Thomas Cook (India) Ltd.
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A FAIRFAX Company

Thomas Cook Travel Smooth thomascook.in

June 1, 2022

The Manager,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 500413

Fax No.: 2272 2037/39/41/61

The Manager,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Scrip Code: THOMASCOOK

Fax No.: 2659 8237/38

Dear Sir/ Madam,

Ref: Transcript of the Analyst and Investor Conference Call on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended March 31, 2022

In furtherance of our intimation dated May 21, 2022, giving intimation on the Q4 & FY22 earning Conference Call for the analysts and investors and pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Transcript of the Investor and Analyst Conference Call on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended March 31, 2022, held on May 25, 2022.

This is for your information and records.

Thank you.

Yours faithfully,

For **Thomas Cook (India) Limited**

AMIT JYOTINDRA PAREKH
Digitally signed by AMIT JYOTINDRA PAREKH
Date: 2022.06.01 15:56:30 +05'30'

Amit J. Parekh
Company Secretary and Compliance Officer

Encl: a/a

Thomas Cook (India) Limited

Q4 & FY2022 Earnings Conference Call

May 25, 2022

A FAIRFAX Company

MANAGEMENT TEAM

- MR. MADHAVAN MENON - MANAGING DIRECTOR, THOMAS COOK (INDIA) LIMITED
- MR. MAHESH IYER – CHIEF EXECUTING OFFICER & EXECUTIVE DIRECTOR - THOMAS COOK (INDIA) LIMITED
- MR. VISHAL SURI – MANAGING DIRECTOR – SOTC TRAVEL LIMITED
- MR. DEBASIS NANDY - PRESIDENT AND GROUP CHIEF FINANCIAL OFFICER – THOMAS COOK (INDIA) LIMITED
- MR. BRIJESH MODI – CHIEF FINANCIAL OFFICER – THOMAS COOK (INDIA) LIMITED
- MR. VIKRAM LALVANI – MANAGING DIRECTOR –STERLING HOLIDAY RESORTS LIMITED
- MR. KRISHNA KUMAR – CHIEF FINANCIAL OFFICER - STERLING HOLIDAY RESORTS LIMITED
- MS. URVASHI BUTANI- INVESTOR RELATIONS - THOMAS COOK (INDIA) LIMITED
- MR. ABRAHAM ALAPATT - MARKETING SERVICES - THOMAS COOK (INDIA) LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Thomas Cook (India) Limited's Q4 and FY2022 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 touchtone phone. Please note that this conference is being recorded. I now hand over the call to Mr. Akul Broachwala from IIFL Securities. Thank you and over to you!

Akul Broachwala: Thank you. Ladies and gentlemen good afternoon and thank you for joining us on the Q4 FY2022 earnings conference call of Thomas Cook (India) Limited. I invite the Company's senior management team who are here to discuss the results and business strategy. We will start the call with opening remarks from Mr. Debasis Nandy, President and Group CFO followed by the management team and thereafter we will open the call for Q&A Session. I would now like to hand over the call to Mr. Nandy to take proceedings forward. Thank you and over to you Sir!

Debasis Nandy: Thank you, Akul. Good afternoon ladies and gentlemen. I would like to start by introducing the participants from Thomas Cook, SOTC and Sterling. We have Mr. Madhavan Menon, Managing Director, Thomas Cook (India) Limited. We have Mahesh Iyer, CEO and Executive Director, Thomas Cook (India) Limited, Mr. Vishal Suri, MD of SOTC and Brijesh Modi, CFO of Thomas Cook. From Sterling Resorts & Holidays, I have Mr. Vikram Lalvani MD as well as Mr. Krishna Kumar CFO. I also have Urvashi who runs the Investor Relations program in Thomas Cook and Abraham Alapatt who heads Marketing, Service Quality, Value Added Services and Innovation

I will start with the overview of the results and then I will hand over to Mahesh. Our income operations for the quarter has moved up from Rs 3,573 mn to Rs 5,221 mn, which is a jump about 46% on quarter-on-quarter basis as compared to last year. Our operating EBITDA at a consolidated level has moved into the positive territory. We had a loss of Rs 361 mn last year same quarter and the operating EBITDA has now moved to Rs 239 mn. While this is operating EBITDA, we had to make some adjustments mark-to-market gains and losses to arrive at EBITDA and let me take a minute to explain this.

We have an Employee Trust, which holds some shares of Quess Corp Ltd, earmarked only for the distribution to the employees and these are lying undistributed in the trust. Therefore, at the end of every quarter we need to make an assessment of the mark-to-market gains and losses as we have seen the share prices of Quess like in many other companies has been very volatile during this period and that causes changes in our reported EBITDA and our actual operating EBITDA gets influenced by that.

I shall give you a simple example to explain this, for Q4 FY2021, the mark-to-market gain from Quess was Rs 205 mn and the reported losses were Rs 156 mn, factoring for this our operating EBITDA as I mentioned was Rs 361 mn losses, and that was primarily due to the gains we made out of Quess. This year unfortunately the position has reversed, while we made operating EBITDA gain of Rs 239 mn, the Quess mark-to-market losses were Rs 247 mn and therefore at an EBITDA level we are more or less breakeven.

Moving over to the consolidated full year results, our income of operations for the full year went up from Rs 7,950 mn to Rs 18,883 mn that is an increase over 138%. Our operating EBITDA losses have reduced very sharply by about 54% from last year of Rs 2,757 mn down to loss of Rs 1,273 mn. The Quess mark-to-market gains again played a role here. Last year we made a gain of Rs 669 mn on Quess mark-to-market gains and this year we have actually incurred a loss about Rs 38 mn for the full year. So that has brought down so our current year EBITDA which looks depressed because of that fact.

What is the important thing to notice for this quarter is that of the many companies in the Group, three have become profitable, namely Thomas Cook India Limited, SOTC and our company in East Africa called Private Safaris East Africa. These became profitable after a gap of over seven quarters. Some of the companies the Group continued to do well, Desert Adventures our unit in Middle East and DEI, headquartered in Dubai, delivered profitable quarters for the second successive quarter and Sterling continued its profitable run for the sixth successive quarter.

During this quarter, we also managed to strengthen our balance sheet substantially. As you know, we had issued optionally convertible redeemable preference shares amounting to about Rs 4,357 mn last year. During the last quarter, we have converted shares worth Rs 3.03 bn which resulted in the promoter's shareholding going up from 65.3% to 70.58%. The balance Rs 132 mn is going to be converted in the April - June quarter as well which will push up Fairfax's holding by about another 1.7%.

The cash on the balance sheet at the end of March was Rs 6,399 mn which showed a robust position as far as availability of cash is concerned. The overall debt position and here I will break it up into long- and short-term overall debt position was about Rs 4,558 mn of which about Rs 1290 mn was long-term that included Rs 716 mn under the export credit PLG scheme –ECGLS as it is known popularly which comes at a lower interest rate, whereas the short-term - bank overdraft and the working capital demand loans were about Rs 3,268 mn. All of these, reflected in the CRISIL rating. We continue to enjoy a CRISIL rating of A+ right through the year, reflecting the stability of the balance sheet and reflect continued faith in the Company's operations. I will now hand over to Mahesh who will take you through the company's results and talk about the prospects. Thank you.

Mahesh Iyer: Thank you Debasis. Good afternoon everyone, this is Mahesh Iyer, I am the Executive Director and CEO at Thomas Cook (India) Limited. Since Debasis has already walked you all through the numbers, I thought it is important to highlight some of our key achievements that led to this kind of a positive performance in the current quarter.

To begin with I will give a quick summary on the businesses of Thomas Cook and SOTC, which is more on the travel and travel related services and then also walk you through some of the other subsidiaries which are overseas in terms of DMS (Destination Management Specialists) and DEI and then hand over to Vikram who will walk you through the Sterling numbers.

To begin with - foreign exchange continued to do well and as we have said in the past too, the business at Thomas Cook for foreign exchange was very least impacted by the pandemic to that extent because we qualified under essential services earlier June of 2020 and we were able to offer services to customers; be it on the remittance side or be it encashment and that business continued to remain profitable, just after the three months of the forced lockdown that happened between April and June of 2020. Every other month from July 2020 right till March 2022 the business continued to be EBITDA positive and continues to be so at this point in time also.

From a recovery point of view, the foreign exchange business had recoveries in its various lines within the segment in varying percentages. The retail business during Q4FY22 recovered close to about 68%; from a corporate recovery point of view we are roughly around 35% and the airport businesses which are again is a barometer of how the inflow of traffic is coming is currently operating at about 26% recovery from pre pandemic levels. Now if give a flavor to how we are looking at this trending into Q1 FY2023 and I am making a forward-looking statement here, which is already qualified, we are actually seeing our trends to be even more positive as compared to what we saw in the quarter ended of March.

Our Retail fx business currently is trending closer to 70% of the pre-pandemic level. Corporate volumes have actually substantially improved we are trending at close to about 57% and the airport has already moved up to close to 43%. So from a recovery point of view, ending March quarter as well as looking into June, our expectation is that this recovery is going to be very strong, supported by the fact that the borders have opened up, international commercial flights have resumed operations from March 27, 2022 and with the opening up of offices for corporates and they getting back into businesses, the sentiment in terms of recovery is very, very positive.

Also, important to highlight here that when I am talking about the retail recovery on the foreign exchange, this is led by the remittance business and a very small recovery as far as a travel related business is concerned. As you would know, March 27 2022 is when the borders have opened up and international commercial flights have started operating hence the travel bookings have just started to come in and the holiday part of the retail foreign exchange business is still to take off. So my expectation is that as that business gets into some amount of momentum, the retail volume should very quickly catch up in terms of getting to past the pre-pandemic levels well ahead of our targeted number of December 2022.

Moving on to the other piece of the foreign exchange portfolio which is the borderless prepaid card. The prepaid card that we operate in the business is currently operating at about 80% of the pre-pandemic level buoyed by the fact that both retail as well as corporate segments are witnessing traction in terms of volumes and transactions most of it is being the IT/ITES segments where large contracts have been won and corporates find it very easy to kind of place them on onshore contracts where they are locked in for a longer period in time and that is kind of helping our volumes to come. Also, the sweet spot on this business is the float that we generate and for the quarter in question we generated about USD 10 million of float on our borderless prepaid card that adds to our cash balance also.

Coming over to the holiday’s business: here I think that is a bit of a mixed bag in terms of Q4 FY2022 and my projection for Q1 FY2023. As far as Q4 FY2022 is concerned, the domestic business is trending very close to the 2019 numbers and there have been months where we actually surpassed. Now again we must be mindful of the fact that we are talking about a quarter which was a truncated one because we had the Omicron effect, so for about 45 days a large part of our operations came to a standstill but despite that, the domestic business witnessed a sharp come back and as we speak today we are already trending much ahead of what we did in 2019.

Now if I look at this from the international holiday perspective there are two parts to it - the short haul and the long haul. The short haul are destinations which are closer to home - the Far East and the Middle East and over there the recovery in terms of volumes compared to 2019 is close to about 45%. Long haul typically refers to Europe, US and the Australia where there are challenges, both from connectivity point of view and on visa restrictions. As you will appreciate that there are no visa slots available; they have truncated their people and the proceeding time is anywhere between six to eight weeks for most of these geographies and in some long-haul destinations like US, your next appointment is not before December of 2022. So given those external challenges, I think the recoveries are little slower but for Q1 we have already witnessed close to about 20% recovery to the 2019 numbers but our expectation for Q1 FY2023 is that we should be trending closer to about 40% so we are expecting a 2x kind of a growth that would come in over the next 45 days and the forward pipeline for us is looking very strong as far as the holidays business is concerned.
It is also important to highlight here that there are external challenges, headwinds in terms of inflated airfares and to the fact that because of crisis in Russia-Ukraine, airfares have kind of remained heightened and are likely to remain. So this kind of puts pressure on the input cost while this is passed on to the customers obviously decision making from a customer's point of view gets a little delayed. Our expectation in the current year is the cycle is likely to be a little longer. Typically we look at an April-June or maybe a July quarter as far as the holiday season is concerned. This year our expectation is that the holiday season will run right into September and will quickly be followed by the Pooja holidays and Diwali which is the festivities, so we will see that the year long holiday season this year as compared to the pre-pandemic where we would actually qualify April to July as the peak period for the holiday season.

Coming back to the next part of the business, which is corporate travel I think again that is one business that which has outshined on a lot of counts. One being the number of active corporates that we have has actually moved up by about 50% month-on-month. Many corporates have come back into offices and started to travel and this entire format of saying digitally operating has kind of gone through the roof, people are expecting to meet customers for their sales and as far as their new business is concerned so clearly that momentum has started to come in, while a lot of this volumes and transaction counts that we are seeing are on the domestic side. International has

started to pick up, as I mentioned before March 27, 2022 being the cutoff date when travel actually started in. We have started to see a good momentum coming in there and our expectation for Q1 FY2023 is that we should be very close to the pre-pandemic level.
Also, important to mention here from a mix point of view other than the domestic (89%) and international (11%), the air to non-air ratio has also substantially changed for us. Now it is a sweet spot for us because that is high yield, high margin business, specifically bookings like hotel, car rentals or other ancillary services that we do for our corporate customers. Clearly, over there we have seen some uptick so we moved our range from about 7% penetration to about 12% and our expectation for the full year that we should be closer to about 15% in terms of air to non-air ratio and that should help in terms of improving our yields on those businesses also.

The last part of the business is MICE (meetings, incentives, conferences and exhibitions) where it has been a bit of a slow start. We saw some smart recovery coming in the December quarter but obviously, the March quarter was impacted due to Omicron. A lot of the travel that used to happen in the December quarter was domestic and the domestic travel got impacted because of the Omicron but clearly the forward pipeline that we see on the business is very, very strong. Also important and noteworthy to mention here is that we have acquired some large contracts especially from the government side and the government business on the MICE is looking very, very promising. At this point in time, the recovery on the business is about 9% and for our expectation for Q1 FY2023 is likely to be about close to 40%.

So overall, if I look at a company level our expectation for Q1 FY2023 is likely to be about 55% to 60% of the pre-pandemic level and we see that momentum building up both in terms of our forward booking pipeline as well as our conversations with the customers. It is also important to mention here that there are supply side constraints both in terms of input costs as well as availability. But these are the headwinds that we have to face but clearly, we are an aggregator of services so whatever is the input cost we are passing on to the customer and that is going to be reflected in our yields as they are today also.

Moving over to a quick summary on the other entities that we have within the group to begin with the DMS entities and I think Debasis spoke about it briefly in his introductory comment, Desert Adventures and Private Safari East Africa the two entities both of them turned positive. In fact Desert Adventures was positive in the December quarter also. They had some sharp volumes coming from Russia in the previous quarter continue to trickle in the current quarter also and some groups from Latin America. So clearly that volumes continue to flow into their businesses apart from that they also had the benefit of cost savings that they had bought in which has flow into their P&L and they continue to remain positive. As you would appreciate the period between April to June happens to be a low season because summers get very hot there so clearly we expect some amount of slowdown to happen but for the full year, they were positive last year and we expect that for the current year also they should be EBITDA positive in the current year also.
Private Safari for the first time in the current quarter turned positive, albeit a very small number that came in but again it shows the confidence of people coming back and traveling again and I think that should carry well through the rest of the year. The forward-looking pipeline again for that business is looking very strong and our expectation is that these two businesses should continue to remain profitable for the rest of the year.
The two other units within the DMS which is Asian Trails which operates largely out of the Far East Asia or Southeast Asia they are a bit slow to start with. The markets have just opened up specifically Vietnam, Thailand have just about opened up. They have started to get in bookings and our

expectation is that over the next two quarters we should be starting to see some volumes adding up into their bookings.
Last but not the least our business out of US - Allied TPro again has started to see some strong bookings flowing. The mix of the business is actually changed but they were focused on GIT (Group Inclusive Tour) now they are more FIT focused. We have seen some large volumes flowing through and our current forward bookings on that business is trending very close to 2019. Therefore, our expectation for the full year is that they should turn profitable or at least be at a break-even level and we expect some good outcome to come.
DEI- the digital photography and imaging business that we operate and which is slightly different from the travel business that we operate in continued to remain profitable second quarter in a row and on December quarter they were profitable and in the March quarter also they had EBITDA positive, this is largely because of the recovery in some of the markets that happen specifically Dubai which is kind of led the back. We are about close to 90%-95% of the pre-pandemic level as far as the entire Middle East market is concerned. We have markets like Singapore, Hong Kong, Malaysia which are other markets that have just about opened up, they are already trending at about close to 50%-55% of the pre-pandemic levels. Again, they have taken some measures in terms of cost optimization which is beginning to play in and our expectation for the full year is that they should continue to remain profitable and we should be able to deliver cash on the table for us.
Last but not least before I hand over to Vikram, I would like to spend a minute on some of the technology initiatives that we have taken. The last 18 odd months we spend a lot of time in terms of technology transformation where the focus has been to improve the touch points or reduce the number of touch points that the customer has in dealing with the company at the same time improve their overall experience that he gets whether it is the foreign exchange business, the holiday business or whether it is the B2B business of MICE or corporate travel. Also, we have put in a lot of technology in terms of robotic process automation and AI to improve our conversions and also automate a lot of processes so that when the market opens up to the full extent the savings that we have baked in during the pandemic continues to flow into our P&L and I would like to reiterate here that we made a statement that we will make in about 40% of our cost savings that have been baked in will continue to hold on for the rest of the year also on that note I would like to hand over to Vikram for his opening comments and take it further. Over to you Vikram!

Vikram Lalvani: Good afternoon. My name is Vikram Lalvani and I represent Sterling Holiday Resorts as a Managing Director and CEO. I am joined by Mr. K. Krishnakumar. He is our Chief Financial Officer at Sterling Holiday Resort.
Ladies and gentlemen, it is a privilege to interact with all of you. We are delighted to announce that Sterling has been profitable for FY 2022 despite losing five months of business during the financial year due to the pandemic. In effect, we had 12 months of costs and only 7 months of revenue and despite that we are happy to announce that we have been profitable for the entire financial year. We had five straight quarters of positive PBT and this reflects and reaffirms the strategy that we had adopted post pandemic. In this approach, we have scaled up our non-member business at our resorts thus impacting room revenues. We increased in terms of average rates at our resort and food and beverages spends at our resort as well. We focused on cash generation through our membership business.
For the year our resort occupancies increased by 9% points, average rates improved by 19%. We increased our food and beverage spend by 20% and our average unit rate by 8% on membership sales and a shift towards available modules of membership business at our resort thus driving an operation EBITDA growth of 48% and an operating fee cash flow of 25% for the year. In Q1 FY2022

despite the pandemic that affected us in January and part of February operation EBITDA has been positive driven by a higher average rate and spend at our resort.
During the year, we launched three new destinations Alleppey, Gir in Gujarat and Tiruvannamalai in Tamil Nadu. With this, our portfolio has grown to 36 resorts as on close of March 31, 2022. We have a total of 2300 keys in our portfolio. We continue to build a pipeline of resorts in all new destinations and shall light them up incrementally to increase our portfolio resorts in popular leisure destinations in India. Our expansion strategy was initiated since pre-COVID and that shall continue even going forward in which our focus of expansion is on an asset-like method to increase our portfolio every year. From a customer perspective, 97% of our resorts ranked four and above on TripAdvisor with 60% of our resorts ranked top five in the respective destinations as on close of March 2022. During the year we had taken several initiatives at Sterling to introduce new customer products, we adopted digital practices to transform our business methods and enhance our distribution capabilities without adding incremental fixed costs in order to increase our revenues and this can be sustained as we go along. My team and I at Sterling are extremely upbeat and buoyant in our outlook for Q1 FY2023 given the pipeline of business that we have in our book for Q1 as well as the remaining part of the financial.

Moderator: Thank you. The first question comes from the line of Ankit Kanodia from Smart Sync Services. Please go ahead.

Ankit Kanodia: Thank you for taking my question and good to see you back after two years in the concall. First of all the question is regarding if you can give us a brief understanding about Sterling Resorts in terms of when we acquired the company what was our thought process, how things have gone in the past few years and how do we look at Sterling strategically in the next few years if you can give some color as to what work or did not work and how do we plan to prepare ourselves ahead that would be great.

Vikram Lalvani: After acquisition, we were actually expanding our portfolio of the resorts, we went into lease mode of operations in terms of acquiring resorts. Some of the resorts during that period also gave us a good market share and also gave us profits in some of the resorts started but some resorts have not made enough money. We then started to streamline operations in the beginning in the year 2019-2020 but when the pandemic affected us in the year March 2020 and pandemic really affected our operations in the years, FY2021 and in the year FY2022. While in 2021 the effect was much more sharper and deeper, FY2022 we were able to manage in a much better manner. During the pandemic, we were able to ideally look at the operations with a more microscopic view of the costs and other infrastructure and were able to cut down costs substantially. Costs were initially reduced on the payroll front and then in some of the other areas of administrative and IT related expenses. Now with costs being brought down substantially in the last few years and after the pandemic since April-May 2021 people started to travel and we noticed that the pattern of travel has completely changed. due to the pandemic we missed two summers, April-June is a substantial quarter for us that is when most of the business happens in this industry but unfortunately the last two financial years the first quarter has been completely a washout. But having said that in July of last year when the resorts started opening up and business started coming in, you notice that the travel patterns have changed and people have started traveling all over the year and therefore that was a starting point and from July to December, the business actually has started to go up. But again Omicron came in the month of January-February, we saw a dullness in those two months and then from March it picked up.

Now what has happened in the last two to three years, yes we gave up some of the loss-making locations, we went into more profitable locations. We also expanded our portfolio by going into a management contract model where our exposure in terms of capex and opex is not much, and therefore with all these combinations we were able to get into a very profitable year 2021-2022. Also the membership part what we have done is we have reduced our branches across all the country. We have gone into acquisitions using more profitable locations and where the profits come from selling more from the resort onsite sales. So in the membership business also we have scaled down operations across all the branches, we have moved into profitable locations. We are able to attract customers with new products and services directly and thereby improve the membership EBITDA also in the business. Having said that both membership business and resort business profitability is going up and with cash coming in we are able to maintain a healthy cash balances. Debt levels at the bank also has come down and business for April-May of the current year looks very, very promising. I think you will notice that most of the weekends our occupancy gone up almost 98%-99% and we are expecting this quarter to be one of the latest quarter's than last four years that is the update.

Vikram Lalvani: I will also add in here where our strategy has been based in terms of ramping up our revenue. So we actually also built a non-member vertical for our resorts. We track the business segment in FITs, conferences, etc and today that component is contributing to the overall occupancy. We have been able to ramp up non-member business at our resorts, we have been able to drive efficiencies in our membership business, we will continue the hybrid model of non-members and members and we will optimize that depending on the time of the year. Also a big shift that we had embarked upon, infact it was since pre-COVID levels, was to expand in an asset light model and since then we have over 12 resorts where you have actually expanded in the asset-like model in which we have no capex. We are using our distribution strengths; our sales and marketing verticals as well as our operations verticals across our resort. We run the resort for the owners and we manage it and we get monetized on the basis of that so these are completely zero capex model of expansion and we embarked upon that pre-COVID and in pre-COVID we started to expand using that model even as we speak today the pipeline is very strong of all new destinations and new resorts to for us to expand in that. So that is how we are structured and that is how we have obtained process of profitability and now we are looking at scaling it up to the next level.

Ankit Kanodia: Thank you so much for the detailed answer that really helps Sir and my next question would be related to DigiPhoto Entertainment Imaging. So this is one of the business which we have acquired recently and if I am not wrong probably this is the fastest growing business in terms of revenues so if you can throw some color as to what is the business model, who are our clients and how do we see it going forward that would really help us understand it much better?

Mahesh Iyer: As you rightly said, it is a new kid of the block. We acquired this somewhere in 2018-2019 beginning that is how the business came into our fold. Just to give you a color to the kind of model they operate - they are into what we call the imaging solution services. It is kind of adjacent to a travel service company because most of the sites that they operate in are the sites where a traveler will typically go when he is in a country or a destination where he is travelling to or attractions as we call it in the travel parlance. Now effectively what they do in those businesses they have got cameras, cameramen or automated cameras which capture photographs at different times when you are celebrating or having a good experience and that is being sold for a value to the consumer. From a market penetration point of view they have about close to 250 plus sites in which they operate, they have operations spread across some 18 countries and their annual run rate in terms of revenue is top of about $85 million so that is the kind of volume that we are talking about.

Clearly, from a business model point of view it is more tech driven and it is the technology services where we believe there's a lot of opportunity to co-exist and co-sell with travel and travel related products exist. While that is not a core point that we are focusing on, on a standalone basis, the business is very profitable with very little in terms of co-opting or co-selling that with other companies are concerned but on their own they have a very strong footprint across the globe. I must also mention here they are the second largest imaging company in the world. Also some of the new contracts that they have got in specifically in China which is the first market that they have got in post-pandemic that seems to be opening very well because these are some of the large sites we are talking about : Universal Studios Beijing and Disneyworld Shanghai. So clearly we see a great potential, the business model is well entrenched, it is led by technology, there is some amount of people intensiveness but I think the pandemic has kind of given us the opportunity to kind of right size, infuse more technology upgrades, some of the technologies which kind of allows us to kind of go in and bid for new contracts and make that business profitable going forward. I must also mention the business does not require cash; it is not a capital-intensive business because the capital cycle on that or the working capital cycle is less than 30 days so it is kind of funds for itself.

Ankit Kanodia: Thank you so much that really helps. My last question would be related to the cash position we have in the books right now and during the start of the pandemic in February 2020, we earlier wanted to do a buyback when there was a big fall in the market but later on we changed our stance and we stopped that and rightly so because there were requirements of funds at that point of time and there was a lot of uncertainty and now when that uncertainty is no more there and assuming that the COVID is past us if the market again gives that kind of an opportunity say if our stock price goes down would we be willing to do that buyback again because all the cash we have on the books or do we have any other plans?

Madhavan Menon: When we went into the buyback and you have clearly articulated the rationale behind why we went into it. Obviously, things changed and we worked with SEBI to get this buyback cancelled. The reality is as on today given what we have faced over the last three years I think our first priority is to bring the business back to normal, functioning normally, get all our businesses firing on full cylinders rather than looking at a buyback at this point of time. Having said that no opportunities that are off the table, Ankit, at some future date if we do see an opportunity and we believe that we can get there, we will consider it but it is definitely not on the table today.

Ankit Kanodia: Thank you so much that is it from my side. I will come back in the queue if I have anymore question.

Moderator: Thank you. The next question comes from the line of Nidhi Babaria from Dalal & Broacha. Please go ahead.

Nidhi Babaria: Thank you for taking my question. Sir just couple of questions on forex side. In this period, forex losses have increased significantly on a Y-o-Y basis like last year we were making profits now we are making losses what type of year, what you anticipate for FY2023 and 2024 and my second question would be on the competition from Revolt and other players, which are coming up intensely. What would be our take on these new age companies and how are we going to compete these companies?

Mahesh Iyer: Point number one, with regards to profitability in 2021 versus loss in 2022 I think they are not comparable. You will appreciate that the year that we are talking about FY2022 also had a profitable quarter, which is January-March quarter so that was a full operating months because pandemic hit us somewhere in the last week of March 2020 so to that extent there is a profitability element attached to it as compared to what we are seeing in the current quarter we had a large or long runway in terms of losses which was the pandemic hit period. Also to mention that from a recovery point of view as you can see in the current quarter which is the last quarter of FY2022 you would actually witness that into the foreign exchange the segmental numbers are actually talking about the improvement in performance from about Rs 277 mn in Q4FY21 to Rs 381 mn in Q4 FY22. So clearly from a recovery point of view the business is back and as I mentioned in my comments in the opening remarks also the business continued to remain profitable albeit we are still doing a catch-up game because we are not at the pre-pandemic levels. The borders have just about opened and the travel related foreign exchange side of the retail business is still to come back to normalcy. What we are witnessing today in the foreign exchange business is large part of remittances which are student and other related remittances and these are already trending at higher than the pre-pandemic levels but a large part of our portfolio, close to about 50% of our portfolio, is also on the travel side of foreign exchange which is still at a very nascent stage in terms of recovery. It is directly linked to the international holiday travels and that will take place as the season has just begun and our expectation is that somewhere before the end of this year we should be close to full recovery to the pre-pandemic levels.

Coming to the second part of the question in terms of competition from the players that you mentioned. Well, the space that we are playing is very different from what the competition space, we are not a technology or a digital company only we are a brick and mortar which also offers technology, seamlessness and ease and convenience to do a transaction. I think our key success factor or the USP that I will call out is our ability to seamlessly execute a transaction across all channels without creating any friction for the customer. Now at the end of the day, the price is very transparent as in the past price was not so transparent but today everyone knows the price of the dollar in the marketplace, so the price is no longer a game that anyone plays it is more about the experiences. And I think given our past and our experience of this business, puts us in good stead to take any competition that comes in place. I would also like to mention here as I spoke about the digital transformation that we did across our businesses, in the foreign exchange business also we have digitised a lot of our processes and one process which is very specific to the digital change that is happening in this is the KYC process. Now you will appreciate that this is a regulated business and a lot of documentation needs to be collected and stored on record. We have now automated that entire process at the back end here and a customer can transact through a video mode with us without having to step out of his office or home and we will deliver the foreign exchange at his doorstep all in under two hours. So clearly, we have kind of taken the process back where it matters to the consumer and reduces an amount of handshakes that we do in a transaction and that we believe will define the success in future to come.

Moderator: Thank you. The next question comes from the line of Senthil Manikandan from iThought Financials. Please go ahead.

Senthil Manikandan: Thanks for the opportunity. My first question is on the DMS side so given overview of the performance during the year and also how do you see this going forward?

Debasis Nandy: Mahesh has covered that in the course of his overview but let me get into a little more specifics on the DMS side. Some of the DMS units have returned to profitability fairly early and much of it depended really on what were the restrictions regarding Visa and the access to tourists. So for example, if we look at we have five units across Asia Pacific, Africa and the US and if I look at the unit in Middle East - Desert Adventures which is based out of Dubai and they also operate out of Oman and Jordan - they returned to proximity fairly early in October-December quarter. In fact as we mentioned, this is the second quarter in which they have continued to be profitable and it is also the only unit in the Thomas Cook group which was profitable for the full calendar year of 2021. As you know tourists have been coming into Dubai in a fairly unrestricted manner during the last seven to eight months and they have taken advantage of that, there are tourists is largely from Eastern & Western Europe, Russia and they get some amount of customers from South Africa and U.S as well. So that is continuing and some of the tourist inflow was also on account of the Dubai Expo between October and March. In terms of prospects, I think you will see a lower inflow in the next three months because that is the peak of the Dubai Summer but post that we can see a fairly large amount of order booking so we are very sure that we continue to do well and will continue to remain profitable.

The next unit in DMS is the one in East Africa based in Kenya- it does business in Kenya as well as Tanzania. The peak season for them actually starts from end of June, which is the migration season and it goes on till about end of August or early September. But even in the off-peak season of January-March, they turned around very smartly. Infact, they did something very innovative with the introduction of charter safaris. So in the world of safaris, we typically see small groups coming in but they were the first in Kenya to introduce charter flights for safaris and they got passengers from Eastern Europe like countries like Romania etc., and that led to a fairly large inflow of customers. Their order bookings are very comparable to the numbers they had in 2019 and we are quite sure that for the full year they will a 100% recovery as compared to 2019-2020.

The third unit is in South Africa, which is smaller unit. Now South Africa went through several rounds of COVID including the Omicron but they recovered from that and now the order bookings have started picking up and we are again quite sure that like Kenya they will also show sharp turnaround in the coming quarters.

In USA, Allied TPro is doing very well in terms of order booking, their summer season starts in June in U.S. In terms of order bookings there are at about 95% of the levels in 2019 at the same time and we are very sure that as time progresses they will catch up and they will probably go to closer to 100% recovery.

The last one in DMS is Asian Trails, which operates in Southeast Asia. Now this is one which has been affected the most because as you know, the restrictions on visa and tourist access were lifted very late. In fact it is only recently that these have been lifted in Vietnam and Thailand which are major markets for them. At present, they have started receiving order bookings and their peak season will start from about July that is the time when Europeans go in for holidays and we cater primarily to the European tourists so we are looking forward to a decent summer and we will see a decent recovery in the July-September quarter.

Senthil Manikandan: Great Sir. Thanks for the detailed answer. Second question is on the cash flow generation so as you mentioned that pre-COVID versus now we are operating at a like a 40% cost reduction level so over the next two to three years at the consolidated level what would be the sustainable cash flow generation?

Debasis Nandy: In a pre-Covid time, as a group we are generating about Rs 2,000 mn of cash a year. Obviously with the onset of Covid all that got wiped out but cash flow that we generated actually helped us to stay afloat and revive during these two years. Going forward, I am sure like Mahesh mentioned, we will get back to normal capacity and grow beyond that in FY2024 and beyond and startgenerating cash the way we did. So right now we are obviously not generating cash, we are at a slightly better than a breakeven level as far as l EBITDA is concerned but we will start generating cash fairly soon as our business goes beyond a critical mark. I think the one important point here Senthil is that we have managed to bring down our breakeven point very substantially because of the massive cost reduction that we have undertaken. At an India level the costs are down to about 50% and overall level cost are down by about 45% and I am talking about operating costs as compared to the pre-pandemic levels. We expect that we will be able to hold on to most of these cost savings and that is what is bringing down our breaking point which is why even with a sales which is far lower than what it was in the pre-pandemic times we have been able to reach the question that we have done.

Senthil Manikandan: Thanks for the clarification.

Moderator: Thank you. The next question comes from the line of Mithun Aswath from Kivah Advisors. Please go ahead.

Mithun Aswath: I just wanted to understand more on the profitability side how do we gauge in terms of what sort of sustainable margins could we do in each of the segmented businesses if we reach pre-pandemic levels of revenues because there are some businesses which have reached that level, your travel business still continues to be quite lower much lower than pre-pandemic level so just wanted your thoughts on that now if I go back to FY2019 full year profits the margins on an overall basis were not great even in FY2019 or FY2020 but with these cost reductions if we were to reach those levels maybe in FY2023 or 2024 maybe more like 2024 what sort of margins at an overall level could the company potentially enjoy because I think in the last quarter we were at operating break even on a consolidated level. So just wanted your thoughts on that because as you grow with expenses also come back to some extent is what I wanted to understand?

Debasis Nandy: Let me try and take that question. So Mithun there are two parts to this, one part is obviously gross margin and one is the EBITDA. In terms of gross margin, I think we have not lost ground, we have continued to operate on the same or even better gross margins than what we did previously, foreign exchange and domestic is the case in point. Foreign exchange used to run at between 1.2% and 1.3% gross margin, we are running around close to 1.4% right now and that 10 bps is a lot as far as forex is concerned given the nature of the business. Domestic business, we have actually crossed the pre-COVID levels. We have moved up the margin from 15% to 17%. So that is just some examples of the margin improvement and even in the areas where we have not reached the pre-COVID levels even then we have held on to the margin that is something very dear to us and we know that in order to get back to profitability we need to hold on to those gross margin levels, but there is a layer of fixed cost below that obviously which takes us to the EBIT level. Now in terms of the fixed costs, this is where we have achieved the sharp cost reduction. Let me quote some numbers compared to FY2022 vis-à-vis FY2020. So if I take a consolidated view our overall staff cost for FY2020 was Rs 8,296 mn and for the current full year this is down to Rs 4,982 mn and incidentally in FY2022 starting April 01, we had restored all salaries. So this is not with any salary cuts, etc., so at full salaries our costs are down about 40%. In respect of establishment and utility cost etc., our costs went down from Rs 5,482 mn in FY2020 to about Rs 2,569 mn in the current year which is a reduction of 53%. Overall our costs went down from Rs 13,779 mn to Rs 7,550 mn that is the reduction of Rs 6,229 mn which is about 45%. Now you are quite right some of these costs will come back. For example, we will get incremental marketing and promotional costs; however, those tend to be variable because we can regulate that spend based on the sales that we are getting so it is not really bothered if you get more sales we spend more on marketing and therefore there is no negative impact on the bottomline. As far as costs are concerned, the staff costs are there to stay because our headcount is frozen as of now. We are not encouraging any new hiring. In fact we are operating at a lower than a budgeted headcount and in the past two years we have actually focused a lot on technology in order to make sure that we do not need to increase headcount when the business comes back. Mahesh covers this extensively during his remarks and that will help us to keep the staff costs down and if the costs are down and most of the other costs are connected to headcount and those as we have seen and those costs will also be kept down. Does that answer your question?

Mithun Aswath: Yes. I just wanted to get a sense see obviously we have not really had even one normal quarter in the last maybe six or seven quarters maybe the December quarter was reasonably okay. I was just trying to sense from your own forward bookings and all that where are we in terms of how close we are in the travel business to pre-pandemic levels or how long do we have to go to reach those revenues that you used to do just want to get a sense on that because then the profitability at an overall level would change quite materially and we would get a better picture of what is your run rate which could be sustainable so just wanted our thoughts on that?

Mahesh Iyer: I'll take this question and this is also mentioned in the investors presentation that we have uploaded. If you look at the business-wise recovery percentages, that we have spoken about there, if you look at the last quarter that went by different businesses at different stages of recovery on an average I will put it at the company level we are close to about 45% to 50% in Q4 FY2022 but if you look at the optimism in terms of what we are projecting based on the bookings that we are on hand and the conversations that we are having with customers clearly it is moving up by at least 50% as compared to Q4 FY2022 just in one quarter. So the momentum and the pace at which the recovery is happening is very fast and there are multiple reasons for it. One, for the first time after March 27 that you have actually seen commercial flights taking off and there are still supply side constraints, visa constraints, airlines are not operating to full capacity and there are capacity constraints. So is the case with hotels and hospitality if you look at them they are also not operating at full capacity, a lot of them have gone out of business so it is the case with the restaurants, a lot of them who went out of business now as the COVID wanes out and people are getting back into business, capacity is getting added up.So clearly from our point of view as we see, we are witnessing the recovery happening very quickly and our expectations on different businesses getting back to the pre-pandemic level are at different stages. As I mentioned initially the foreign exchange business we expect that to come to near 2019 levels before the end of this calendar year, I am not even talking the financial year FY2023 I am saying calendar CY2022. If I look at the corporate travel business our expectation is somewhere by Q2 FY2023 or that is Q3 CY2022 we should be closer to the near pandemic levels. Two- other businesses which are on the B2B side of the holidays and the B2C side of the holidays and more importantly focused on the international side is where the recovery is going to be a little more longer and the reasons for that is one borders are still opening up. You would have read the news around New Zealand only opening up from July 31, 2022, Thailand and Vietnam have just opened up, US while it has opened up there are Visa related challenges. Thus, there are multiple blocks that we need to still fix into this entire puzzle before the market recovers to normalcy. Our expectation on the holiday side, we should be seeing a full recovery to 2019 levels somewhere around the second or third quarter of FY2024 not before that. On the yields, as Debasis rightly said, we are holding on to the yields and in many cases improve them and with the cost saving measures that we have put in place the texture and the flavor of our profitability should start looking much better.

Vikram Lalvani: As far as hospitality and resort business is concerned, the outlook what we have seen in April and May so far has far exceeded what we have done in April and May of 2019 because for two years we were shut during this period. And in the resort business months of April, May, June are actually the strongest months in the entire financial year giving that it is a summer season and holiday time. In terms of sustainability, even if we have to compare with that of 2019, we have ramped up our distribution channel without adding any fixed costs so that is how our revenues are growing without an incremental growth in fixed cost number. Then we had several high cost- low profit lease resorts in 2019 same period that we also replaced with more profitable and better destinations asset light resorts. So to that extent even as business scales up going forward, it need not add on the same kind of costs that added on in the comparable period of 2019 and why am I looking at 2019 is because of the fact that was pre COVID levels and that was a time when we had our entire inventories operational so that is what I wanted to emphasize on the resorts side.

Mithun Aswath: Got it. Just one last question on your cash balance which you have shown in your presentation of over Rs 600 Crores how much would that be of free cash balances in terms of you would have some advances and other numbers also in that just wanted to understand because your interest cost on a quarterly basis is close to Rs 17 Crores and the last one is also on your depreciation why is it so high where is that emanating from so just a couple of questions Sir?

Debasis Nandy: Okay on the cash balance, I will talk about the cash balance first. We have to look at the cash balance along with other items of current assets and current liabilities just like that as you mentioned we have got advance from customers we have also given advance to vendors it is not that we held on to the money. So they tend to get largely offset just like our debtors, we have our debtors and creditors and as of now as the March 31, 2022 our debtors are actually higher than creditors. So cash balance is more like if you take all these five elements of working capital, cash balances actually becomes a sort of balancing figure. So it is not that we have to pay vendors out of this cash balance, we will continue to receive money from our debtors and from our customer advances and we will funnel this in the form of credit payments as well as advances to vendors that from on the cash balance side.

Mithun Aswath: On the interest cost you have close to about Rs 172 mn a quarter and your depreciation is quite high just wanted to understand where are these two elements coming from?

Debasis Nandy: As you know we have about Rs 4,558 mn of loans on the books, our loan balances are remain more or less steady during the year so if you take the opening balance as of March 31, 2021 it was Rs 4,463 mn s, so it is more or less steady right through the year and so is the interest on those funds. Most of it is in the form of short-term funds which is working capital demand loans and bank overdrafts, some of that about Rs 720 mn of that in the form of ECLGS loans which are longer term loans which are given through a special government scheme through the banks of course. So overall you will not see too much of changes at overall level there is not much of change in the interest goes fairly flat.

As far as depreciation is concerned while the travel services tend to have an asset lightmodel, we also have Sterling which is more asset heavy as it does have properties, the other thing that is there in the depreciation of course the leasing of various properties which is offices in case of Thomas Cook as well as the resorts some of the resort that Sterling has on lease rental.So as for the accounting classification goes, some of the lease rentals get classified into depreciation, some amount gets classified into interest so that is coming out of that.

Mithun Aswath: Thank you.

Moderator: Thank you. The next question comes from the line of Pooja with TCG Advisory Services Private Limited. Please go ahead.

Pooja: Thank you for the opportunity. I have couple of questions with respect to Sterling Resorts can I get a breakup of how much percentage of customers would be time share and how much would be working the percentage of revenue that comes from time shift and also I have observed that in Sterling Resort the EBIT margin has declined from 38.4% to 27% and now 25.9% so what are we planning to keep this 25.9% steady going ahead?

Krishna Kumar: Two things as Vikram mentioned earlier, we have around 36 resorts with 2300 rooms. The share of rooms versus members and guests is roughly around 55:45 (non members: members) and this ratio is going up towards the guests side and currently members typically occupy around 45% of the rooms and 55% of the occupancies are from the guests. When guests take a room we get the room revenue as well as the F&B revenue as incurred at the resort. For the membership, we get the annuity revenues and the amortized revenues from the customers who had paid as a full product value. From the overall reported revenue for the year is concerned if you ask me what is mix of the membership amortization is coming to the P&L, this typically one third of the overall revenue which comes as far as reported number is concerned that is where the revenue number stands. As far as profitability is concerned while you see a decrease over the last quarter of previous year because last quarter of the previous year, we had some one-time reversal, which is giving you an upside on the revenues as well as on the EBITDA side. That is the update.

Pooja: Are we planning to keep these margins steady like there will be no downside going away? Are we expecting to keep these margins ready for Sterling or if there could be some more margin decline going ahead?

Vikram Lalvani: No. In fact the margins from here are only bound to go up. The reason being, if you see that the non-member side of the business is actually growing at a faster pace and typically it is moving from what it is currently at about 24%-25% towards at least 30% plus]and it is highly sustainable. Infact, there is opportunity which is growing because of the fact that we are growing the non-member vertical far more significantly as it was before. In 2019, for example the balance of that mix was just the opposite and now actually we see the ramp up of the non-member business and as I mentioned we are using a low-cost distribution method to ramp up our non-member business that is what will incremental EBITDA going forward which will then be on a sustained basis as we keep stabilizing.

Pooja: Thank you Sir.

Moderator: Thank you. The next question comes from the line of Sandeep Verghese from Individual Investor. Please go ahead.

Sandeep Verghese: Thank you for the time. I think this is more a strategic question in general. I know that the Group is entirely focused towards recovering all parts of the business and that is clearly evident by what we see happening. This is related to strategic question with regards to when you compare Thomas Cook subsidiaries and their business models versus one that is predominantly online and you have online players doing the same thing or similar things right given the major shift of a lot of businesses towards online offerings that accelerated by the pandemic also, moving forward how do you see Thomas Cook and its businesses playing out? Is there going to be a shift towards mostly digital or do you feel that there is inherently a significant offering still by having a party offline, party online mode?

Mahesh Iyer: I will take that question and I will get my colleague, Vishal to join in if he has anymore points to add. Sandeep to begin with I think we have always stated this and we will continue to state this whether it was pandemic or pre-pandemic- we were always an omnichannel operator in this space. We had digital mediums to reach out to the customer to either market the products or let them actually book the products and that continues to be. So we also we also had offline source and a third-party distribution network which is managed and controlled by us. These also serve as distribution points for the customers to buy our services so that model continues to exist today and will exist in times to come. I think that is also a reaffirmation of how many of the digital models, specifically in the startup space, who came about and then expanded into the offline mode. Some cases in point will be the startups like Lenskart, Nykaa, Sugar which started online but they very quickly realized that there is an offline store that also requires them to keep the kind of brand visibility and customer penetration.. In our case, we started the reverse model we were a brick and mortar and moved online so that mix of online offline will continue to operate across all our lines of business.
What has accelerated and I think you touched on that point during this period is how you kind of make that journey even more seamless. Look if it is a low ticket product that somebody needs to buy say a Rs.1000 product, it is much easier to make that decision online and move on but when you are talking about a holiday service that comes into a few lakh rupees obviously the customer requires a bit of a high touch and also there are complexities - applying for a visa and the kind of question that one needs to go around with it is not an easy task so somebody needs to sit across the table, get these sorted out and collect a lot of paperwork around it to ensure that he gets it right the first time because there is no opportunity for us to go back and submit and resubmit the visa post a cancellation or a denial. So clearly, I think from the business point of view we believe that the online offline mix will continue. We will continue to keep investing in giving the power in the hands of the consumer to choose how he wants to talk to us. Today we have a call center, we have distribution point in the form of physical store, we have an online store and probably any other model that we will think will evolve over a period of time is something that will be thrown over to the customer to interact with us. On that note, I would like to head over to Vishal if you have anything more.

Vishal Suri: I think Sandeep your question was more about the strategic intent. I think the intent continues to be an omnichannel player and we will continue to engage with the customers through multimodal distribution points be it digital or physical for that matter and I think that is where are. We continue to track what percentage of a business comes from each of these channels and we ensure that all these channels are coherent with each other and customer gets a seamless experience whenever he engages with us. I think that is where we are at this point in time. Mahesh has pretty much covered where we stand from a strategic intent perspective and I think this model has been tested and we believe in this model at this point in time.

Sandeep Verghese: Sure thanks. My final question is with regards to as an investor how do I realize Thomas Cook prioritizing the various segments that we operate in today so given that each segment experiences a different margin of sorts at your group end, do you sort of prioritize the business that you have segment-wise based on their margins or are they all just given equal importance?

Mahesh Iyer: Sandeep I think it is like trying to say choose between your kids right andthat is not the model we follow. Well there is some method in the madness which is in terms of capital allocation and that goes more about saying which business has the propensity to deliver more cash or more profit on the table that is where the allocation will be maximum. Obviously, the levers when we decide profitability or cash allocation will be based on the margin visibility we have on the business and its opportunity to grow faster than what the market will grow at. So some of those considerations go in but clearly as I said foreign exchange has been the front runner for the group and at Thomas Cook India specifically and continues to be the cash generator but again the inventory being cash, it also consumes a lot of cash in that business, the other business like holidays and all have been generating profit and we continue to do so in the future albeit we had a little bit of headache in the last 24 odd months but from our road to recovery and the future we feel very confident about it.

Sandeep Verghese: Thanks for your time.

Moderator: Thank you. I would now like to hand over the conference to the management for closing remarks. Thank you.

Madhavan Menon: Thank you for all the questions that have been asked today which I thought were particularly addressing concerns. On the other side I just want to end this by saying two things, one the bounce back that we are witnessing especially in two of our businesses foreign exchange as well as corporate travel both of which are very close to their pre-pandemic levels anddriving higher margins. The other aspect is that as the world opens, leisure will open also in terms of international travel. While we keep reading all these stories in the newspapers about visa constraints etc, the reality is that Southeast Asia as we progress is opening almost entirely without any restrictions be it a Bali, Singapore, Malaysia, Vietnam, Cambodia and all these locations are going to have direct connections both from the likes of leading airline in India as well as airlines from those countries- so access will not be an issue. My expectation is that in this quarter, you will see the travel businesses clearly driving growth to the recovery stage. As far as the destination management businesses are concerned, as Debasis mentioned, we have seen a full recovery at Desert Adventures the others Asia will start reopening, India will reopen closer towards the end of this year. But I think what is important to recognize is that the driving forces behind our recovery is one Sterling Holiday Resorts which is clearly shown six quarters if you look at Thomas Cook and SOTC having at it at a fully integrated level having actually come back to breakeven if not profitability and DEI which has fully recovered from that point of view.

Last point I want to make is that this is not just a recovery story. This is actually a transformation story. Also a transformation story because if you look at the cost of 40% that both Mahesh and Debasis alluded to, the reality is we intend to retain these savings rather than disburse them off as growth comes back because we have done a fair amount of automation over the last three years and these have complemented if not replaced the people who are the costs that we have reduced. My expectation is that all the companies in the Group have transformed themselves from a cost and efficiency point of view including Sterling Holiday Resorts which I mean that is the most glaring example of a transformation. If you look within the Thomas Cook & SOTC segment the example of transformation is corporate travel which in SOTC had not made money earlier but has become profitable with a 60% recovery. So if you look at all these circumstances, we have very good reason to be optimistic of what we see. This is actually coming a little faster than we anticipated because once the opening started it sort of blown open and the demand that we are seeing despite the higher input costs is something that we wonder how it continues but the world calls it recovery or it calls it revenge travel, I think the higher input costs are actually beneficial to us because we are seeing higher margins in the form of commissions that we get through the bundling of products. And if you look at Sterling and their average room rates, we are talking about 20% growth in room rates, their cash generation has gone back to normal, so overall I think we have good reason to be optimistic and if we keep to the way we are right now with minimal capex sustained margins and maintaining our costs I believe that we will come through this a lot better than we were pre-COVID. Thank you.

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