

Issue Details

Issue Size	Rs.510 Crore	Price Band:	Rs.186 – Rs.187
IPO Date:	08 th March 2021 to 10 th March 2021	Offer Ratio:	QIB:75%, HNI:15%, Retail: 10%
Bid Lot:	80 Equity Shares and in multiples thereof		

Company Profile

Easy Trip Planners Limited were ranked second among the Key Online Travel Agencies in India in terms of booking volume in the nine months ended December 31, 2020 and third among the Key Online Travel Agencies in India in terms of gross booking revenues in Fiscal 2020 (Source: CRISIL Report). The company has been consistently profitable since incorporation, and according to the CRISIL Report, they were the only profitable online travel agency among the Key Online Travel Agencies in India in Fiscals 2018, 2019 and 2020, in terms of net profit margin. The company offer a comprehensive range of travel-related products and services for end-to-end travel solutions, including airline tickets, hotels and holiday packages, rail tickets, bus tickets and taxis as well as ancillary value added services such as travel insurance, visa processing and tickets for activities and attractions. As of December 31, 2020, the company provided their customers with access to more than 400 international and domestic airlines, more than 1,096,400 hotels in India and international jurisdictions, almost all the railway stations in India as well as bus tickets and taxi rentals for major cities in India.

The company commenced operations in 2008 by focusing on the B2B2C (business to business to customer) distribution channel and providing travel agents access to their website to book domestic travel airline tickets in order to cater to the offline travel market in India. Subsequently, by leveraging their B2B2C channel, they commenced operations in the B2C (business to customer) distribution channel in 2011 by primarily focusing on the growing Indian middle class population's travel requirements. Consequently, due to their presence in the B2B2C and B2C channels, they were able to commence operations in the B2E (business to enterprise) distribution channel in 2013 with the aim of providing end-to-end travel solutions to corporates. The company's presence in three distinct distribution channels provide them with a diversified customer base and wide distribution network.

The company is providing customers with the option of no-convenience fee, such that customers are not required to pay any service fee in instances where there are no alternate discount or promotion coupon being availed. In the company's pricing model, they have endeavored to avoid hidden costs, which result in increasing the final price payable by the customer. Between April 01, 2017 and December 31, 2020, the company had a repeat transaction rate (calculated as percentage of transactions by repeat customers, identified by their unique email address) of 85.95% in the B2C channel. The company believe that the strength of their brand, the quality of their services, their user-friendly websites (www.easemytrip.com and www.easemytrip.in), android and iOS based mobile applications (EaseMyTrip), their customer centric approach, as well as their efficient marketing programs have enabled them to develop significant market share in the domestic airline ticket business in India. The company has a dedicated in-house technology team focused on developing a secure, advanced and scalable technology infrastructure and software.

Competitive Strengths

- One of the leading online travel agencies in India with a customer focused approach, including the option of no-convenience fee
- Consistent track record of financial and operational performance with lean and cost efficient operations
- In-house advanced technology and analytics capabilities
- Wide distribution network supported by a hybrid platform
- Well recognized brand with a targeted marketing strategy
- Experienced management team with an established track record

Object of the Offer

* The company expects that listing of the Equity Shares will enhance our visibility and brand and provide liquidity to its existing Shareholders

* The company will not directly receive any proceeds from the Offer and all proceeds from the Offer will be received by the Promoter Selling Shareholders, in proportion to the Equity Shares offered by them in the Offer for Sale

Financials (Restated Consolidated)

(₹ In Millions)

Particulars	December 31, 2020	March 31, 2020
Equity Share Capital	217.29	217.29
Reserves* (pg 288)	1,104.07	308.85
Net Worth* (pg 343)	1,321.36	1,012.51
Total Non-Current Borrowings (including current maturities)	53.37	97.04
Revenue from Operations	492.70	1,413.60
EBITDA (pg 368)	433.62	498.91
Profit Before Tax	412.71	458.82
Net Profit for the year	305.42	329.83

Net Worth is derived from restated financial information and comprises of equity share capital and other equity

Comparison with peers

Company	FV/Share (₹)	EPS (Basic)	RONW (%)	NAV (₹ per share)	P/E (times)
Easy Trip Planners Limited *	2	2.81	23.11	12.16	-

* The company does not have any listed peers in India

* The data is as on nine months period ended December 31, 2020 (not annualised)

Key Risk Factors

- The COVID-19 pandemic had had and is expected to have a material adverse effect on the travel industry and the company's business, financial condition, results of operations and cash flows.
- The company is dependent on their airline ticketing business, which generates a significant percentage of their revenues and is derived from a small number of airline suppliers in India.
- The company is subject to certain obligations and restrictive covenants in the agreements they have entered into with third parties, specifically their travel suppliers, including airlines, channel managers and GDS and API service providers and IRCTC, corporate customers and International Air Transport Association ("IATA"). Any failure to comply with these obligations and covenants may have a material adverse effect on their business, prospects, cash flows and financial condition.
- The company's Statutory Auditors have highlighted certain qualifications which may affect the company's future financial results.
- Any disruption to the supply of air, train and bus tickets and reduced demand for hotel accommodation and related services or other travel elements or an increase in the prices of travel elements could adversely affect the company's operation, turnover and profitability.
- The company's business depends on their relationships with various travel suppliers and corporate customers as well as with IATA and any adverse changes in these relationships or their inability to enter into new relationships could negatively affect their business and results of operations.
- The company has significant outstanding amount of unadjusted credits which have been written back.
- The company's business depends on their relationships with credit card companies as well as the availability of credit cards and financing options for consumers.
- The company rely on third party service providers for a significant portion of its operational services and its business may be adversely affected if they fail to meet their requirements or face operational disruptions.
- The company have in past entered into certain related party transactions and may continue to do so in future. Any related party transactions that are not on arm's length basis or that may lead to conflicts of interest may adversely affect their business, results of operation, cash flows and financial condition.
- The company is dependent on number of key personnel and their inability to attract or retain such persons or finding equally skilled personnel could adversely affect their business, results of operations, cash flows and financial condition.
- There are outstanding litigation proceedings involving the company, their promoters and / or their directors, an adverse outcome in which may have an adverse impact on their reputation, business, financial condition, results of operations and cash flows.
- Certain Directors and Key Management Personnel hold equity shares in the company and are therefore interested in the company's performance in addition to their remuneration and reimbursement of expenses.

- The company's promoters will continue to retain majority shareholding in the company after the offer which will allow them to exercise significant influence over the company.
- A downgrade in ratings of India may affect the trading price of company's equity shares.
- Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of the company's equity shares independent of their operating results.
- The cyclical nature of the travel market could adversely affect the company's revenues, financial condition, cash flows and result of operations

(Please read carefully the Risk Factors given in detail in section II (page 25 onwards) in RHP)

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