



February 18, 2026

<b>Listing Manager, National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra (E) Mumbai – 400051, India Symbol: YATRA ISIN No.: INE0JR601024</b>	<b>Manager - CRD BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001, India Scrip Code: 543992 ISIN No.: INE0JR601024</b>
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**Sub: Intimation – Transcript of Earnings Conference Call for the quarter ended December 31, 2025.**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith the transcript of earnings conference call for the quarter ended December 31, 2025.

The above information will also be made available on the website of the Company at [www.yatra.com](http://www.yatra.com).

This is for your information and records.

Thanking You,  
Yours sincerely,

**For Yatra Online Limited**

**Jyoti Chawla  
Company Secretary and Compliance Officer  
M. No.: A20392**

**Encl.:** As above

**Yatra Online Limited**

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“Yatra Online Limited Q3 FY26 Earnings Conference  
Call”

February 12, 2026



**MANAGEMENT:** **MR. DHRUV SHRINGI – EXECUTIVE CHAIRPERSON AND  
WHOLE-TIME DIRECTOR, YATRA ONLINE LIMITED**  
**MR. SIDDHARTHA GUPTA – CHIEF EXECUTIVE  
OFFICER, YATRA ONLINE LIMITED**  
**MR. ANUJ KUMAR SETHI – CHIEF FINANCIAL  
OFFICER, YATRA ONLINE LIMITED**

**MODERATOR:** **MR. ANMOL GARG – DAM CAPITAL ADVISORS  
LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Yatra Online Limited Q3 FY26 Earnings Conference Call hosted by DAM Capital Advisors 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 the conference over to Mr. Anmol Garg from DAM Capital Advisors Limited. Thank you and over to you, sir.

**Anmol Garg:** Thanks, Anushka. Good morning everyone. On behalf of DAM Capital, we welcome you all to Yatra's Q3 and 9-month FY26 Post Result Earnings Call.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's call may be forward-looking in nature and some forward-looking statements are subject to risk and uncertainties which could cause results to differ from those anticipated.

On the call, we have the management. We have with us Mr. Dhruv Shringi – Executive Chairperson and Whole-Time Director, Mr. Siddhartha Gupta – Chief Executive Officer, and Mr. Anuj Kumar Sethi – Chief Financial Officer of the company.

Now, I hand over the call to Mr. Dhruv for his opening remarks. Thank you and over to you, Mr. Dhruv.

**Dhruv Shringi:** Good morning everyone. Thank you for joining us in this conference call to discuss our 3<sup>rd</sup> Quarter and 9 months ended of Fiscal Year 2026 Earnings.

Let me start by briefing you first on the events that happened during the quarter and how it has impacted the industry. Then our new CEO – Mr. Siddhartha Gupta, will tell you about the operational performance for the period under review, following which our CFO, Mr. Anuj Sethi, will brief you on the financial performance in detail.

The 3<sup>rd</sup> Quarter, which is typically a strong period for leisure travel in India, witnessed healthy demand across the industry in the first two months of the Quarter. This was supported by the festive season and multiple long weekends which drove higher travel activity and improved customer sentiment during the quarter. December, however, saw significant disruption in the first two weeks of the month. This was following the implementation of the stricter flight duty travel limitation norms which led to operational challenges for the airline and a spike in cancellation and delays across the entire industry. Industry data indicates that domestic air passenger traffic declined modestly during this period reflecting capacity rationalization and these temporary disruptions. Importantly, though, this was just an operational event rather than a demand issue. And we saw load factors recover subsequently underscoring the underlying strength of the travel industry and demand patterns in India.

A key positive during the period was the continued divergence between domestic and international travel trends. While domestic travel experienced short-term headwinds in December, international travel remained strong with healthy year-on-year and sequential growth. This reinforces that outbound and long-haul travel is in a structural up-cycle, benefiting organized travel players like Yatra, who have a strong presence in the corporate and international travel franchise. Also, the recent union budget sends a clear and positive signal about the government's long-term commitment to the travel and tourism sector. By positioning tourism as a strategic growth initiative linked to the employment generation, foreign exchange earnings, and regional development, the policy framework shifts from episodic support to building a more structural and sustainable ecosystem for the travel and hospitality sector. Key measures, such as the rationalization of TCS on overseas tour packages to a uniform 2% rate, are expected to lower up-front costs for consumers and improve the demand patterns for the organized players. Supporting this demand in the outbound sector, we expect increased emphasis on destination connectivity through infrastructure enhancement, and also on the domestic front, see high-speed rail corridors and waterways building out further domestic hospitality industry capabilities.

There is a growing demand from Indian organizations also to digitize travel procurement via AI platforms that offer end-to-end automation, self-service bookings, and integrated expense management solutions, prioritizing compliance and cost savings. AI and predictive analytics platforms can automate travel procurement by forecasting demand, optimizing costs, enforcing policies, and enhancing risk management in real time. AI-enabled self-booking tools can perform real-time policy compliance checks, flag risks like disruption or unrest via itinerary analysis, and personalize itineraries with safety insights. Generative AI shifts from reactive auditing to predictive analytics and forecasting, cutting down the amount of effort and time needed for the admin functions to ensure compliance. Yatra, through its corporate self-booking platform supported by its AI bot and its recap expense management solution, is taking the lead in digitizing this industry and driving the shift towards online adoption.

Moving on more specifically to our business for the Quarter:

Our B2C business has, as projected earlier by us, turned the corner and is now steadily growing with profitable unit economics. Additionally, our corporate and MICE businesses continue to perform strongly. Our business was well on track to deliver our strongest 3<sup>rd</sup> Quarter ever, however, the disruptions in the aviation market led to large-scale cancellation of business travel which had an impact on revenue, as well as increased the working capital deployed in the business. We will detail that more when Siddhartha speaks about our operational performance in the Quarter.

We remain optimistic about our trajectory supported by our continued focus on scaling the corporate travel business. The steady growth in corporate bookings, along with the increasing contribution for higher margin hotels and MICE segments, positions us well for sustained margin expansion and profitable growth over the long term.

With this, let me now introduce you to Mr. Siddhartha Gupta, who recently joined us as our CEO. Siddhartha, or Sid, brings with him a wealth of experience across the B2B SaaS industry and in his last role was the President of Mercer Consulting in India and was also heading their SaaS-based Talent Assessment Program globally. Prior to this, Sid has also held leadership roles in large tech and SaaS companies like SAP and HP.

With that, let me hand you over to Sid.

**Siddhartha Gupta:**

Thank you, Dhruv, for giving a preamble on our Quarter performance and the industry trends. A very good morning, everyone. Adding to Dhruv's comments, despite an industry-wide disruption in the airline during the quarter, Yatra continued to deliver growth in its air-ticketing business supported by seasonally strong B2C travel demand. Gross bookings in the air-ticketing increased 22% year-on-year, supported by 14% growth in air passengers, which far exceeds the industry growth of about 1%. Take rates also improved from 6.2% to 7.1% on account of the quarter being more B2C-focused.

In the hotels and packages segment, our overall performance during the quarter remained healthy. However, we did see some temporary impact in the MICE and corporate events sub-segment with a few bookings getting deferred due to flight disruptions. This resulted in a modest one-time impact on the quarter, part of which we expect to roll over into Quarter 4, supported by a continued strength in underlying corporate travel demand. Gross bookings in the segment grew 20% year-on-year, excluding the impact of deferment of the MICE business, hotels would have grown 30% on a stand-alone basis supported by strong growth in our corporate business and in our affiliate business, with gross take rates moderating slightly from 12.2% to 11.7% year-on-year on account of change in business mix. Gross margins improved further from 9.7% to 10.2% year-on-year, reflecting prudent discounting in B2C and better margin realizations from suppliers for corporate hotels. Our B2B to B2C mix was approximately 60-40 for the quarter, versus the 9-month average of 65-35 in favour of B2B. Our corporate travel business continues its strong momentum. We onboarded 40 new corporate clients in the quarter, collectively adding an annual billing potential of Rs 2.2 billion. As mentioned earlier, the disruption happened during the highly productive first two weeks of December, when corporate travel peaks before holidays. We saw deferment of MICE travel into Q4 and Q1 of next financial year as a direct result of uncertainty in the travel during that period. This disruption not only adversely impacted our operating performance, but also led to incremental working capital deployment, where advances had already been paid to vendors for MICE groups. These impacts were largely limited to the month of December, and the business is back on track.

In the corporate business, there is more to share. The early response to our expense management solution has been very, very encouraging. We have onboarded 8 new customers in one quarter itself. They are all on our now expense management platform. Early traction proves that Yatra understands the pulse of what our corporate customers need. This solution has not only become a door opener for getting new accounts but also gives us a huge upsell potential in our existing accounts.



Just a few thoughts on what you can expect from Yatra in quarters ahead. Our consumer-focused line of business has returned to growth path while improving margins. This was a result of sharp execution coupled with successful tapping into partnerships and affiliates for demand generation. In the near future, you should hear more on organic demand generation projects making impact, helping us further improve margins in this line of business.

On corporate value proposition, our corporate value proposition still has a huge headroom for growth. Online penetration in the corporate travel market is just about 23%. We have laid a very strong foundation for chasing this potential. We have sharpened our go-to-market by establishing separate teams to chase large and small medium enterprises. Demand generation is now amplified by a new inside sales team which has started augmenting the efforts of the team on ground. Early signs are very, very promising. Beyond customer acquisition, our farming teams have won multi-year renewals from some of our largest customers, proving that corporates want trusted partners who can deliver value to them. Needless to say, that our success is closely tied to the speed at which we can deliver tech innovations. Our early investments in adding talent to our product and tech team has started showing results. You can expect us to further add gaps between us and what's available in the market. Hope that gives you a flavour of where we are headed.

I will pause and hand over to Anuj, who will brief you on the financial performance for the quarter under review.

**Anuj Kumar Sethi:**

Thank you, Siddhartha. Good morning, everyone. For the 3<sup>rd</sup> Quarter of Financial Year 2026, on a consolidated basis, our revenue from operations grew 9% year-on-year to INR 2,568 million, driven by steady demand across key segments with robust growth from air-ticketing business. Our gross margin, defined as revenue less service cost, rose 23% year-on-year to INR 1,277 million, driven by better direction in air-booking and continued momentum in hotels and packages. Adjusted EBITDA surged 41% year-on-year to INR 247 million, translating to a healthy 19.34% adjusted EBITDA to gross margin ratio. Profit after tax stood at INR 83 million, down 17% year-on-year, largely reflecting a one-time charge of INR 38 million related to implementation of new labour codes.

For the 9 months ended of the Financial Year 2026, on a consolidated basis, our revenue from operations grew 43% year-on-year to INR 8,175 million. Our gross margin increased 33% year-on-year to INR 3,691 million. Adjusted EBITDA grew strongly by 81% year-on-year to INR 751 million, to a healthy adjusted EBITDA to gross margin ratio of 20.35%. Importantly, both our RLSC and EBITDA remained comfortably above our stated guidance. Profit after tax for the period increased 81% year-on-year to INR 386 million.

In terms of segmental performance, our Air Ticketing passenger volume grew 14% year-on-year to 1,491,000. However, gross Air bookings grew 22% year-on-year to INR 16931 million. And our gross year margin rose 32% year-on-year to INR 611 million, with gross margins improving from 3.4% to 3.6%.

Under the hotels and packages segment, hotel room nights grew by 22% year-on-year to INR 508,000. Gross bookings increased 20% year-on-year to INR 4306 million, while gross margins expanded 25% year-on-year to INR 438 million, with margins improving from 9.7% to 10.17%.

On the liquidity front, cash and cash equivalent and term deposits stood at INR 2,005.51 million as of 31st December 2025. Gross debt has marginally increased from INR 546 million as of 31st March 2025 to INR 583 million as of 31st December 2025.

With this, I would like to hand it back to the moderator and open up for question and answer session. Thank you.

**Moderator:** Thank you. We take the first question from the line of Anmol Garg from DAM Capital Advisors Limited. Over to you, sir.

**Anmol Garg:** Thanks for the opportunity and congrats on good performance in the Air segment. So, my first question is on the Air segment itself. Wanted to understand that we have seen very strong growth in the Air segment despite the impact of Indigo and weaker seasonality on the corporate travel side. So, what has led to this? Have we increased our focus on the B2C side of the business, particularly on the Air side of things?

**Dhruv Shringi:** Thank you for that question, Anmol. So, in terms of our Air business, we have seen growth both across B2C and on the corporate side. On the corporate side, it's more a question of new customer additions which have been done and there is volume benefit which is accruing from the new customer adds that have happened and this is on account of the pipeline that we are carrying forward from the previous quarters. In terms of B2C, there is some tech innovation work that we have been working towards which is helping us drive demand with positive unit economics. You would recall that on the B2C side, our key focus shifted from just driving volume to driving profitable growth and there some of the tech interventions that we have been doing over the course of the last now 6-9 months for the last 2 quarters now have begun to bear results and bear fruits and on the back of that, we think we can continue to sustain growth in the Air segment with profitable unit economics on the B2C side as well. So, we are today in a very healthy situation where both B2C and B2B are driving growth for us in a very, very healthy and profitable manner.

**Anmol Garg:** Within this only, if you can also highlight some of the tech innovations that we have done on the Air side of things and also during our opening remarks, we had indicated that our focus has increased towards tapping on to the partnership and affiliates for demand generation. Is it particularly on the Air side of things and if you can indicate which are some of these partners?

**Dhruv Shringi:** Sure. So, in terms of some of the tech innovations that we have been working on, these have been focused around driving better conversion and providing more upsell opportunities to customers. So, whether it's more effective ways of selling seat, meal, baggage and other add-ons, whether it's branded fares and then introduction of NDC fares, the objective of all of this is to drive up the revenue per customer. As the revenue per customer goes up, it creates more

headroom for us to be more proactive on customer acquisition. So, there are multiple layers led by driving up revenue per customer through things like optimizing conversion and driving more cross-sell. And then from there, deploying some part of that judiciously in terms of customer acquisition.

On the affiliate side, we have had our affiliate partners, especially on the hotel front, driving strong growth for us. You would recall we have one of the strongest inventories of domestic hotels in India. And we have a widespread of customers on the domestic hotel side who are sourcing inventory from Yatra. So, we are beginning to monetize the inventory capabilities that we have built over the course of the last decade.

**Anmol Garg:**

Understood. Okay. Secondly, a question to Siddhartha. Siddhartha, what is your strategy for the business? If any newer initiatives that we are planning to do, any newer products that we are planning to launch or is there any particular area that we want to increase our focus towards? Your thoughts would be helpful.

**Siddhartha Gupta:**

Anmol, thank you so much for that question. I think I shared larger directions towards where Yatra is going to move. If you can see on the corporate front, our solutions are really resonating with our customers. But beyond that, we are looking for opportunities to build for gaps which were there. For example, our expense management solution that we have added, it actually completes the bouquet of offering that a corporate needs to run their travel and related expenses, budgeting and planning and execution on that. So, I think that has been a great addition. We are looking for and working towards more such areas where we could add more value for our customers. And you would hear more on how the LLM-based bot is going to improve efficiencies across the way we deliver more value to our corporates. I think you will hear a lot about stabilizing the platform, adding more features, giving more real time dashboards. You will hear more about end-to-end automation of the entire value proposition from Yatra going forward. And we use a lot of capabilities that Dr. Shakti's team who heads our AI initiative, he is adding more and more capabilities to the bot that frontends many a times for most of our corporate customer needs. We are kind of creating an end-to-end solution portfolio for our customers.

On the B2C front, just to add to what Dhruv said, we have done a massive tech refresh to overall improve the organic demand that comes to Yatra. Beyond that, we have worked very hard on maturing the platform end-to-end so that we can have more and better API based integrations with our partners. So that we are able to render very, very good and optimized supply to them so that they give us more demand. I think on both fronts, the tech team has been really, really active over the last six months, trying to deliver as much as possible so that we keep our nose ahead of the competition.

**Dhruv Shringi:**

Just adding a bit more to that, I think Anmol, while Siddhartha is being a bit modest on his capabilities, he has also come in and he has put more structure around our sales team, adding to the sales team, defining the inside sales process much more sharply. So, I think on the basis of that, we will see our corporate business growth also accelerate on the initiatives that Siddhartha

and the team are now taking from a corporate demand generation point of view. I think that is going to be another area which you will see in the near term, more momentum on.

**Anmol Garg:** Thanks for this. So, going ahead, could we expect that the corporate side of the business will grow faster with the sales initiatives that we are taking and increasing larger focus in that part of the business?

**Siddhartha Gupta:** Anmol, just to qualify that, as I said, we have sharpened our go-to-market. It would have three pillars. One, Yatra has the largest B2E business coming from very large corporates. There is an existing account base of very large customers. There's a team which is going to focus on ensuring that we do renewals, we do upsells and we do more business there. So, year-on-year we are seeing our business grow there.

On the other two pillars of the go-to market, one is our small and medium enterprise business has been set newly about six months back. We have a new sales leader there and we have set up our inside sales team to work very closely with them to add to the demand generation activities that were going on.

And the third pillar is our elite sales team which manages to bring very large customers in every quarter. It's a three-pronged pillar go-to market. One, existing accounts. Second is large enterprise and third is small and medium enterprise. And all three are today firing on all cylinders. We have seen a lot of new leads and new conversions into our CRM and the pipe is looking very, very healthy. So, you can expect that going forward in a couple of quarters, you will see an increase in conversion and faster growth in the B2E space and that has been aligned to our larger strategy as well.

**Anmol Garg:** Understood. Thanks for this. I will get back in the queue. And good luck for the future.

**Moderator:** Thank you. We take the next question from the line of Keshav Sureka from Niveshaay. Please proceed.

**Keshav Sureka:** Congrats on the good set of numbers. I have a question on the expense management solution. You mentioned that you have added 8 new clients for that platform. If you could share some early metrics of the number pilot flights and the conversion rate and what could be the average lead price that you are seeing? And you can guide and can we expect some increased revenue coming from FY27?

**Dhruv Shringi:** So, in terms of the expense management solution, our focus is two-pronged on this. One, to use this as a retention tool and two, to use this as a tool where we are able to get a foot in the door and customers who typically might not have been Yatra corporate travel customers. So, the pricing strategy that we have adopted for the time being on expense is more of a price led approach to acquire customers and enable greater retention. Our expectation and the feedback on the product is exceptional at this point of time. The feedback we have from some of the large customers that we have pitched it to, they are clearly of the view that there are not too many

solutions, both locally or internationally, which are demonstrating this degree of capability. So, we think in FY27, we will add between INR 5 crores to INR 7 crores of revenue from here. The reason the revenue number at this point is not very large because the focus, as I said, is more on getting the initial spread of customers going. Once we have that spread in place, we will see acceleration of revenue from there on. But for FY27 at least, we would expect revenue to still be more muted, but customer adoption to scale up immensely.

**Siddhartha Gupta:**

Just to add to Dhruv's comments, I think expense management solution, we were more in a product market fitment chase in the early part of this year. Q3 performance and adding 8 new customers and new customers altogether. These are not our existing customers. So, 8 new customers looking at the product and evaluating us against what's there in the market and choosing us is a great validation that the product market fit has been established. And from now here on, we will be working very aggressively towards giving shape to what kind of revenue we can earn from this line of business. But it complements our corporate strategy very beautifully because now we will take this product into our existing account base. and that's where the upsell magic would happen.

**Keshav Sureka:**

Sure. Thank you for the detailed explanation. And on the corporate card platform, as we mentioned in the last quarter that there is late 20% adoption. So how are we doing? Has there been any meaningful uptick in the adoption this quarter?

**Dhruv Shringi:**

Corporate online adoption continues to gain momentum. It's now trending at upwards of 70% of transactions being done directly by the corporate customers. So that is on a positive momentum. I don't think that trend is going to slow down at any point. That's more of just a universal macro shift that we are seeing in India from a first principle point of view, where customers want to digitize business processes. We do not see that changing at all. That trajectory of more and more customers moving online will continue to happen.

**Keshav Sureka:**

My question was on the corporate card platform.

**Dhruv Shringi:**

On the corporate card, it is still relatively early days on the card platform. We have had, I think, one incremental customer that has moved on the card platform at this point of time. But that is still more gradual in nature. And this also got compounded by the fact that during the last quarter we had amalgamation of our entities which needed new contracts to be signed, new billings to be moved from one entity to another for corporate customers. From a card platform adoption point of view, that was not really the focus. The focus was on making sure that these administrative and operational issues got addressed as part of the amalgamation. But going forward, for sure, card platform adoption remains a key criteria for us.

**Keshav Sureka:**

Got it. I will come back to you. Thank you so much.

**Moderator:**

Thank you. We take the next question from the line of Biplab Debbarma from Antique Stock Broking. Please proceed.

**Biplab Debbarma:** Good morning, everyone. And congratulations on the continued good performance. So, three questions. One is on the AI related things you have explained well. But recently there was a lot of news and noise on AI, how it is impacting us. So just wondering, is there any real threat of AI on OTA business? That is the question number one. Question number two is the status on the US structure collapsing. Where are we now? And the third question is, how is the momentum of business in January? And do we think we will be able to meet our guidance or the same business momentum that we have seen in the last 3-4 quarters in the 4<sup>th</sup> Quarter also. These are my three questions.

**Dhruv Shringi:** Sure. Thank you for those, Biplab. I will address the first two and then request Sid to comment on the January Quarter. In terms of the AI, there are two parts to this that we look at. For us, we look at AI as a great opportunity for us to be able to deliver to our customers a much more seamless and uniform experience. And also, be able to personalize the kind of service delivery that we are doing to our corporate customers. We do not see AI as a risk from a corporate platform point of view. On the corporate platform, we think we are today very well entrenched and as the market leader, we have an opportunity to adopt AI to a greater extent and use that to further differentiate our services versus our offline peers. There I see it as a great enabler and something which will allow us to be able to deliver even better service and win even more customers going forward. So, I think that is a great positive for us. And similarly, on the customer servicing side as well, the work that our team under Dr. Shakti Goyal has been doing is yielding great positive results on the optimization of the workforce and how we can utilize our workforce better from a customer servicing standpoint as well. So those are big net positives for us on the corporate side.

On the B2C side, our focus is on seeing how do we partner better with the AI platforms. In a way, what is happening is the shift in demand generation is happening away from platforms like Google onto the chatbots now. So, our focus is on seeing how do we become the preferred partner for these bots. And given that B2C is not really the core focus area, it allows us to be more aggressive versus someone who has been investing a lot of Dollars in terms of building brands for direct customer acquisition. It plays into our hands when it comes to the AI proposition.

**Siddhartha Gupta:** I will just add to Dhruv's commentary. Yatra over the last two decades has a humongous amount of travel memory for both our consumers as well as our corporate customers. And one of the key focus for us is how we can use AI to create an institutional memory for each traveller. And I think that those are the kind of projects which will help us connect better with our customers, both on the consumer side as well as corporate side. And those initiatives would start making us more meaningful for our customers and hence increase conversions on our platform. That is one which cuts across B2C and B2B. But I completely concur with what Dhruv said. On the consumer side, we want to take a leap beyond just working on SEO optimization and trying to get more traffic through the Google base of doing things. Now with chatbots playing a part, we are working fairly hard on ensuring that our tech architecture responds better and we get better demand coming from that side. I think on both fronts, we are working fairly hard.

**Dhruv Shringi:** In terms of the U.S. collapse, which was your second question Biplab, we continue to work on that. It remains a key priority for our U.S. shareholder base for us to be able to collapse the structure and simplify the holding structure. Beyond that, I think at this point of time, we cannot really state much, but this is all I can say. It continues to remain a key priority for us. And we are all working tirelessly on it. In terms of January trends, Siddhartha can maybe elaborate a bit more on the January trend.

**Siddhartha Gupta:** Maybe before we jump a quarter, it's good to see where we stand as of now. So just to refresh everyone's memory, we had given a revised guidance of about 22% growth on revenue-less service cost and around 37.5% growth on the adjusted EBITDA to the market as of last quarter end. Very happy to report that, that revised guidance would have expected us to do about INR 4728 million overall on RLSC and INR 917 million on adjusted EBITDA. Today, we are at quarter end Q3 and we stand at about 78% achievement on the RLSC already. And we stand at about 82% achievement on the adjusted EBITDA. I think we have had a phenomenal 9 months in this financial year. And that leaves us with a target for Q4, which is fairly moderate. And hence, we believe we are firmly on track to deliver our revised guidance that we gave at the end of H1. That should hint to you what the next year is going to look like. I think on a B2C as well as on a B2E front, we believe that consumer travel demand is not cyclical anymore. Now it's part and parcel of everyone's life. So, I think new year resolutions and along with that people now plan how much they will travel across the year, across 12 months. So, I think that demand is not slowing down at all and we intend to benefit from it.

On the B2B front, with Indian economy being the fastest growing economy, with so many investments coming into the country, especially across manufacturing and GCC, we expect corporate demand to be up next year as well. And hence, fairly confident that we will have growth trending the way it has been trending this year. We do not have an exact Q1 guidance right now, but overall things look trending positive.

**Dhruv Shringi:** On that, we remain firmly on track to achieve our guidance. I do not think there is anything which has transpired in the last 45 days post quarter and which would make us think otherwise.

**Biplab Debbarma:** Okay. That's great. Thank you and all the best.

**Moderator:** We take the next question from the line of Hardik Doshi from White Whale. Please proceed.

**Hardik Doshi:** Thanks for taking the question. Just continuing on the conversation about AI, as you mentioned that you do not see AI as a threat on the corporate side. Can you elaborate a bit more just from the context of how you would have seen in the last 3 years how Anthropic and its update has created a lot of turmoil globally. The capabilities of these companies are like expanding way beyond where software companies are under threat, SaaS companies are under threat, and a lot of enterprises could potentially create solutions on their own. I just want to understand from that context.

**Dhruv Shringi:**

I think that's an excellent question. Just in terms of how the model is evolving on the corporate travel side. So, if we dig a bit deeper on the corporate travel front, you will see this is more of a managed service which goes from end-to-end policy compliance to putting in place the kind of limits that need to be there to integrating within the ERP systems and the HRMS systems of the organizations to then from there providing working capital credit as well. Now, this is a fairly comprehensive solution which is at times tailor made to each organization. The way cost centres are allocated, the way employee bands are allocated, the way the limits are defined, all of them tends to be fairly unique across organizations. That is where we feel from a corporate travel point of view, we don't see these large organizations customizing to that great an extent. I understand that on the B2C side, yes, this is, where is the most standardized solution, the chances of disruption are higher. But given on the corporate side, it's a fairly comprehensive solution that takes care of multiple facets and provides a one stop shop. I don't see that being threatened by let's say the AI tools which have evolved, at least in the recent past. Our take is different. Our take is that these tools offer a great opportunity for us to be able to integrate them in differentiating our servicing, in being able to personalize the kind of experience which we have in being able to provide predictive models from a pricing standpoint to our corporate customers, in being able to digitize and automate the kind of responses and customer servicing experience for our customers. We see much more of an upside from these AI tools at this point of time for business travel, as opposed to there being a downside to it. On the B2C front, I think it's a slightly different view. The jury is still out on the B2C front. But I would look at corporate and B2C very differently when it comes to AI tools and their impact.

**Hardik Doshi:**

Got it. So then just kind of flipping the question, what percentage of corporate travel is offline? And then I guess you expect that to actually go online, given that you will be able to provide better solutions using AI?

**Dhruv Shringi:**

If I look at from an India perspective, I will do a top down approach on that. From a macro India point of view, less than 20% of it is online. A vast majority of India business travel still continues to be transacted offline. For Yatra, we are at about 70% adoption. We see more of the complex multi city kind of itineraries which remain offline. But the standard point to point has quickly moved online over the last 2-3 years. So, our sense is that from an adoption point of view, we will continue to see improved adoption on the online platform, and it will stabilize somewhere between 80%-85%. It will still be that last leg of 15% where people are traveling, you are going from Delhi to London to Germany to US and then doing a multi city kind of trip. Those kinds of trips, people will still need a little bit of handholding and offline support. A bit of it also gets complicated because of the visa requirements that Indians have, and I do not see that changing at any point in the near future. So, I see maybe about 80%-85% being the benchmark from an online adoption point of view, and 15% being the offline servicing component.

**Siddhartha Gupta:**

Just to add, because there is such a headroom for growth, the adoption of a solution like Yatra brings immediate value for corporate customers, because not only they discover prices which are more transparently and they can compare those prices, they also know that their organizational policies, travel policies, and boundaries are respected by the employee books.

And then the immediate benefit is that employees are booking their own travel knowing that they are fully compliant. So that additional layer, which is there in terms of having a travel agent or a travel desk manned by hundreds of people, all of that goes away. So, I think now that consumers are fairly comfortable with booking their personal travel online, adoption of a platform like us is increasing. And I think that is where going from 70 to 85 looks like a trend that is going to happen very quickly. So, it is a double-fold advantage. One, that there is a huge headroom for growth so we can convert more accounts from moving them from offline to online, and then within our customer space as well, increasing adoption across for more complex segments that travellers are planning for. And that is where, again, our bot plays a role. We are trying to automate as much complexity as possible so that we get more efficiency out for our customers.

- Hardik Doshi:** Got it. Okay. Thanks so much.
- Moderator:** Thank you. We take the next question from the line of Chirag Kachhadiya from Motilal Oswal Financial Services. Please proceed.
- Chirag Kachhadiya:** Sir, I have just one question. If your US related issue get addressed, then what cost saving and margin expansion possible for the India visa entity?
- Dhruv Shringi:** Chirag, those costs which are related to the US entity do not come into the India books. Those costs sit at the US HoldCo level only. But yes, in terms of management bandwidth and time, that will be a significant saving from a management bandwidth and time point of view. And I think that definitely has a lot of advantage for the company given that it will increase the focus and the bandwidth that Siddhartha and I would have on the core operations. But from a pure number perspective, there is not really any cost related to that entity that sits in the India books. There is incremental time and effort that goes in things like SOX compliance, etc., which would not be needed going forward once that structure cleans out.
- Chirag Kachhadiya:** Okay. Thank you.
- Moderator:** Thank you. We take the next question from the line of Vivek Desai from Investec India. Please proceed.
- Vivek Desai:** I had two questions. One, that in the press release and even on the call you mentioned that almost 300 million worth of revenue has slipped into the subsequent quarters. So, is it possible to gauge as to how much of that will flow through into Q4? And my second question is pertaining to rationalizing the headcount. In the last quarter concall, you had mentioned that you will rationalize the headcount to the extent of 75 personnel by the end of the financial year with a potential of almost 200 employees by next year. So where are we on this plan? And will it aid our margins going forward? Anything that you can quantify on that end?
- Siddhartha Gupta:** On my slippages, as Dhruv commented earlier as well, this disruption came as a fairly sudden event for the entire industry. And especially corporate travellers had planned for some of these

groups, and these are large groups that need to travel together. And a sudden shrinkage in supply kind of put a spanner and it was more perception as well. They thought there is a lot of chaos on Indian airports and hence many people said it is better to shift these events. So, we cannot give you a number right now in terms of how much is coming into Q4. But we are fairly confident that in the range of 70% to 75% of businesses for sure coming into Q4. Only very complicated travels for which bookings are not available right now because there is an organic Q4 demand as well which is something that we are addressing. So, we are trying to limit the slippages to Q1, but we believe 75% to 80% of that entire business should come in Q4 and hence you would see the MICE performance go up in the current quarter.

Maybe on the headcount, Dhruv could add, but our thought and this is something that we have been going through our commitments and our strategy for the company. You have to see it from a perspective where the company is growing at high double digits. We are a company which is growing at 20%. Our B2E business has a very strong growth quarter-on-quarter and hence when you add more customers, you need people, so, we might be delivering more from the same set of folks than adding new headcounts. I think that is something that maybe Dhruv could elaborate more, but you need to see it from that prism.

**Dhruv Shringi:**

The way we have looked at this, Vivek, and we spoke about this, we want to look at optimizing 70 to 75 people, which means we should be able to take on new work with the same headcount. If you look at our overall headcount number on the corporate ops side, we have not seen any increase in our corporate headcount and I do not see us getting to any incremental corporate headcount either in the near term, because of the tools that we have implemented from an online adoption point of view and from an automation point of view. So, we remain on track to be able to deliver on that and that will see some margin expansion for us. And on the MICE part as well, as Siddhartha mentioned, we will see the vast majority of the MICE part get transacted in the current quarter with some complex itineraries where we are not able to get enough inventory from the airlines getting shifted into the 1<sup>st</sup> Quarter. But vast majority will come in the current quarter itself.

**Vivek Desai:**

Got it. Thanks.

**Moderator:**

Thank you. We take the next question from the line of Sumukh from Korman Capital. Please proceed.

**Sumukh:**

My question is on the working capital. Can you please let us know what is your working capital days in airlines and in hotels and how is this being funded? Because we see an increment of almost INR 1.4 crores in your interest cost Q-on-Q. And you guys have a cash of close to INR 69 crores in your bank, so I just wanted to understand that part.

**Dhruv Shringi:**

Sure. So, I will give you what the standard working capital model is, and then we can talk specifically about what factors led to this increase in cost in the current quarter. And those are more one-off in nature. So, if you look at our standard working capital cycle, we have on average a 28-day DSO from our customers. And we get about effectively seven days of credit from our

suppliers. So net 21 days of working capital is what we end up funding in our own corporate business. In terms of what has transpired in the current quarter, and I think Siddhartha mentioned in his opening remarks, because of the disruption that happened at the last minute with some MICE groups, there was advance to suppliers which had already been paid off for the groups which were to travel over the next week, two weeks. So that advance remained outstanding with the suppliers because the groups have now gotten deferred into the current quarter. The second factor which impacted working capital was given the amalgamation of our subsidiaries, we had some customers who were directly paying Yatra for business, those had to move the accounts from Yatra for business to Yatra Online Limited. That is another process which, as you can understand, with large corporations ends up taking a few weeks' time. And that is the other reason where capital got extended from a deployment point of view. So, net-net in this quarter, we had somewhere between INR 35 to 40 crores of extra working capital getting deployed, which has now started getting released in the month of January and February. So, we would see normalization happening on the working capital front before the end of March.

**Sumukh:** So, normalization for 21 days working capital, is it only for your B2B business? Is it only airline or is it a blended for hotels and airlines?

**Dhruv Shringi:** Yes, so that for the B2B business, that is the blended number. B2C anyways works on negative working capital.

**Sumukh:** INR 35 to 40 crores was the incremental working capital. So how was it funded? Was it borrowings or was it through the cash that you guys had?

**Dhruv Shringi:** See, we have cash which is deployed in fixed deposits. So, it does not make sense for a short period of time for us to break the fixed deposits. We do have overdraft facilities with the banks. And those are what we have dipped into during this period.

**Sumukh:** Thank you. So that answers my question.

**Dhruv Shringi:** I think just to add, you need to see it from a perspective of gaining more execution excellence. So hence, multiple legal entities are now falling into one. It will help the management run the company more efficiently going forward. We had to bite this bullet. This is something that, re-registration of the new company with some of our existing customers is something that we had to time in one of the quarters. So, I think that's where it came into Q3. But it's a one-off impact.

**Moderator:** Okay, thank you.

**Dhruv Shringi:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Anmol Garg from Dam Capital Advices Limited. Please proceed.

**Anmol Garg:** Hi, thanks for the opportunity again. I have just one question. Dhruv, we have spoken about leveraging our hotel APIs for generating revenue. On that aspect, just wanted to understand, are we giving this hotel APIs to some of the other OTA players? And would this mean that overall, our gross take rate in the hotel segment will come down while the overall net take rate might increase or the overall profitability might increase in the segment?

**Dhruv Shringi:** Anmol, that's, I think you have in a way answered your own question as well. And your analysis is spot on. We are seeing very strong traction on the hotel side from our affiliate network as well. Obviously, the base is still relatively small, and there is a lot of headroom for growth over there. But the trend from a growth point of view is excellent in that part of the business. It will impact the take rate, maybe adversely, but it will improve the net gross margin pretty significantly because that business comes in with extremely high contribution margin. We will continue to see improvement happening in the profitability from that factor as well. And I think for FY27, I think we see that as a meaningful generator of profits for us. So that's another lever of growth for us going into the next year.

**Anmol Garg:** But Dhruv, do not you think that this will kind of increase our competition per se, which will now have access to our hotel inventory or so, which would be our key points why maybe people are coming to Yatra for hotels because certain properties would be available only at Yatra?

**Dhruv Shringi:** See, on the corporate side, let's break this again into two parts, into corporate and B2C. Vast majority of our business on the hotel side comes from corporates. On the corporate side, we have special rates which we offer to our corporate customers. Those rates are not rates that get further distributed. Those are close user group rates that we have negotiated for our own corporate customers. The distribution that typically happens will happen to people with whom we do not have a massive overlap in terms of customer base on the B2C side of things. So, this would be foreign players, for example, who are generating inbound demand into India. We are not chasing demand from outside India into India. So that becomes a complementary demand generation mechanism for us rather than something which is competing directly with us. Similarly, we have offline travel agency partners who are sourcing from us. These are again not areas where we are very active in. So, there is large enough white space in that sector for us to pick and choose who we partner with where there is not any direct impact on our business.

**Anmol Garg:** Sure. And lastly, do you believe that this could have an increase on our working capital side of the business as well?

**Dhruv Shringi:** No. So here it's largely working capital negative or at max working capital break even, meaning the payments from the customer are timed with the payment to the supplier. So, there is not really any working capital pressure that comes on account of this.

**Anmol Garg:** Sure. That's it from my end. Thank you.

**Dhruv Shringi:** Thank you.

- Moderator:** We take the next question from the line of Harsh from NV Alpha. Please proceed.
- Harsh:** Sir, my question was on the B2C part. Like 40% of gross bookings was B2C in Quarter 3, which is around 870. My question was, what percentage of this 870 would be from B2B cross selling side?
- Dhruv Shringi:** No, this number is directly coming in from the B2C part only.
- Harsh:** Out of the total B2C gross booking, 0% is from the cross selling from B2B, right?
- Dhruv Shringi:** Yes, the B2B part is separately within B2B. There is no B2B coming in this. So, if your question is more on the personal travel of the employees of the organization, Harsh, is that what you were asking?
- Harsh:** Yes.
- Dhruv Shringi:** Okay, so that sits within our B2B side of things. And if I look at that effectively, that is today adding to about somewhere in the range of 6% to 7% of our B2B business and will effectively about to be about 10% to 12% of our B2C business. But that's a sector that's growing or that's a component which is growing quite strongly, given that there is very strong value proposition for the employees of the companies that they are servicing to book their personal travel as well on their corporate travel platform.
- Harsh:** And my second question was on; how do you see the gross bookings growth for the next 2 to 3 years shaping up?
- Dhruv Shringi:** See, we would expect gross booking growth to be in the range of early 20s. The mix of that, as we had alluded to earlier, we would see air growing between 15 and 20 and we would expect hotels to grow upwards of 25. So, giving us a weighted average growth rate of around (+20%) in terms of gross bookings.
- Harsh:** Are we looking at around 1.5% of EBITDA margin as a percent of gross bookings by FY28?
- Dhruv Shringi:** Yes, by FY28, we are currently at about 1.1% to 1.2%. That's where we are trending at the moment. We see strong operating leverage in the business as we have demonstrated. I do not see a reason for us to not get to that in FY28.
- Harsh:** Got it. My last question would be, due to these disruptions, which happened in Q3, a 480 million impact on the air passenger side. This was the impact on the net revenue or on the gross bookings.
- Dhruv Shringi:** This is on the gross bookings.
- Harsh:** What would be the impact on the net revenue or service cost?

- Dhruv Shringi:** So, 1% would be the impact.
- Harsh:** That's it from my side. Thank you, sir.
- Dhruv Shringi:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Harish Singh from Subh Labh Research Pvt. Ltd. Please proceed.
- Pratik:** Hi Dhruv. Greetings. This is Pratik from Subh Labh Research. Thank you for the opportunity. Dhruv, I have my first question on the B2E and B2C, rather B2B and B2C mix. So, if we look at the numbers for the past 6-7-8 quarters, I think numbers have gone up from roughly 60% to 68%. I am not taking Q3 in account because that is an abnormal quarter for us. Now this shift from around 60% to 68% when we were so much focused on B2E part and probably in most of the quarters we have alluded that the retail is showing some degrowth also or rather some conscious degrowth which we have taken. Now if I say that this mix change is slow, is that statement correct or am I missing something here because when we shifted the business model to B2E, in my opinion, this shift, the pace is quite slow. If you can throw some light there, Dhruv.
- Dhruv Shringi:** See, the good thing which and I look at this while I understand your point on the mix, I also look at this as a good thing that we today have a situation where all boats are literally rising. That is the way we should look at this. It's not one at the expense of the other. Our B2C business, yes, has been through a bit of a transition over the course of the last few quarters and now is at a stage where it's able to drive growth organically and with profitable unit economics. That's not to in any way suggest that our focus on our B2E business, on our corporate business is diminishing in any manner. That focus on the corporate business remains heavily and that's the key driver from a growth point of view. There is a certain amount of base effect which is there today because B2C was quite depressed in the last year, same quarter. So, you are seeing some base effect impact of that. But from an organic point of view and from a business strategy point of view, our focus remains squarely on the B2E side of things. So corporate is where we have pivoted our business and that will continue to be the focus area. B2C, given the competitive landscapes, will go through its own ebbs and flows, but we will not compromise on profitability when it comes to the B2C business.
- Siddhartha Gupta:** I think just to add to Dhruv's commentary, I think we referred to the headlines for the B2C business was that we have turned the corner around. Instead of diminishing growth now, we have added to and grown the business while keeping the net contribution margin positive. I think that is what is the impact you see. That does not take away from the fact that our pivot towards B2E has been strong and I think both the businesses have benefited from a bit of a tailwind on the travel demand front across. But just to qualify that, we are in no way saying that we do not want to do B2C business. If it's a positive contribution business and growing, then it will ride on Yatra's two decades of relationships. I think that's what you see. But we are sticking to our B2E growth plans as well.

- Pratik:** Understood. No, this is helpful. Just that, Dhruv, every quarter we have been adding probably large enterprise clients and yet this number was a little subdued in my opinion. So that is why I asked. But I understand your point that it will certainly grow, but probably at this pace only. So that 75-25 target probably which you have given will be achieved gradually, not in one shot.
- Dhruv Shringi:** And I think just to also elaborate on that, the reason why you see this being a bit more subdued in this quarter is if you look at the month of December for corporate travel, typically what happens...
- Pratik:** No, this quarter I am excluding, Dhruv. This quarter I am entirely excluding.
- Dhruv Shringi:** If we exclude this quarter, then we are almost touching now 70-30. I think our number would have been 68-32 if we were to exclude this quarter.
- Pratik:** Understood. Point taken. Dhruv, my second question is on the RLSC growth driver in last 7-8 quarters. So, if I closely look at the numbers, probably because of MICE business, our gross profit growth grew handsomely, particularly after the acquisition of Globe Travel, because that was primarily into MICE segment. Now, in lieu of this, I just wanted to ask, how do you see the cost structure moving for that particular segment? Because in my limited understanding, that is less tech dependent and more people dependent because of customization, customized nature of the business. So that's the part one, the cost in that segment. Secondly, probably that is also not that ROCE accretive because that business or that segment demands some capital as it is a bulk business, multiple bookings at once. So, if you can help me understand this point in the light of margins and ROCE both.
- Dhruv Shringi:** Sure. So firstly, on the margins, MICE is a very margin accretive business because from a margin point of view, overall take rate point of view, it's a product with between 9%-10% kind of gross take rate, which is there. And even though the servicing might still be largely offline, while we guys are working on some AI solutions for that, while still the servicing is largely offline, from a net contribution point of view, it's a business with contribution margins in excess of 50%. So, it is fairly margin accretive to that extent. On the working capital cycle, what typically ends up happening in the case of MICE is that you will also get an advance from customer, which will range between 50% to 70% of the trip value before the trip departs. So, it is not as working capital intensive as is anticipated to be the case. This quarter was unique to the extent that just before departure or literally, a few days before departure trips got cancelled. So, you had a situation where there was a mismatch where an advance has been made to a supplier, but the advance from the customer did not come through because the trip did not materialize and got pushed into Jan or Feb as the case might be.
- Pratik:** Correct. This again is very encouraging. I was of the opinion that there is no advance. I mean, the entire money comes after the trip happens. But this is really encouraging to see that this also is backed by advance payments, which reduces the working capital requirement. So even in case we scale this further, we will have some cost advantages, as you said, because you are exploring AI there. And then working capital also will be moderate only. So very encouraging though.

This is very encouraging. Thanks a lot. Always a pleasure talking to you and Siddhartha, welcome to Yatra. Hope to see you soon.

**Siddhartha Gupta:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Suhridd from Paladin Capital. Please proceed.

**Suhridd Deorah:** Hi, just a very quick clarification. In the numbers that are put out in the presentation every quarter for new corporate customers that will add, 220 odd crores, is that a gross number or a net revenue number?

**Dhruv Shringi:** That's a gross number, please.

**Suhridd Deorah:** Okay. So about 6%-7% of that is what would be net?

**Dhruv Shringi:** That is absolutely right.

**Suhridd Deorah:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Gunjan Kabra from Niveshaay. Please proceed.

**Gunjan Kabra:** Hi Dhruv and Siddhartha. So basically, just one question that we have a very good corporate base now, (+1300) corporates and adding a lot of customers every quarter. So as per my understanding, a lot of customers are just booking air travel right now and hotel booking is something which, most of the corporates are not doing both the things right now. So wanted to understand that, if the hotel booking from the existing base also increases a lot, it would be a very good operating leverage that will come into our system. So what strategy are we adopting right now because that number would be very minimum in terms of percentage of corporates using both the services. So what strategy are we adopting to increase that number?

**Dhruv Shringi:** Sure. So Gunjan, maybe I will give you a bit of color and then Siddhartha will add to that. I mean, that has been one of the core focus areas for us over the course of the last 2 years. There is an inertia, initial amount of inertia that you face from organizations because you have got their own procurement teams who have close relationships with hotels which have been built over the years. And based on that, they are a bit reluctant to move. So, one of the big changes that we made in our system, and we retooled our entire platform, was to open out corporate rates as well. So, the inertia was broken by bringing in flexibility in our technology platform to incorporate corporate rates as well and retail rates. So now the customers see both their specially negotiated rates plus the rate that we have and we let the best rate win. On the back of that retooling that we did about, I think 18 to maybe 24 months ago now, we are seeing strong traction and that's why you have been seeing hotels growing at upwards of 30%. We continue to adopt similar kind of solutions and creative solutions to be able to drive more cross-sell. I think Siddhartha can add

more colour around how we are adding the CAMS KRAs as well in terms of focusing the company towards that.

**Siddhartha Gupta:**

I think I was just wanting to highlight and to say it already that if you look at hotels' standalone, we have actually grown very handsomely at more than 30% year-on-year. So, adoption is increasing and as we mentioned earlier, out of our overall hotel revenue, a lot comes from B2E. So, the adoption is really increasing. What you said was few customers using us only for air is kind of good news for us because that allows us a huge upsell opportunity. When I spoke about the three pillars of go-to-market, the farming team or the team which is, we call it the key accounts management team, their KRA has a specific target for upsell and getting our customers to use our hotel inventory. And you can visualize a scenario where you are a large corporate and you have got company contracted rates for various hotel chains, Yatra absorbs those rates and when you search for a hotel and a flight, we actually give you both the options. So, you will see the company contracted rates and you will see the Yatra contracted rates as well and you have the flexibility to use whichever is lowest and gives you the best deal. So mostly all our customers, especially B2E customers are coming back and telling us that we want that flexibility to come from Yatra. If you as an aggregator have better rates available for my employees, I want to pass on that flexibility to them. I think that is where the adoption is improving now. I think we have already established the value proposition of this offering. Now you will only see more and more adoption going forward.

**Dhruv Shringi:**

I think another recent initiative that Siddhartha has led the team with is we realized that for a number of our corporate customers, the barrier was that they wanted their employees to pay at the hotel as opposed to prepay. So, Siddhartha and the team over the course of the last 2 months have worked out a solution which now enables our corporate customers to also be able to use a pay at hotel facility that we have built out along with some of our supply partners. So, these are just some examples to give you Gunjan an idea that this is a key focus area for us and a lot of our tooling efforts around technology are around how do we break down any barriers. See there is at the end of the day inertia. There are procurement teams who have been building these relationships with hotels for decades. So, breaking that inertia means that at every stage you get a new ask from a customer and then we come up with creative solutions to break those barriers down.

**Siddhartha Gupta:**

I think the market is appreciating the fact that Yatra has one of the deepest inventories of hotels with more than 25,000 to 30,000 active hotels which we manage which give us business every year and the total universe of relationship is nearly 90,000. So, I think that's what's giving us the tailwind around getting more of our customers moving on to our hotel supply.

**Gunjan Kabra:**

Got it. And for corporates, international presence is also very important and it would also help in onboarding larger sized corporates also. So how are we planning on that side and if we go international like in GCC or Asian countries that you were mentioning also in one of the calls. So, will that also, the gross take rate basically improves than the domestic rate when we go to the international markets also?

- Dhruv Shringi:** Yes, so Gunjan, that remains an important opportunity for us to explore going forward. We do want to become at least in the first step a regional player over the course of the next couple of years. We continue to evaluate opportunities in the region which will help us build out a network and that network then enables us to pitch for larger businesses. So that remains one of the key focus areas for us.
- Siddhartha Gupta:** Over the last 3-4 months we have significantly invested in our back-end capability to absorb supply from various partners. I think that's something that you should keep your eyes open for. We will be announcing more of such partnerships which will add to our supply base for international.
- Gunjan Kabra:** Got it. Thank you, so much and good luck, to the team, both of you and the team of Yatra.
- Moderator:** Thank you. We take the next question from the line of Ankush Agrawal from Surge Capital. Please proceed.
- Ankush Agrawal:** Hi, thank you for taking my question. So, firstly, I think a few quarters back, when we were around 21% sort of margins, the commentary, it will move that to say 25% and then in less than 3 years, it would be near 30%. Since then, obviously, the margins are sort of tapered off. Obviously, there is some sort of seasonality over there in the last 6 months. But directionally, are we still on the path to achieve those sorts of profitability going ahead?
- Dhruv Shringi:** Yes, so if you look at this quarter, because of these two one-off events which happened, which is one, the deferment of the MICE, which is a highly profitable segment for us, and secondly, absorbing some incremental costs related to the cancellations that happened on the B2C side, we have seen margin taper off a bit into close to about 19% at the moment. That trend that we spoke about remains the same. So, we do not see any change in that trend happening and we expect that this margin decline which happened in the current quarter will correct itself in the coming quarters. So, we do not see any change impacting those margin trends.
- Siddhartha Gupta:** And just to add, you have seen air and hotel margins both trending. I think this quarter was more about the mice moving from one quarter to another. Not cancelling, but moving from one quarter to another. So, I think that's what kind of tapered it for the quarter. Otherwise, we would have had a bumper number to share with you in Q3.
- Ankush Agrawal:** Got it. Secondly, just a clarification from what was earlier being discussed about MICE business. So, you mentioned that the gross stake rate is around 9% to 10% and we have contribution margin north of 50%. So, when you mean by contribution margin, this is similar to EBITDA or what is that?
- Dhruv Shringi:** This would be taking out all direct cost. So, EBITDA would mean that there would be allocation of common cost and all which will also come into the picture. But this is taking out direct cost related to that business. So, contribution would be 50, EBITDA would be almost late 20s-30s.

- Ankush Agrawal:** But just to understand the ladder, at an EBITDA level, MICE would be the highest margin business, then hotels and then air, right?
- Dhruv Shringi:** That is absolutely right, yes.
- Ankush Agrawal:** So, that was it. Thank you.
- Moderator:** Thank you. We take the next question from the line of Sonal from Prescient Capital. Please proceed.
- Sonal:** Hi, this is Sonal Minhaj. Thanks for taking my question. I had two-three questions. First was a clarification question when you were talking about implementation of your AI tools with the corporates and making it more personalized. Do you have access to the data and the booking patterns of employees of corporates? Just trying to understand that for your intelligence to be better than anything which is on the right.
- Dhruv Shringi:** I think, we have got one of the richest bases from a data point of view today when it comes to corporate travel. We would have details around what level the employees are at, what are their current spend patterns, what are their preferred programs like hotel programs or air mileage programs that they are members of other details around their preferences. So, there is a lot of data which is available with us when it comes to corporate travel.
- Siddhartha Gupta:** So, you visualize a booking engine which is integrated with the HRMS system of the customer. So, we know which employee at what level is allowed, what category of hotel and what kind of air ticket needs to be booked for them in terms of class. All of that data and then we also have the past data of where the person has travelled and what their preferences are. So, when we dish out the supply or when they look for something on Yatra, we give them whatever is the cheapest, whatever is compliant as well as, what their preferred air and hotel combinations are and that helps us be more relevant to their requirements. So, that's broadly the solution and hence we have the data to train the LLM to be more personalized for our customers.
- Sonal:** Got it. Thanks for explaining that. Second question, quick one on return on capital growth. If you were to just analyze your numbers for these 9 months, I think we're looking at roughly 60-65 Cr of whatever annualized and then, so your ROCE is inching up from 5% last year to 6% this year. Is there a target for next year? Because I think you do talk about growth numbers, you do talk about margin numbers, but is there a target for ROCE for next year? Because I think the real breakout moment for this business is if the balance sheet starts to remain stable and the top line grows compared to that. So, just wanted to understand that.
- Dhruv Shringi:** Sure. I think that's one of the key focus areas for us. Our target for next year would be to get the ROCE in double digits. That's what we are focused on. We see this being a secular trend from an ROCE growth point of view because the incremental ROCE on every corporate customer is extremely high. We are at upwards of 30% ROCE on every incremental customer. So, as we

continue to build scale, we will just mathematically see our ROCE continue to improve. That is a key focus area for us.

**Sonal:** So, this gap between 33%, I do not want to go to the detailed math, but basically after that there are corporate overheads and hence ROCE comes down to a lower number as well as B2C as well. Is that the way to understand the gap between 33% and 8%?

**Dhruv Shringi:** So, what will end up happening is that, for every incremental customer, there is a higher ROCE. Your fixed cost remains obviously fixed in nature. So, that flows through then to the bottom line. So, every year as you continue to add 10% to 20% more business. You are adding 20% more business, which is coming in at like 30% kind of ROCE. You will see your weighted average ROCE continue to inch up. That's why from 4% odd of ROCE last year, we will end up somewhere close to about 7% of ROCE in the current year and we will see a similar kind of improvement in the next year as well.

**Sonal:** I understand that. Thanks for explaining. If I can just ask the last question. Your operating expenses for this quarter are a little higher. If we double check, I think the payment gateway charges are also up. And I am talking quarter-on-quarter. Is there a pattern to be right there? Just to get a clarification.

**Dhruv Shringi:** So, the payment gateway had some one-time effect of the cancellations, which happened on the Indigo side. Because as per the guidance from the regulator, we had to refund the full convenience fee as well. So, we were left absorbing the payment gateway cost.

**Sonal:** I understand that. So, the way to understand the OPEX charges is that it should be understood more as a percentage of your revenue from operations or we should just assume this will grow at an annual rate of 5%-10% YoY from here on. Just trying to build it in our mind for projection purposes.

**Dhruv Shringi:** If you look at the charges which are there, employee costs will grow mostly in line with inflation, barring any exception where we make some, additions from a new team point of view or get into a new business line. So, barring that, it will grow at inflation. Other expenses similarly will grow broadly in line with inflation only. In terms of payment gateway, payment gateway growth will be more linked to gross bookings. And also, to the mix between B2C and B2B. If B2C is growing at a slightly faster pace, payment gateway might increase at a slightly faster clip. But payment gateway will be linked more to gross bookings.

**Sonal:** Got it. So, this is more reasonable, I guess. Thanks for clarifying.

**Moderator:** Thank you. We take the next question from the line of Vinay from Hathway Investment Private Limited. Please proceed.

**Vinay Nadkarni:** Hi, Dhruv. Just two data points. Your DIYA downloads in this quarter were how many and how have they grown from the quarter prior to this? And what is the MICE contribution as a percentage of your total B2B sales?

**Dhruv Shringi:** So, DIYA would not be an incremental download. DIYA is definitely integrated within the app itself and within the desktop. So, there is no incremental download that a customer needs to do for DIYA. It's something which is now available and accessible to everyone.

**Vinay Nadkarni:** But that is for B2B, you are talking?

**Dhruv Shringi:** Yes, for B2B and for B2C. For both of them, DIYA would be available.

**Vinay Nadkarni:** So, B2C also doesn't need to download?

**Dhruv Shringi:** No. B2C, if you download the app, then DIYA comes pre-embedded in it.

**Vinay Nadkarni:** And MICE as a contribution?

**Dhruv Shringi:** So, MICE while we do not call it out separately, if I look at for the quarter and this would be a bit of an aberration from a quarter, the way to look at MICE, the easiest way to reverse engineer that is to look at service cost. Because the service cost largely pertains to MICE. So, if I look at from a service cost point of view, service cost in the current quarter was about 130 crores and MICE gross bookings would be, you gross that up for 10%, that gives you an approximation of the MICE gross bookings.

**Vinay Nadkarni:** And one, just one point on this digital personal data protection rule. You have so much of customer data with you. How are you looking at complying with this? Will you be ending up losing some customers because of this?

**Dhruv Shringi:** So, I will give and then Sid can also elaborate on that. So, DPDP is obviously an evolving situation. We are working closely with our corporate customers. But just to be clear, on the corporate side, the data is heavily encrypted and it's all post-consent. So, there is no data that on the corporate side we end up storing, which is without consent from the corporate customers. On the DPDP side, their data that we store is fairly minimal. It's more transactional as opposed to any personal data of a customer that we end up storing.

**Vinay Nadkarni:** Not much of an impact.

**Dhruv Shringi:** No, not much of an impact.

**Siddhartha Gupta:** So, from a compliant standpoint since we work with some of the largest companies in the world, we have invested quite a bit in ensuring that we comply to the Global Privacy Law. We have a consulting company on board as well as our CIOs personally leading the project where we have Phase-1, Phase-2 defined in terms of DPDP. So it's an evolution of something that we are already

doing and we are fully committed from a resource standpoint to ensure that we are compliant because that's a very critical part of the differentiator that Yatra offers as well compared to other smaller vendors.

**Vinay Nadkarni:**

Thanks a lot. Just one last question, if I am allowed.

**Moderator:**

Thank you. We take the next question from the line of Naeem Patel from Bastion Research. Please proceed.

**Naeem Patel:**

Hi, thank you for this opportunity. I had a couple of questions regarding our working capital. I know in the call you had said that we have receivable days around 21 to 28 days, but I wanted to understand from the payables side that we had around INR 277 crores of payables in FY25. And I wanted to understand towards whom are these payables owed? Are these airlines or hotels? Some more clarity on that. And on the same front, what should we view them as a percentage gross booking value, RLSC or revenue? So that's the first question for me.

**Dhruv Shringi:**

Sure. So, the payables are linked firstly, just simply to the gross bookings and not to RLSC. That's the simpler question and clarification. In terms of the amount, these are amounts which are due typically to airlines, especially the international airlines and airlines which form a part of the BSP cycle, which is a banking settlement plan that some of the airlines are a part of. So, this would be payable to them and it would be payable to hotels for future bookings. And then there might be some G&A suppliers as well, but vastly it will pertain to air and hotel suppliers.

**Naeem Patel:**

Thank you. Understood. And secondly, from an independent research, I found that there are like 2.4 lakhs hotels in India and out of which one third are branded and remaining are unbranded. And Yatra itself I think has around 80,000 hotels in its inventory. Of course, it's not possible to capture all of them, but what is our ceiling on that, that we can get on our platform, the number of hotels in India?

**Dhruv Shringi:**

See, the issue with hotels is not to get them on the platform, that's an easier one to solve for. The issue which is there is that you also need to have the right demand generation engine for those hotels. It's no point for us to go to Dharamshalas and smaller hotels, which are like INR 500-1,000 where our demand is coming in from corporate customers who are looking for a slightly better quality product. Hence, today, the kind of platform that we have and the kind of inventory that we have onboarded is sufficient from our perspective for the nature of business that we are doing. If the nature of business continues to evolve and we get into a stage where, we are going deeper into Tier II, Tier III markets and we are now looking at SME customers who need those kinds of hotels, we will start onboarding them. But for the time being, I think we are sorted with that.

**Siddhartha Gupta:**

Maybe just to add there to Dhruv's commentary, in a year, what we have seen about 75% to 80% of our overall revenue coming from 25,000 active hotels who have contracts with us. So that kind of should give you a view to what percentage of the total inventory on our platform is actively trading with us and getting served to our customers. But we are adding a lot of chains.

We are adding a lot of towns and Tiers as well, because now Yatra has made inroads into pharma and cements and other industries where there is a lot of corporate travel that happens to smaller towns as well. So, we are beefing up quality supply there.

**Naeem Patel:** Understood. And if I could squeeze another question, our other operating income is like 11% to 12% of our RLSC. And if I take it out of our PBT along with other income, our PBT becomes negative. I want to understand what expenses are we incurring on the other operating front and how do we view on the PBT? If I take both and other income out, we are still on negative on that front. Some more clarity on that would be helpful.

**Dhruv Shringi:** That would not be correct. Other income is about INR 4.7 crores in the current quarter. Whereas PBT is INR 8.3 crores. And if I look at the last quarter, PBT would have been in the range of about INR 17 crores and other income was about INR 5 crores. It's definitely not the case where other income is what's driving profitability. There are two components to look at out here. I hope you are not looking at other revenue. Other revenue will be things like advertisement income, platform income, which are core operating incomes for us.

**Naeem Patel:** On that aspect itself, that if I take away both other operating income as well as other income, the core business about ticketing and hotel and packaging. So, if I take away those incomes from us and we are PBT negative. So, is our core income profitable at PBT level? That is what I am trying to do.

**Dhruv Shringi:** When you look at other income and I am not talking other operating income. Other operating income is core earnings of the company. So, if I look at the B2C business for example advertisement revenue that we generate on the B2C platform is an integral part of your earnings. If I look at the other components in that which will be things like gift vouchers, contributions from partners, those are critical components of B2C earnings. So, you cannot exclude those. That's how B2C platforms work. It's like saying on Zomato, you exclude the platform fee which is there and then assess the profitability. Those are core components. That's how all B2C platforms would work.

**Naeem Patel:** Sure. That helps. Just one clarity on that. How does that trickle down up to the EBITDA level? So, like we had around INR 16 crores in Q3. Does that flow completely at EBITDA level or do we still incur some expenses for advertisement income?

**Dhruv Shringi:** So, there would be some expenses related to that, which will be there. But yes, these would be things which will have a higher contribution margin compared to other things.

**Naeem Patel:** Could you quantify that in a broad range?

**Dhruv Shringi:** Approximately, this would have upwards of almost 55%-60% contribution margin.

**Naeem Patel:** Thank you very much. That's all from my end. That was very helpful.

**Moderator:** Thank you. We take the next question from the line of Rajit Aggarwal from Nilgiri Investment Managers. Please proceed.

**Rajit Aggarwal:** Thank you for taking my question. A quick one on the expense management offering. There are established players who are offering a wide range of expense management platforms, which have a lot more to offer to a customer than a pure play travel expense. Wouldn't it be better to tie up with them instead of incurring expense on a pure play travel expense platform?

**Siddhartha Gupta:** We evaluated before taking up any project, there is a very thorough review mechanism wherein we look at, first of all, whether that particular product could be in the periphery of what we offer as a core offering from Yatra. And then post that, we look at what's available in the market versus whether it's meeting our customer's requirements or not. And you would see that in the expense space, either there are global players who are too expensive for extensive adoption in India or there would be older technologies where they are looking at OCR kind of recognition of bills and things like that, where they do not, they are not LLM based, so they are not able to support multiple languages. So, we looked at a gap in the market and we spoke to our customers and they actually very strongly told us to focus on this area because they wanted one partner who could close the entire loop. So again, going back to the entire flow, there is a company, a corporate, they have a particular configuration and a policy. They want a system which would be fully compliant to that. And finally, where the rubber hits the road is where the expense gets booked for the travel. And that was the last bit that was not available from Yatra itself. So, they wanted us to be that partner who closes the loop for them. And they wanted us to do it with the best technology and the latest technology possible. I think those were the matrices which pushed us to create this product. And this is the first quarter where the full portfolio was available and our sales team took it. And we have already converted eight customers in just one quarter. So, we are very bullish that we will see this getting adopted very quickly in our installed base. But again, I will clarify, these eight customers, I think out of them, six of them are new customers. They are not existing customers. That gives us more confidence that if we are able to bring in new customers who are not existing Yatra customers, then it will be an easier sell for us to take it to our base customers and convert them.

**Rajit Aggarwal:** That's great to hear. One question on the top line growth. And I am just trying to link the commentary with the KPIs. And you had mentioned that because of the subdued MICE demand. Now one of the leading hotel chains attributed to their good performance to a robust corporate and MICE segment during this quarter. If a hotel chain is saying that, I guess the volumes would have not suffered that much. And even your numbers showed good performance in terms of gross air bookings or total hotel room nights. Now if I look at hotel booking value per night, that has come down and so has your take rate. So how do I link that?

**Siddhartha Gupta:** So maybe I will qualify that. MICE actually, if you look at the market dynamics, is a very fragmented market. Looking at a commentary of a particular hotel or a hotel chain or a property and trying to democratize that and try and look at overall trends in the entire subsegment will be a very difficult one. As mentioned in the commentary earlier as well, MICE for each of the organization has a very different makeup. For us, MICE is a lot about very large customers of

ours who trust us with their travel and hence, they also want us to manage critical large group travels for them. So, we would do very large group bookings. And there will be a nuance of few of those customers may be pushing their travel out by a quarter and hence that impacting our business. So that's not a reflection on the total MICE industry and what other companies are reporting. I hope that clarifies.

**Dhruv Shringi:** I think just to add on the margin side on that, from a margin point of view, if you see, yes, you are saying the take rates have come down from 12.2 to 11.7. But our net margin, our gross margin has actually improved from 9.7 to 10.2. And that is on account of the change in business mix. So, there is more business compared to previous quarter, which is coming from the corporate travel side of things, which is maybe reducing the weighted average take rate. Because on corporate, the take rate tends to be lower than consumer. But because the bottom-line profitability is better, it's leading to higher gross margins. So effectively, for us, that's a very good change that's happening in the business.

**Rajit Aggarwal:** Absolutely agree on that. So that's exactly what I was trying to get a handle on. See, the volumes have gone up, the margins have gone up. But even then, the growth somehow has been lower. And as you said that the INR 30 crores or 300 million of revenue would have got postponed. If you were to include that in Q3, then would it be right to say that the upper limit of revenue that could have been achieved is 287 crores? Is that a right way to look at it?

**Dhruv Shringi:** Yes. 290, right, is where, somewhere close to 290 is where we would have been.

**Rajit Aggarwal:** And that would be around 22% to 23% year-on-year growth. So, would you have been satisfied or happy with that?

**Dhruv Shringi:** So, in terms of gross bookings, yes. In terms of margins, it would have been even higher and this is like a proforma that we are trying to build out. And that kind of proforma, you would have upwards of 50% growth in EBITDA. You would have like almost 45% growth in terms of PAT. So yes, that would have been obviously a stellar performance. And that's where we were heading in the months of October and November.

**Rajit Aggarwal:** Alright, sir. Thank you. And thanks for taking my questions.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraints, that was the last question for the day. And would now like to hand the conference over to the management for closing comments.

**Dhruv Shringi:** Thank you, Operator. And we would like to thank all of you for taking out the time today to participate in this call and what's been an extremely engaging discussion. We look forward to interacting with you on a one-on-one basis as well as we move forward. If there is anything that you require further clarification on, please feel free to reach out to us or our IR team, which is Valorem Advisors. Thank you once again. And with that, we would like to conclude today's call. Thank you.



*Yatra Online Limited  
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**Moderator:**

Thank you. On behalf of Dam Capital Advisors Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.