage the G20 events, as you'll appreciate that we mentioned that we are among the three vendors servicing the Government's G20 portfolio. And that got concluded in September 2023. We managed a total of 41 such events and generated a top line sale of close to INR 150 crores.

Now if I look at the domestic and the short-haul segment, we are seeing momentum in the coming quarters. As you will appreciate that festivity has just about started. November-December is when there are a lot of holidays. During Diwali and Christmas people will plan their holidays. So, we are seeing momentum. As Madhavan alluded to it, our forward bookings are currently tracking at about 32% ahead of what we had for the same period last year. So clearly the momentum has built up, and we believe this run will continue well into the next quarter.

If I talk about the Corporate Travel side of it, we had some major wins between SOTC and Thomas Cook. We added 8 new accounts to our portfolio with a total annualized billing of about INR 80 crores. Margins on this business continue to remain stable. Our mix in terms of business remains fairly stable, and we are focused on managing our capital cost as far as this business is concerned. So clearly, both of the Foreign Exchange and the Domestic Travel business, I think we are doing fairly well, and we remain fairly confident of how the next few quarters will pan out for us.

Debasis, can I ask you to take the DMS, please.

**Debasis Nandy:** Thank you, Mahesh. On DMS side – Inbound and international, we registered a turnover of INR 662 crores, which is 40% up from what we did in the same quarter of last year. And it may be noted that it is 38% ahead of what we did in the pre-pandemic period. So, the business is back in full swing. I must add one point that this is not the inbound season in many parts of the world, including India and Southeast Asia, where some of our major business die. And based on the foreign bookings of those specific territories, we can say the business outlook is pretty good.

As far as the current quarter or the last quarter that's concerned, I think the units that did very well include East Africa. We have business in Kenya, which reported an increase in sales based on volume generated from traditional markets, US, UK and Germany. The Middle East witnessed higher sales despite of the fact that this was the summer season, but again, it is still higher than what it was last year. Strong growth came in from USA with a 26% increase in sales, largely driven by inbound passengers coming in from the European market.

And coming to Southeast Asia sales, which splits across our nine countries in Southeast Asia, started recovering its volumes, specifically in countries like Thailand, Indonesia, Malaysia, Singapore and Vietnam. The next six months are critical for this business because that is where the maximum volume comes in. And we look forward to a similar trajectory of growth. That's what I had to add on the Destination Management segment.

And I would like to now hand over to Vikram so that he can talk a bit about the Sterling Resort, the leisure hospitality segment.

**Vikram Lalvani:** Thanks, Debasis. Good afternoon, ladies and gentlemen. My name is Vikram Lalvani, and I represent Sterling Holiday Resorts as its Managing Director and Chief Executive Officer. I'm also joined by my colleague, Mr. L. Krishna Kumar, who's the Chief Financial Officer at Sterling Holiday Resorts. It's a privilege to interact with all of you once again today.

Traditionally, in the leisure business, the quarter that has gone by, that is July to September of Q2, from a seasonality perspective is actually one of the leanest quarters of the year. During this quarter, we also witnessed dramatic issues and disruptive business in some of the regions that we operated. The heavy downfalls in Himachal, Uttarakhand, Delhi impacted at least 35% of our portfolio for nearly eight weeks out of 12 weeks this quarter.

Despite the seasonality and the climatic disruptions, we are pleased to report that Sterling has yet and still continued to remain profitable, and this is the 11th consecutive profitable quarter that we have actually presented to you. Our supply has grown by 8% on a year-on-year basis given our thrust on asset-light expansions.

This is on account of addition of 8 new resorts during the preceding 12 months cumulatively, and this has also enabled our Q2 supply growth as well. On a year-on-year basis, Sterling occupancy is still stable at 63% and we have grown the non-member business ratio from 60% to 66%. This has enabled growth in room revenues by 11% in Q2 and 18% Year-on-year. We continue to realize average room rates upwards of 6,000 across all our resorts on a Y-on-Y basis at the end. Our overall growth in revenues also has come in from increased food and beverage income, grew by 11% year-on-year and 8% quarter-on-quarter basis.. This continues to reaffirm our growth strategy towards being a dominant player in the hospitality segment. Our distribution reach continues to grow with the help of our Sterling One platform that caters to travel agents, holiday partners and corporates across the country.

Our new non-member or 'FIT' product with the validity of one year was also launched this quarter called 'Sterling One'. This new product gives immense benefits to customers to holiday at any of our resorts with value adds on food and beverage and flexibility of multiple holidays across our portfolio through the year. With the launch of this new non-member FIT product, Sterling has also sun set on the long-duration membership products in Q2. So, we'll have no more acquisition of the long-term membership products going forward as well.

The business continues to generate EBITDA margins of 30% and upwards based on seasonality, resulting in a healthy free cash flow of INR 542 million vs INR 463 million on a year-on-year basis. The company is also cash surplus of INR 1,580 million and considerably has also lowered its debt to less than INR 175 million.

As part of a growth strategy in an asset-light mode, we've added four new resorts in H1 FY'24. Shimla and Panchgani in Q1 and Vythiri and Vadodara in Q2. The addition of Vythiri strengthened the presence of Sterling in the Wayanad district in Kerala with its second resort in that district, and now we have a total of 8 resorts in Kerala, and we will continue to grow that piece again.

Vadodara marks Sterling's foray in the resort management in the theme park segment. Sterling Aatapi being the largest theme park in Gujarat is spread over 70 acres. Some of our resorts like Nainital underwent a redevelopment program in Q2 and has been subsequently relaunched in October 2023. Sterling has made its debut in Udaipur with two new resorts in October 2023. Hence, as on date, Sterling has 45 resorts across 41 destinations in India and is growing.

Our pipeline is strong with the addition of at least another six or eight more destinations in H2, both Q3 and Q4, taking our resort count to at least 50 to 52 by close of FY '24 and at least 48 destinations in the country. And we will further drive the scale even in FY '25. This reaffirms the strategy to position Sterling as a formidable hospitality brand in the country. During the quarter, Sterling has also upgraded some of its product profiles in some of its resorts, rooms, restaurants in some of our large format resorts like in Ooty, Kodaikanal, Yercaud and Munnar to cater to the demand that have higher spend propensities into Q3 and Q4.

The company has strengthened its IT system by moving to a cloud-based property management solution system tailored for hospitality business in all our resorts during the current quarter. The cloud-based ERP solution Oracle NetSuite implemented within the previous quarter, further helped in bringing uniformity, processes across the resorts including better cost management views. The company continues to invest in various digitization or projects that will help bringing further efficiencies in the organization.

All our resorts are now ranked 4+ on TripAdvisor with 19 resorts being ranked in the top three in the respective destinations. Six of our resorts are on 5/5. Sterling has also been awarded the Best Domestic Leisure Hotel Chain by Today's Traveler. Sterling continues to remain upbeat for the remaining part of the year, one with the upcoming festive holiday in Q3.

We also have all our destinations reopened post the monsoons in Q2. There is a strong sentiment of domestic demand and that's continuing and the Sterling's strong pipeline growth, a number of resorts in Q3 and Q4 helps build this confidence that we will close FY '24 with a strong performance and also getting into FY '25. Thank you.

**Debasis Nandy:** Ram, can I request you to come in and talk about DEI?

**Ramakrishnan:** Yes. Thank you, Debasis, and good afternoon, everyone. We've had a fairly robust quarter Q2 2024 as in 2023. As you see, our revenue has grown by over 30% from last year same quarter to this year same quarter. Our EBITs have grown up by 50% during the same term, which has been a very, very aggressive growth.

This has been primarily due to a high revenue in markets like China, Hong Kong and Macau that has come back into full operations. In China, we have blown the roof off with both of our parks Disney and Universal, creating records of the highest selling ever achieved by the park in the past 10 years of its operation on photography.



We've had days when we had over \$50,000 of sale in both these parks, in a single day. So, there's been an outstanding comeback for China and Hong Kong and Macau, China particularly on that front. Our overheads have increased a bit during the same time, but they have all been levelled to a fairly good amount of consumption costs being reduced out. On a quarter-on-quarter, we've been doing pretty good both from an income from operations and the margins, and the EBITDA margins that we're getting. Over and above this, we've had some key partnerships renewed all across the world, whether it's in Maldives or in Dubai or in the Far East.

We've had five new partnerships added on, a good number of them have opened up in Indonesia with Taman Safari, which is the largest acquisition we have had. This is an account that we've been trying for the last 10 years, and that's come over and that kind of makes us probably the single largest photo imaging operator in Indonesia going forward. Our market share, in Indonesia, Singapore and Malaysia, in all the three bases, are now crossing over 90%. And in Dubai, they are over 95% on the market share. So it's been an extremely great quarter, both from a business as usual performance, plus new business coming in for the future.

Going forward, things look fairly even more interesting and aggressive. We have Saudi Arabia coming onboard. We are launching our first three locations in Saudi Arabia as we speak in the coming week. In fact, one of it is already launched yesterday and two more are launching in the next two days as we speak. Saudi Arabia's business size is probably twofold of what UAE is in the next three years. And we are on the first call of all the RFPs out there. We've also been awarded one of the largest contracts up there in Saudi Arabia. It's a Six Flags park that's coming up called as Qiddiya. So, the Middle East region has a very strong upward, forward-looking opportunity in the next two years. And all of this, thanks to Saudi, for sure, which is on the large that's opening up.

On the other side, in the Far East, our growth has been pretty strong. We have acquired and gone live with the only attraction that we didn't operate in Singapore. In Singapore operations we had a market share of 95%. The 'Singapore Wheel Flyer' was the only attraction that we didn't operate in. After 14 years of its operations, they transferred the photography operations to us. With that we have become the only imaging solutions company in the whole of Singapore. So, any attraction that we do across the port is only covered by us. Singapore flyover was the last one and it's gone live yesterday, as we see. So, it's been a fairly good quarter.

Mind you, quarter two, probably is not the biggest quarter for us. Our biggest quarter is the last quarter, which is coming up now, which is October to December. And the team is all poised for complete traction on that. I think it will be one of our best quarters in the whole year. It has always been the highest quarter for the year.

So, we see 2023 closing up in a fairly robust mode for us. Over and above, we are the most excited that the whole DEI is waiting for is our new technology solutions. That's going to go live as we speak, starting from Maldives in December this year and in the first quarter next year across the world.

This new solution is something that we've been very, very optimistic and looking forward for, which probably will open opportunity that we've never been able to on our current imaging platform for the last 15 years.

On that note, thank you very much, and I hand over the mic back to Debasis for him to talk on this. Thank you.



**Debasis Nandy:** So that's what we have on the management side. And I'll now hand it back to Ranjit. And Ranjit, you may open up the floor for questions and answers.

**Moderator:** Thank you very much. We have the first question from the line of Senthil Manikandan from iThought PMS. Please go ahead.

**Senthil Manikandan:** My first question is with respect to Sterling Holidays. So just on the room addition, so let's say, over the next three years to five years, what's the targeted room addition? And is it going to be 100% on the asset lead model? So that's my first question.

**Vikram Lalvani:** Okay. Let me take that now. See, last year has been a year of transformation for us. And we've recovered exceedingly well after the COVID period. And this year has been a year of sustained acceleration. Now apart from increasing the capacity utilization of our existing portfolio, we will continue to grow our portfolio. In fact, when we started off last year, we started off with about 32-33 resorts. And today, we are 45 strong. We aim to be 50 to 52 by the end of this financial year. And we will continue to grow our footprint in India and also possibly in destinations where Indians travel to. So we are exploring those as well.

They will primarily be on asset light. Now, if there is a specific number you want me to attach to what I see three years from now, we are currently about 3,000 rooms with 45 resorts. Keeping the current pace of scale, we will see our portfolio growing significantly, and it will be mainly on an asset light model, right. So, our expansion is far more balanced and strategic rather than actually just blindly adding rooms across destinations.

Where we are able to network with our existing destinations as well as ramp up business quickly in those markets, we will certainly be present in those markets. So that's the strategic focus going forward. If we close with 52 resorts this year, we are looking at building even FY '25 with the same pace of growth that we've done in FY '24 and so on. So that will be the focus primarily in Sterling going forward.

**Senthil Manikandan:** Okay. Next please, with respect to the Travel segment. So, in the opening remarks, I think you mentioned that most of the recovery from the pandemic has been done. So, it's going to be normal performance. So, in terms of margins, so with these cost savings coming in, so what should be the margin run rate going forward?

**Mahesh Iyer:** I'll take that question on. So, if you look at our current margins that we are making on the Holiday business, our gross margins or the realized margin on the product, we are about 15%, 16%. And we've kind of grown that by about 250 basis points from the pre-pandemic level. Pre-pandemic level was about 13%, 13.5%, so we are now at close to about 16%.

Now this margin mix it's an average margin because the long-haul margins are different from short-haul to the domestic. And if you look at it, I think, from a portfolio point of view, we believe our

margins have come to a decent level, that could be another 50 to 100 basis points improvement that you can see from here on.

What's more important to highlight here is that the cost transformation that we have bought about has reduced our cost base permanently. We are seeing a 30% reduction in our cost base, and we expect to hold on to that savings for a long period to come.

The other important element to note here is that both brands, SOTC and Thomas Cook are very integrated at the back end today. And the economies of buying and the scale at which we are buying are also adding to our, efficiency in terms of pricing and better utilization of the inventory that we have in hand. So, it actually reduces the losses, if any, that come on the inventory. It gives us economies of buying and then we get better terms from our vendors.

Some part of it gets passed back to the market in terms of growing our market share and in some part, we retain on to our bottom line. So clearly, if you ask me, we will retain our margin currently at the levels that we are or slightly improve that. But the focus will be now be to add more volume on to the top line.

It's also important to highlight when you talk about recovery, while we've seen some smart recovery happening on the domestic and the short-haul side, the long-haul is far from recovery. We are about 58%, 60% in terms of recovery on the long-haul. Long-haul by definition is anything that is a travel beyond five hours of flight.

On that segment, as you know, there have been challenges on visa, both in the European market and the US market. So that still leads to come back. A lot has been done. I think most embassies have woken up to this and we expect a better summer. As you would realize both brands, SOTC and Thomas Cook, have gone to the market and launched their European offering for the summer of 2024 and the initial reaction from the market has been very, very positive.

**Senthil Manikandan:** Great, sir. Just last question from my side. This is with respect to the debt that we carry on the books. So, excluding the customer advances, so what could be our net debt on the book?

**Debasis Nandy:** At a net debt level, it's a negative net debt actually because there are cash surplus. Our overall debt position has gone down quarter-on-quarter. Right now, the overall debt at a consolidated level is INR 280 crores, down from about INR 313 crores. Overall cash and cash equivalents is about INR 1,233 crores. So, net positive is about INR 950 crores.

**Senthil Manikandan:** So, this cash balance of around INR 1,200 crores will include the customer advances and the float?

**Debasis Nandy:** So, if you include customer advances, we'll also need to take out the vendor advances. –The customer advances will have to be netted against vendor advances. So, there are both asset and liability items.

**Moderator:** Thank. You. The next question is from the line of Anushka Chitnis from Arihant Capital Markets. Please go ahead.

**Anushka Chitnis:** Congratulations on a great set of numbers, sir. I just have one question in that now that FY '24 is a year of recovery for the Travel segment in general, how do you see competitive intensity shaping up for Thomas Cook?

**Mahesh Iyer:** I think the market has changed definitely post-pandemic. I think we've been saying this for some time now. Customer preferences have changed, habits have changed. The profile of the customer has actually changed. They are younger and we are now attracting younger travellers to our brand, both SOTC and Thomas Cook. And from a preference point of view, customers are now preferring to take more shorter breaks and frequent breaks as compared to one long break and maybe one shorter break that used to be pre-pandemic. So, what we are seeing now is that there is a lot more demand.

There are new entrants into the travel market. The ability to spend, the buying power is much higher. So, you're actually going to see a market expansion. So to that extent, we believe that there is enough and more room for everyone to co-exist without having to meddle each other's share. From an intensity point of view, as we have said before, we don't compete with OTAs because we are not opponent sellers. We are focused on package offering, and that's our core competency and we'll continue to focus on our goal.

We are also very clear in terms of what we can offer to the market because India, if you take as an example, it's so far and wide. Can I be relevant in each of the states that offers an offering? Maybe not. So, we've chosen some markets, some destinations where we want to actually be material, and we want to be actually making a mark there. So, we will be focusing on that, and we have already identified those markets for ourselves. Similarly, both the brands, SOTC and Thomas Cook, are very strong in Europe and the US side, can we build some muscle on some shorthauls too. I think we have identified that, and we're working towards it. So honestly, intensity of competition does not worry us at all because I think we have even more leg room and tailwinds for this business seems very strong.

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

**Ankush Mahajan:** Sir, earlier there was a news that this brand -- Thomas Cook brand could be expired on 2025. So, could you throw some more light on it? And sir, my next question is that if you talk about the DMS International inbound where 100 nationalities, they are entering the India, Sri

Lanka as well as Bhutan. So, these are coming from the US, Europe, where already been the recession is going on. So, would you throw some more light on it?

**Debasis Nandy:** To answer your first question, we had bought out the Thomas Cook brand for usage in specific markets of India, Mauritius and Sri Lanka back in October 2019. And so we now own the brand in perpetuity. So there is no threat of the brand going away from us at any point of time.

As far as the second question is concerned, so I think the inbound and DMS business has a very large set of clients and a very wide range of clientele coming in from US, Western Europe, parts of Asia, etcetera. In fact, the interesting part of it is that we have seen the DMS business actually recovering faster post-COVID than any other part of the Travel business. So to give you examples, the markets in US, markets in Middle East and in Africa were among the first to recover, even before the Indian market started recovering of the Southeast Asian market started recovering.

So, I think we'll need to consider the fact that while, yes, there can be recession in the economy, the recession doesn't affect everyone in the economy in the same way, right? So, the set of clientele that you are catering to maybe less affected by the recessions in those particular economies than others are.

And it may not be right to generalize that the country has a recession, and therefore, the need for travel will be less. It will depend really on the category of travellers. Maybe if you're looking at backpackers, yes, there could be an impact on that. But of course, we do not really cater to that segment.

**Ankush Mahajan:** Agree, so momentum is there in DMS International?

**Debasis Nandy:** Absolutely. The momentum is there, it's much more than what it was in, say, 2019. And that's a point of reference before COVID actually hit us. We're well ahead of that and we'll continue to be ahead.

**Ankush Mahajan:** Sir, my last one is that in Q2, even in the PPT, the MICE portion in revenue is quite big this time due to G20. So how could be the provision in the upcoming quarters? Because the gross margins are quite high in the MICE now.

**Mahesh Iyer:** So if you look at the MICE business, the MICE representation here is two brands, SOTC and Thomas Cook both. It's on the Thomas Cook side of the business where we manage the common portfolios, more specifically the G20.

Obviously, next year, we're not going to see a G20. But the big part is that we now entered the Government segment. We started working with multiple ministries as a part of this entire engagement with G20. And we believe as the Government now uses this opportunity to showcase India in a much bigger way.

There is also a rub-off effect on the domestic tourism management of this because India has showcased so many states, its culture, its tradition and everything else. So I think from a momentum point of view and an outlook for the next three years to five years, I think India has set the stage to welcome foreign users to come to India. This actually helps our inbound business. It will help our ancillary businesses. It will help our domestic business and also help build momentum through a new line of business, which is the Government business.

Apart from that, if you look at our international MICE business, they continue to do well. We've been actually growing at about 15%, 20%. And even in the current quarter, the growth as compared to the previous comparable quarter, it's about 25%. So that volume continues to come in and the spending, which is more the R&R programs than corporate funds, they have actually been coming back and investing in the distribution channels, just as any other company will do to increase their sales.

I think most companies are now opening their growth and spending. So we don't see any slowdown that will come. Maybe some part of the portfolio will get replaced, but clearly, the momentum is there.

**Moderator:** Thank you very much. The next question is from the line of Ashish Chauhan from RV Investments. Please go ahead.

**Ashish Chauhan:** This is Ashish here. Sir, my first question was regarding the cash that we have on our books that is close to around INR1,200 crores to INR1,300 crores. So are we looking at some payment to the investors in the form of dividend or buyback? Or is this for a merger and acquisition that might take place toward our inorganic growth?

**Debasis Nandy:** So, to answer your question, yes, we have cash on our books. Obviously, part of the cash – also represents the float that we have on the card, on the Foreign Exchange prepaid cards. As of now, we do not have a plan to use this cash for either a buyback or for further acquisitions, etcetera. –Our strategy on this is, I think, fairly clear. We want to use our cash to pay off our debt over the next couple of years.

Thomas Cook as a stand-alone unit does not have any short-term debts as of date. It has some long-term debts, – which we're – trying to prepay. Likewise –in some of the other subsidiaries, they have debt, which are gradually coming down. So as I mentioned, overall, our debt is around INR290 crores, which we're trying to pay off in various ways. The first priority is to become debt free, which will obviously increase overall the PBT and, of course, the PAT.

**Ashish Chauhan:** Sir, I would like to give a follow-up question on this, that the cash is somewhere close to INR 1,300 crores and the debt is close to INR 200 crores?

**Debasis Nandy:** Yes.

**Ashish Chauhan:** So the debt can be easily paid off, right?

**Debasis Nandy:** The debt, as I said, the debt we don't really have short-term debt, which I mean overdrafts, which can be payable easily. The long-term debt usually has some covenants on the impairment of when I can pay, etcetera, and we can only pay on due date. What we're trying right now is to pay off some of the longer-term debt ahead of schedule. And obviously, that's not an easy task because the banks –do not want to be paid early because this is loss of earnings.

**Ashish Chauhan:** Okay. Sir,— my second question was, since Corporate Travel is just 2% of our revenue, so are we looking to target that side as well?

**Mahesh Iyer:** I think that's not the way to look at it. It's not 2% of the revenue. It's only that it's just to be recognized from an accounting point of view. We only recognize the revenue that we make on the business and not the top line sales over the segment mix that you see there. Like all other businesses within the Travel Group are in the form of top line sales, this is only the realized revenue on the business and that's why it looks like 2%.

**Ashish Chauhan:** Okay. So sir, can you put a light on over there? Like what is the actual thing there, except for the accounting area?

**Debasis Nandy:** So, if I look at the pure throughput, I won't like to call it turnover, but purely as throughput. Corporate Travel accounts for close to over 29% of the overall throughput number. Corporate Travel is that we managed to cultivate corporate relationships, which may be very useful for getting MICE contracts or getting into the forex side of the business. Some of these corporate relations can also lead to employees buying all the B2C leisure travel packages.

**Ashish Chauhan:** And sir, the last thing, since there was a World Cup over here, so this might have been a bit positive for us, just like G20. Was there anything that FX adds to our revenue?

**Mahesh Iyer:** I can't necessarily put a number to saying that whether the World Cup had a fillip. Yes, we got some inquiries, but obviously, we are not selling World Cup tickets. And people who come would want to buy a package which is inclusive of a World Cup ticket and we didn't have too many. There were a lot of inquiries for the coveted match in Ahmedabad, but we managed to sell some. But I wouldn't say that is a large part of our business, that's a small portion. So not necessarily, but yes, I think the attention to India was very large or just after G20, World Cup happening in India, I think the world was looking at India. And I think the stadiums that we put up, the Lucknow Stadium and Ahmedabad Stadium. I think we've kind of made a mark in the global space. And that's what we will look at. These are not short-term benefits. We have to start looking at it from a long-term perspective.

**Ashish Chauhan:** Sir, the last thing I just wanted is, can you give me the schedule for the debt repayment completely?

**Debasis Nandy:** We aim to be debt free over the next two years to three years.

**Moderator:** Thank you very much. The next question is from the line of Dhaval Shah from Girik Capital. Please go ahead.

**Dhaval Shah:** Sir, may it be possible to give a breakup of different businesses under Travel like outbound, DMS International, domestic, Corporate Travel? What is the revenue for the quarter?

**Debasis Nandy:** So in terms of the mix, revenue mix, I can give you in percent times and I don't think again it's easy to decipher that. So, my source is about 31% for the quarter, Corporate Travel 2% like Mahesh mentioned, we account for only the money that we make there. DMS was about 46%, long-haul holidays 19%, short-haul 6%.

And obviously, all this will add up to a little more than 100 because there are some intersegment eliminations because we use the DMS businesses also to service some of our outbound business. And so we have to take a 5% cut on the intersegment elimination.

**Dhaval Shah:** Okay. Sir, so like last year, we did around INR1,000 crores in MICE. And this year also, we would be growing on that. How do you see this business over the next three-year period? And where would you compare it to like your experiences, how the MICE business has been in developed geographies or other comparable economies of the world? What is the opportunity size in this?

**Mahesh Iyer:** So look, I think from the previous question that was there, I kind of alluded to that. I think if we look at the MICE, the definition is Meetings, Incentives, Conferences and Exhibitions . Each of it presents an opportunity within inside and out. Now there are multiple segments within that. Take the example of weddings. And that's a great opportunity for us. But we don't play in that space. There are parts of it that we do for some of our corporate customers, but that's not a large space. So that's an opportunity, if you want to say so.

If you look at sports, that has become a huge opportunity as far as the MICE is concerned. So as we speak, we are managing the National Games in Goa. So that's an opportunity that has emerged, didn't exist in the past. We spoke about G20, which we managed. So clearly, that's a new opportunity. If you look at the international destinations, most of our corporates have now come back and now looking beyond virtual events and domestic events to international events.

The public markets remain, and we are trying to create new itineraries, new destinations for them because a lot of these people who operate in this space, the paint industry, the insurance industry, I think all of them have been to that place multiple times over because most dealers work with more than one company, so they have been to one destination or other.

So, I think the important thing is to create new experiences for them, new destinations for them and how you bring that wow feeling that you need to create. So I think it requires a specialized set of skill and I think we believe we have that skill between both the brands. And we continue to invest



and looking at the new opportunity that comes about. If you look at the size of the MICE business, there is an estimation which says that this is likely to go by grow 7x over the 10 years. So clearly, I think we have enough and more room to grow.

**Dhaval Shah:** Okay. And sir, just one repeat question on the cash. I basically want to understand more clearly that INR1,300 crores, which we have on the book now adjusted for the float and the vendor advances, what will be that? What will be like the cash, which is free and which is an invest in mutual fund or like free cash? So what is the absolute amount, which is actually used to pay down the debt or you pay dividend?

**Debasis Nandy:** About a couple of INR100 crores.

**Dhaval Shah:** Okay, okay. And on the float, how much do we earn? And what will be the float number out of the INR1,300 crores?

**Debasis Nandy:** Okay. How much we earn is an interesting question because probably I'll have got to go a little bit in detail into what is done in the float. Some of the money is kept into fixed deposits, where we earn some amount of interest. It really depends on the currency in which the float is kept. Some currencies earn more interest than others.

Some amount of money we have to keep in nostro account because it also have to manage the encashment that happen on the cards on a daily basis. And the balance money, we also use to manage our working capital. And let me just take a little more time on this one. So what we typically do is to swap this money on a daily basis and convert that to INR only for the day to take care of day-to-day requirement. The advantage of doing that is that arbitrage on the short-term borrowings. So instead of borrowing money at 8.5% or 9%, I can do a swap at about 3.5% or something like that, and therefore, save close to about 5%, 5.5%. So that is what we keep on doing.

**Dhaval Shah:** Okay. And you do this like on a daily basis, right?

**Debasis Nandy:** It's daily basis, yes. And since it's a swap, there is no forex risk associated with this.

**Dhaval Shah:** Interesting, interesting. So in last six months, how much would you have swapped?

**Debasis Nandy:** See, every day, we swap, no? So I mean, how do I put a number to it? It will depend on the daily requirement of cash that we have. Our Foreign Exchange business is a money business, right? So if there is a great demand for encashing foreign exchange, so there will be a big amount of demand for rupee, which is what I need to service that demand. I will do more swaps. On days when the demand is less, I'll do less swaps. So it will really depend on the demand for the day. There is no specific number.

And very tightly, all I can assure is that we have our own dealing room. We have a set of people who assign this task on a daily basis and they do that very diligently. It's a very, very tightly controlled

process. We need to remember that we are an authorized dealer and, therefore, under the continuous scrutiny of RBI. And therefore, we are as careful as the banks are or at times even more to make sure that we stick to the boundaries.

**Dhaval Shah:** Okay. And sir, even the banks are offering the currency cards. So we will be having some tie-up where, say, ICICI Bank is offering the cards? So where we will be the back-end partner or something like that. So one is a customer goes directly to Thomas Cook office and then he buys the card when you want to travel. But the banks are also offering the same thing. So how do we manage that competition?

**Mahesh Iyer:** So, Dhaval, let me take that question. First and foremost, I'm not a redistributor of a card. I issue my own prepaid cards, with all the key network partners which is Visa, Mastercard and RuPay. Well, RuPay is limited because it has the only offer in the Dubai region and it's not expanded to other geographies, but we offer all the three and we are compliant with the regulation requirement in terms of giving the customer the choice of the network partner that he chooses.

We also have variants of the card, which is multicurrency and one currency, which means the customer is traveling to a single point, he can choose the currency that he wants. Or if he traveling to multiple geographies, he can come to a multicurrency card. Each of them comes with its own benefits of safety, security, convenience, reloadability and it's accepted worldwide.

From a USP or a competitive landscape point of view, it's important to highlight that Thomas Cook for the last two quarters has been the number one issuer in terms of volume of prepaid cards in this space. And we compete here with banks and the money changers who operate in this space.

We distribute this card to our corporate customers, our retail customers and also through third-party agents, which are booking agents. So we have a fairly good portfolio and product has its own USP in terms of how the commercials are fitted in. And I have been mentioning this before, we've been growing at 35%, and we expect that growth.

**Dhaval Shah:** Okay. And just to re-understand, so all our cards would be pure Thomas Cook cards, that is, nothing like co-branded, like Axis Bank Thomas Cook card?

**Mahesh Iyer:** So, what I would say is that everything is a Thomas Cook card. If Thomas Cook has signed up with a third-party partner, and I need to do a co-branding arrangement with him, it will be Thomas Cook plus them. But it will not be a bank plus Thomas Cook ever.

**Dhaval Shah:** Okay, understood. And sir, last question. Just on annual report, we have certain related-party transactions with other services of companies, now, say for example, 10-plus. So would all that be related to the Corporate Travel service what we do, or will be something else?

**Debasis Nandy:** It will depend on what is the requirement. It could be corporate, it can be ticketing, it can be hotels, it can be packages like, for example, MICE, etcetera. But let me assure one thing

that all the related-party transactions are audited with specifically there is no requirement for a third-party certification. But our Board insist on getting that done. So every quarter, we have an audit of all the related-party transactions just to make sure that they are done properly, meet the transfer pricing requirement, the benchmarking requirements and so on and so forth.

**Moderator:** Thank you very much. The next question is from the line of Mithun Aswath from Kivah Advisors. Please go ahead.

**Mithun Aswath:** Just wanted to understand your Travel-related business. Any outlook for Q3? As well as have you reached the run rate of pre-COVID now or there's still some time to go?

**Mahesh Iyer:** Mithun, again, Mahesh here. I think you missed our initial commentary. As we said, most part of our business have reached close to pre-pandemic. It's in the India businesses, it's the long-haul part of our Holiday business, which is currently trending at anywhere between 58% to 62% of the pre-pandemic numbers. Short-haul and domestic have already crossed that benchmark. If you look at the DMS business and which is what Debasis covered, some parts of our DMS business have already got closer to pre-pandemic.

Some other markets are still trailing. They are about 65% to 80%. And we expect that run rate to catch up very soon. So there is a mixed bag. But within the India business that we operate, Corporate Travel and B2B holidays have already surpassed the pre-pandemic level, and they continue to perform well.

**Mithun Aswath:** Right. Just wanted to understand, any outlook for Q3 and Q4 that you're seeing? Because your Q2 is actually nonseasonal and you've done well. And Q3, you will have the festive season and the holidays between October to December. How is the outlook so far? Also do you expect margins to rise in the Travel-related business going forward?

**Mahesh Iyer:** Thank you, Mithun. Actually, you answered the question. The festivities and the tailwinds that we see associated with it are very bind to our forward bookings. And I think we have quoted that in our press release also. Our current forward bookings comparable to a year ago are about 32% higher. And we see the tailwinds helping us, the festivity and some part of excitement around all the holidays will take this further.

As far as Q4 of FY '24 is concerned, it's a little early to comment on, but it's important to note here that both brands, SOTC and Thomas Cook, have gone to the market with their offerings on the European side. So we are heating up for the summer. And I think we are expecting from the initial response, it's just about two days that we've been doing. The initial response tells us that the market is well tier to bounce back.

**Mithun Aswath:** Yes. Just—two more questions. On the margin front, in the Travel-related business, is there a scope for further improvement?

**Mahesh Iyer:** Well, if you ask me, as I said, from a gross margin point of view, we have expanded our margins from pre-pandemic by about 200 to 250 basis points. Can we go further? Maybe there is some room, and there are reasons why I say that because the input costs are higher and we can pass some of this back to the customer. There is consolidation of buying that's happening. We are reducing our inventory losses.

So all of this keeps adding back to the margins that we do. So there could be some expansion. I think most of it has been done. Beyond that, we don't want to be at a threshold where we start getting expensive to the market. I think we've got to a decent 16%, 16.5%, maybe under 50 to 100 basis points, and that's where we'll pick up.

**Debasis Nandy:** Just to add to what Mahesh is saying, Debasis here. Listen, while you heard as Mahesh said, but there is scope for expansion at the EBIT margin level because volumes pick up, the volumes keep on growing, our fixed costs will not grow at the same rate, obviously. So there will be a gap that will be there. So if you see our current margins for the quarter, it's about 3.5% at an overall level.

We expect that to move up because the growth is coming back. We will probably see expansion of about 150 basis points to that, I'm not saying next quarter, but over the next 12 months, or three quarters to four quarters, let's talk about. So we should see an expansion of about 150 to 200 basis points there.

**Mithun Aswath:** That's excellent. Just one last book keeping question. On the cash, INR1,342 crores, debt INR279 crores, what is your free cash? Let's exclude the float and what could it be?

**Debasis Nandy:** You probably missed the answer to one of the earlier questions. So somebody has asked the same question. And we said that ballpark is about a couple of hundred crores. That's what we have right now. But we expect this to grow. Our free cash flows are coming back, and we used to generate in the range of about INR150 crores to INR200 crores of free cash. We will move to that level and exceed that in the coming years. So you'll see this free cash growing.

**Moderator:** Thank you. The next question is from the line of Shubham Zope from Sicomoro Advisors. Please go ahead.

**Shubham Zope:** I have two questions on the margin front. First is on the forex side, forex services. So what was the primary reason behind EBIT margin contraction in financial services? And what is your long-term guidance for the EBIT margin I'm talking about.

And second, you mentioned in last question about EBIT margin for Travel segment. In last con call, you gave the guidance of EBIT margin of around 6% to 7%. So is that guidance the same at 6% to 7%? And if so, then when we expect it to achieve?

**Mahesh Iyer:** Okay. So let me take both the questions beginning with Foreign Exchange. I think, as I've mentioned, you'll appreciate the fact that July, September quarter is not a travel quarter. It's not a peak quarter. The mix of business that we operate here is different from the previous quarter. So it's not necessarily comparable. I think the comparison is comparable quarter last year. And if you see, our EBIT margin on the financial services has moved from 32% to 37%. So that's a 500 basis points improvement.

Just to make a point in terms of the margin or EBIT margin for the sequential quarter, it's important to note that in that quarter, we also had a large movement for one of the premier banks where we were managing a large traffic for the Hajj, and we have delivered some large portfolios there. So some revenues that came in, which was a high-margin business. So that's not available in the current quarter. But steady state, as you see, on a comparable quarter basis, we have expanded our margins from 32% to 37%.

Your third question on travel. I think you've seen the expansion in margin. And I think what Debasis and I have been saying this, businesses are on different parts of recovery and they are still not fully there. As the revenue starts adding up, our fixed costs are not going to go up and a lot of that is going to flow back into our profitability, which will improve our EBIT margin. I think that's the way to look at this.

**Moderator:** Thank you very much. The next question is from the line of Hatim Broachwala from JM Mutual Fund. Please go ahead.

**Hatim Broachwala:** Sir, my first question is, if you can talk about the visa issue in some of the outbound long-haul travel, whether there has been some resolution in the visa availability?

**Mahesh Iyer:** Sure. So again, Mahesh here. Yes, there has been improvement. If you ask me, within the Schengen country where we had close to 16%, 18% reduction, we've seen that percentage is going down. Visa has become slightly more easier as far as Switzerland and France visa are concerned. Also, and we hear most of them embassy have beefed up their strength. We are seeing more number of people, more hands there to process. And one welcome change that has come in is that travellers to Schengen countries now can apply for a visa six months before travel, which was not the case before.

So I think from a forward-looking perspective, some of these pains of going last minute and trying to look at reductions will get eased off. The proof of the pudding is when the summer season gets operated. But I think directionally, we see the right steps being taken. If you look at the US side of it, which is under long-haul visitation, I think there's a report that's come out today, I think the number of wait days as far as Delhi is concerned has down substantially.

And I think Mumbai has also about 1.5 years, it's come down to less than one year. And I think as more people come up and the allocation for a number of visas goes up, you will see that coming

down. So, I think it steps in the right direction. We expect the situation to be much better than what we were while we were dealing with the summer of 2023.

**Hatim Broachwala:** And just one question is that H2 on Travel and Forex business should be much better than H1, right? Is that a correct assumption?

**Mahesh Iyer:** Look, it may not be absolutely correct because a bulk of our Travel business happens in the April, June quarter. So, if I plot the financial year, April, June will be the largest quarter that we have followed by July, September in some form. And then October, December, again, slightly coming up and then Jan, March will be, again, an investment quarter that's when we start investing for summers ahead.

So, typically seasonality is high. Coming down slightly, going up slightly a bit and then coming down again. So that's the kind of shape you will see. It's more like a wavy curve. And from a percentage point of view, I can broadly say about 40% to 45% or maybe close to 50% will happen in the April, June quarter and the rest we'll expect in the next three quarters.

**Debasis Nandy:** Yes. And inbound, it's slightly different because inbound and DMS basically, they can bulk up more in the second half of the year, which is because that's a winter season in Asia. And we have two key businesses there, Asia -- in Southeast Asia and in India. So that tends to bulk up and make up for some of the short haul, if I may say so, on the outbound and MICE part. But still at an overall level, I would say, ballpark about 60% will happen in the first half, 40% in the second half, something like that, in that range.

**Hatim Broachwala:** This is for the Travel and Forex business, right?

**Debasis Nandy:** I'm talking about the Travel business specifically.

**Hatim Broachwala:** Okay, okay. Last question is in the resort business, what are the ARR and occupancy?

**Debasis Nandy:** Vikram, would you like to comment on this one?

**Vikram Lalvani:** Yes, yes, sure. So the occupancy is about 63%, and the ARR is about INR 6,000 for H1. And H2 will also follow where our Q3 which is October, November and December shall kind of be in sync with what Q1 has been. And Q4 shall be in sync with what Q2 has been.

**Moderator:** Thank you. The next question is from Ashish Chauhan from RV Investments. Please go ahead.

**Ashish Chauhan:** Sir, this question was regarding the India-UK. FTA. So is that FTADA happening and there will be a lot more students travelling and travel taking place. So, will there be a benefit?

**Mahesh Iyer:** It should. Because as I mentioned in my commentary for the five segment, education product is a large segment for us. We've been growing steadfast in the current year with some issues around Canada. I think UK has become a very prominent market, so we'll see the demand going back to UK. And with this new FTA arrangement, we will expect a lot more students to travel. It's also important for them to note here that we also launched a prepaid product, specifically targeting the students, which is called 'Study Buddy'. And clearly, we believe that there is more room for us to grow in the overall segment.

**Ashish Chauhan:** Sir, and one more question was regarding Sterling resorts. In the last con call, we had spoken that there might be an increment to six or more resorts in H1 FY'24 to Sterling. So has that taken place already?

**Vikram Lalvani:** Yes. In fact, we have added four, two in Q1, two in Q2 and we've already opened three in October. So, we have another five to six in the pipeline more during March end.

**Ashish Chauhan:** Sir, now occupancy rate is somewhere close to 63%. So when do we look like reaching close to around 70% to 80%?

**Vikram Lalvani:** Let me clarify this. One is there has actually been a growth in supply of almost 8%. And despite that the occupancy is actually at 63%. So actually, the number of room nights have gone up, number one. Number two, we are also in a seasonality business. So, in peak times, you can even hit 90%, 95%. In lean times, you are actually hitting 50% to 55%. So actually, that's how the weighted average actually goes between 60% to 70%.

Traditionally, leisure business, for example, weekends, we are actually running with high capacity utilizations. And weekdays, Tuesdays, Wednesdays and Thursday, they're trying to bring volumes. So, I'll be very frank, the 70% to 80% for the leisure business looks slightly impact the year. So therefore, we are looking at about 60% to 70%. 270 days in a year are regular periods, 90 days in a year as super peak periods. So in that ratio, you're running actually between 60% to 70% in an increased supply mode. So that's where we are actually today.

**Moderator:** Thank you. We have one last question. We take the last question from the line of Manish Parikh, who is an individual investor. Please go ahead.

**Manish Parikh:** Sir, just one question. Anything on revenue guidance for next few years? How you are looking in terms of traction because traction in all the businesses is there. So as an investor, can we get a ballpark number in terms of revenue growth guidance?

**Debasis Nandy:** Manish, we do not really give out revenue. It's not our practice of giving out a revenue guidance. But if you've heard all of us over the last 1 hour or so, you get a fairly good idea of what the trajectory of growth is likely to be across all the segments. And what we would request you to be patient and see the growth being delivered quarter-on-quarter.



We do not really want to make a specific comment on how the growth will be in percentage terms or absolute terms over the next couple of years. But we have recovered for the record back to the pre-COVID levels at the turnover level. And at a profitability, we are far ahead of it. And the best of our days are yet to come.

**Moderator:** Thank you very much. That was the last question. I would now like to hand the conference back to the management team for closing comments.

**Madhavan Menon:** Thank you very much, ladies and gentlemen. I appreciate all the questions that you've asked. If you do have any follow-ups that you want more clarity on, please feel free to reach out to Debasis Nandy, who is Group CFO; and Urvashi Butani, who handles our Investor Relations. I'm sure you have access to both these names and their contact points. Thank you very much again, and have a great weekend.

**Moderator:** Thank you very much. On behalf of IIFL Securities Limited, that concludes this conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.

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