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LE TRAVENUES TECHNOLOGY LIMITED

Our Company was incorporated on June 3, 2006 as a private limited company under the Companies Act 1956, with the name "Le Travenues Technology Private Limited", pursuant to a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi (the "RoC"). Pursuant to the conversion of our Company to a public limited company and as approved by our Shareholders pursuant to a special resolution dated July 29, 2021, the name of our Company was changed to "Le Travenues Technology Limited" and the RoC issued a fresh certificate of incorporation on August 3, 2021. For details of changes in the registered office of our Company, see "History and Certain Corporate Matters - Changes in the registered office" on page 180 of the Draft Red Herring Prospectus.

Corporate Identity Number: U63000HR2006PLC071540

Registered and Corporate Office: 2nd floor, Veritas Building, Sector 53, Golf Course Road, Gurugram 122 002, Haryana, India; **Tel:** (+91 124) 668 2111

Contact Person: Suresh Kumar Bhutani, Group General Counsel, Company Secretary and Compliance Officer; **E-mail:** investors@ixigo.com; **Website:** www.ixigo.com

CORRIGENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED AUGUST 12, 2021 : NOTICE TO INVESTORS (THE "CORRIGENDUM")

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH (THE "EQUITY SHARES") OF LE TRAVENUES TECHNOLOGY LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ 16,000 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 7,500 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 8,500 MILLION (THE "OFFER FOR SALE"), COMPRISING AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 500 MILLION BY ALOKE BAJPAL, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 500 MILLION BY RAJNISH KUMAR, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 5,500 MILLION BY SAIF PARTNERS INDIA IV LIMITED AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,000 MILLION BY MICROMAX INFORMATICS LIMITED (COLLECTIVELY, THE "SELLING SHAREHOLDERS"), AND SUCH EQUITY SHARES, THE "OFFERED SHARES"). THIS OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND NET OFFER SHALL CONSTITUTE [●]% AND [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

This is with reference to the draft red herring prospectus of the Company dated August 12, 2021 (the "Draft Red Herring Prospectus") filed with the Securities and Exchange Board of India ("SEBI"). Attention of potential Bidders is drawn to the following:

- Pursuant to the revised "Industry Overview" section (see 2. below), corresponding changes with respect to the industry data as appearing in the section "Summary of the Offer Document" shall be made as provided beginning on page 1 of this Corrigendum.
- Pursuant to revisions to the industry data as disclosed in the Draft Red Herring Prospectus, the section "Industry Overview" on pages 114 to 149 of the Draft Red Herring Prospectus (both pages included) stands deleted and is substituted by the updated "Industry Overview" section, as provided beginning on page 2 of this Corrigendum.
- Pursuant to the revised "Industry Overview" section, corresponding changes with respect to the industry data as appearing in the section "Our Business" shall be made as provided beginning on page 31 of this Corrigendum.
- Pursuant to the revised "Industry Overview" section, corresponding changes with respect to the industry data as appearing in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" shall be made as provided beginning on page 33 of this Corrigendum.

This Corrigendum is to be read in conjunction with the Draft Red Herring Prospectus and accordingly the disclosures in the Draft Red Herring Prospectus stand amended pursuant to this Corrigendum. The information in this Corrigendum supersedes the information contained in the Draft Red Herring Prospectus to the extent inconsistent with the Draft Red Herring Prospectus and includes material updates to the information in the Draft Red Herring Prospectus, as applicable, and accordingly, the Draft Red Herring Prospectus stands amended to the extent of this Corrigendum. Please note that the relevant changes pursuant to this Corrigendum will be appropriately reflected in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. Further, please note that all factual updates in respect of the other information under each of the sections of the Draft Red Herring Prospectus, including conversion of the Preference Shares into Equity Shares, and changes pursuant to observations received from SEBI will appropriately be carried out in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI, and the Stock Exchanges.

Unless otherwise specified, all capitalised terms used herein shall have the same meaning ascribed to such terms in the Draft Red Herring Prospectus.

For Le Travenues Technology Limited
On behalf of the Board of Directors
Sd/-
Company Secretary and Compliance Officer

Place: Mumbai
Date: November 17, 2021

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

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BID/OFFER PERIOD

BID/OFFER OPENS ON⁽¹⁾

[●]

BID/OFFER CLOSES ON⁽²⁾

[●]

⁽¹⁾ Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

⁽²⁾ Our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

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TABLE OF CONTENTS

SUMMARY OF THE OFFER DOCUMENT 1
INDUSTRY OVERVIEW 2
OUR BUSINESS 31
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS
OF OPERATIONS 33**
DECLARATION 34

SUMMARY OF THE OFFER DOCUMENT

On page 21 of the Draft Red Herring Prospectus, under the section “***Summary of the Offer Document – Summary of industry***”, the statement: “*The total Indian travel market grew at a CAGR of 10% reaching ₹ 3.90 trillion in 2020 when the travel industry was impacted by COVID-19.*” will be modified as: “*The total Indian travel market has grown at an approximate CAGR of 10% from Fiscal 2015 reaching ₹ 3.90 trillion in Fiscal 2020 when the travel industry was impacted by the global COVID-19 pandemic.*”

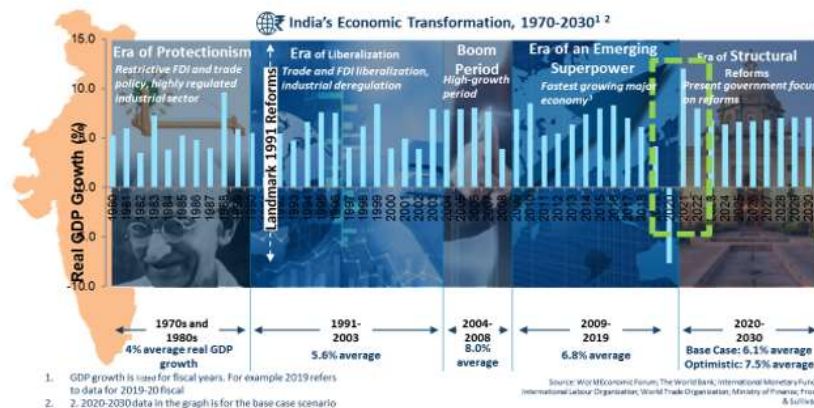
INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is obtained or extracted from an independent market report titled “Independent Market Report: Indian Online Travel Agency Industry” prepared and released by Frost & Sullivan, appointed on April 16, 2021, and exclusively commissioned and paid for by our Company. The data included herein includes excerpts from the F&S Report and may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. There is certain overlap among the online and OTA travel segments. While clarifications have been provided at appropriate places and double counting has been minimized but it cannot be completely eliminated. Accordingly, a summation of all segments may not fully reconcile. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

INDIA – MACRO ECONOMIC OVERVIEW

India is expected to move from being the 7th largest economy in 2018 to the 4th largest by 2030, depending on scenario conditions and driven by factors such as strong consumer demand and structural reforms. India is the second most populous country in the world and according to the United Nations (UN) report of 2019, India is predicted to add 273 million people to its population and could cross China to become the most populous country in the world by 2027. Thus, the domestic market in India is sizable, attracting foreign investors and businesses to cater to this growing demand and utilize its workforce potential with strong economic fundamentals. India has undergone many phases of economic transformation, as illustrated below.

Real GDP Growth, 1970–2030F (%)

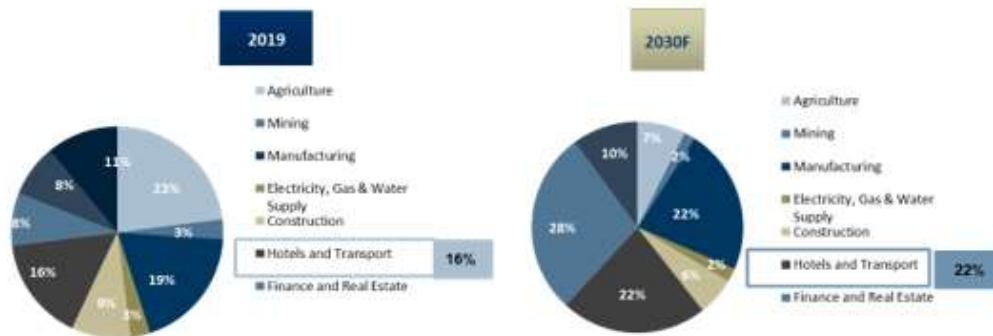


Source: Frost & Sullivan Research

The travel industry is expanding its overall contribution to the Indian economy as the share of services increases and the economy matures, as organic population demand surges are being met with innovative private enterprises enabled by technology and supported by various government investments. By mid-2022, the economy could be turned around with proper implementation of infrastructure reforms and investment by the government, speedy vaccination of the public, the ongoing push for privatization, the pent-up demand-driven consumption by Tier II and Tier III city employees and businesses, in conjunction with market growth and uptake of the global economy. The services sector, which contributed 46% to the GDP in 2016, will grow to 67% in 2030, taking its share from the agricultural sector, which will fall from a 23% major-core-sector contributor to GDP to 7% in 2030.

The services sector comprises the sector of interest, being hotels and transport. The contribution to real GDP of hotel and transport as a sector will grow from 16% in Fiscal 2019 to 22% of the real GDP in Fiscal 2030. This is mainly because of the organic population demand surges being met with innovative private enterprises, enabled by technology, and ably supported by government investments facilitating policies in air, road, and rail transportation and in branded and unbranded hospitality.

Real GDP Growth, 2019–2030F (%)



Source: Reserve Bank of India (RBI) Database; Frost & Sullivan Analysis

According to data from the Ministry of Statistics, 3 essential expenses, being food, housing, and transportation, comprise almost 65% of the annual expenditure of an average Indian. Transportation and hotels accounted for 21% of total spend in 2019. Furthermore, the growth rate for all sections of transport, including the travel segment, was 12% for the period from 2015 to 2019. This segment also represents the highest growth volumes among all the expense segments, which ferries the Indian masses for short and long distances across the country, alluding to the importance of the sector in the national economy.

Discretionary spending, defined as spending on transport, recreation, and miscellaneous goods in a household, has almost linear growth during the base years from 2015 to 2020. The increase in the proportion of discretionary spending within overall spending has an expected CAGR of 1.79% for the forecast period. This means that as a macro trend, an increasing share of consumers’ wallets are being used for discretionary spending. Discretionary spending is predicted to grow at a healthy CAGR of 8.75% by 2025. Historically, expenditure in the travel and hotel sector as a proportion of total discretionary spending, has been steadily increasing, comprising 10.3% in 2015 to 12.2% in 2019. This augurs well for the travel and hotel sector as highlighted in the secular trends of the economy. Though discretionary spending and private consumption sentiment will be affected by the urban and now increasingly rural impact of COVID-19, pent up demand is expected to drive discretionary spend, albeit cautiously. Travel will be a natural beneficiary of the recovery.

The urban population, which consists of only 32% of India’s population, represents a population of 420 million people, with a CAGR of a constant 7% for the study and forecast period. Tier-I cities are defined as Mumbai, Delhi, Bengaluru, Chennai, Kolkata, Hyderabad, Pune and Ahmedabad.

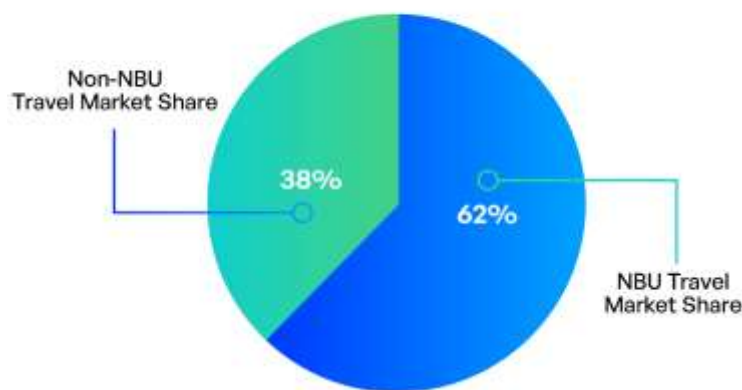
Number of Internet Subscribers (Millions)



The next billion internet users (“NBUs”) are a highly anticipated consumer class, that will determine the direction of consumption in many internet-based industries. It is an existing market of “new to Internet” users that includes all non-Tier I market demand i.e., all travel demand originating from and/or concluding in Tier II, III and IV and

rural areas in India. This is estimated to be approximately 90% of train and bus travel segment each and 50% - 55% of the flights and hotels segment. Accordingly, it represents a sizeable proportion of the current travel market. The nomenclature ‘next’ indicates the non-metro market as the ‘next’ frontier of demand and where a majority of incremental internet users are likely to emanate. It is expected that 20% of NBUs will come from Tier I cities, and a substantial 50% to come from Tier II, Tier III, and the rest from rural India. Significantly, NBUs will likely not use the internet like their urban counterparts. Approximately 85% to 90% of the Indian population still cannot converse fluently in English. Non-English search results are growing 10 times faster and content consumption for non-English media is growing 5 times faster. In 2021, 9 out of 10 new internet users will be using local languages to converse and transact. Given their education and earning profiles including their preferences for regional languages, keyboards, touchscreens, and text inputs will be increasingly replaced by voice-based and gesture-based commands, with voice accuracy well above 90% and improving, even for regional Indian languages. This will help input data and commands to work faster and be more convenient for the rural internet consumer. According to a recent survey, 50% of Google searches are already performed using voice commands, with the number more than doubling in Tier II and Tier III cities. The unreliability of internet connectivity in these regions will also spur the features of light apps and availability of search content offline.

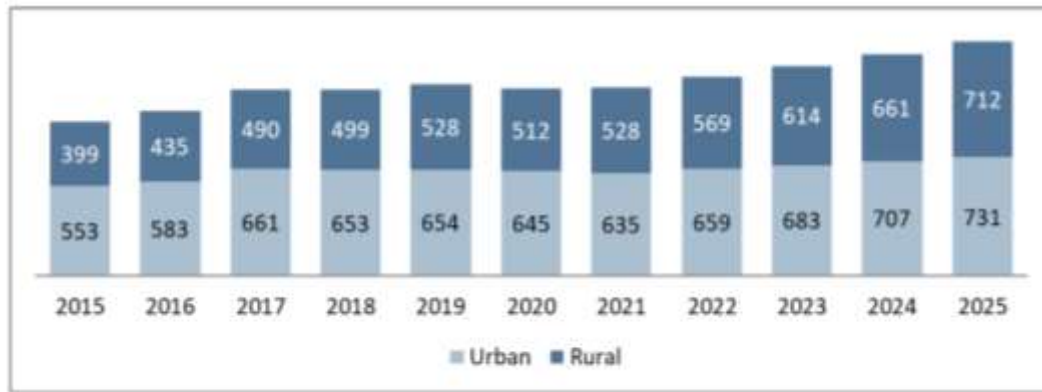
Travel Market by NBU & Non-NBU



Next Billion Users is a huge addressable market for corporate India in which the growth engine of Middle India can be used for exponential growth. This is exemplified by the travel market in India. The NBU travel market accounts for 90% of the train and bus segments each, 50%-55% of the flights and hotels segment in 2020. This weighs in at over 62% of the overall travel market and amounts to ₹ 2,430 billion in 2020.

India hosts the second largest mobile subscriber base globally. In 2016, the total mobile subscribers in India crossed the 1 billion mark. Currently, mobile penetration represents 89% of the total population of India and is growing at a fast pace, expected to reach 95% penetration by 2024. In 2020, the mobile subscriber base stood at 1.175 billion with a CAGR of 3.9% from 2015, on the back of increasing roll outs by mobile players, increasing affordability and telecom infrastructure development. It is expected to grow with a CAGR of 5.5% to reach 1.368 billion by 2024. The number of smartphone users in India grew at a CAGR of 15% between 2015 and 2020 and is expected to reach 760 million in 2021. Smartphone penetration is expected to reach over 90% of the total mobile subscribers, which is close to 1.2 billion smartphone users by 2025.

Mobile Subscribers Across Regions (Millions)



Source: TRAI (Government of India)

Impact of 5G on Internet Usage

5G has a higher bandwidth of connectivity and possesses 1,000 times more speed capability than 4G. This provides opportunities for better and more seamless connectivity options, such as the Internet of Things (IoT). 5G will be one of the core drivers for the complete digitization of India. Considering that already more than 96% of internet subscribers already access the internet through their mobile devices, 5G could easily be adopted. Mobile devices with 5G connections will be able to receive more data, have lower latency, and could be used to provide more animated and large processing features on the apps, including OTA apps. The OTA industry could utilize this characteristic to provide better user experiences on their apps and websites. While Airtel and Jio have announced that they would roll out 5G, no further updates have been made as they await spectrum auction. Airtel and Tata will collaborate to provide 5G roll outs in 2022 and Jio is expected to announce its plans soon. Experts believe that although India will be well under way on its 5G journey in the forecast period, it would take another 5 years to obtain the full advantages of the 5G coveted speed.

Government Initiatives and Policies

Internet Penetration Beyond Tier I

Augmenting internet penetration has been a priority for the government due to its multiplier effects on economic growth, industry, and corporate demand in the country. Government policy support is strongly facilitating the organic reach of telecom houses like Jio, Airtel, and Vodafone Idea. The following measures are in place:

The National Broadband Mission (“NBM”) government policy: The NBM policy will facilitate laying 3 million kilometres of optical fiber cable, particularly in rural and remote areas. Over 110,000 kilometres have been linked so far and the tower density is expected to increase from 0.42 to 1 tower per thousand people by 2024. This is expected to increase connectivity speeds to 50 MBps in a phased manner.

Universal mobile connectivity coverage: The expansion of connectivity coverage to rural areas will attract private operators to such areas.

Public internet access: The initiative of providing internet access through common service centers (CSC) and post offices was launched to enable villages and underdeveloped towns to gain internet access. Currently, 3 lakh centers are available in 546,286 CSCs.

eCommerce Adoption

The government has directly facilitated online eCommerce portals to move trade online due to its ubiquitous benefits and matching of supply and demand, especially serviced from SMEs in Tier II and Tier III towns, including the impetus to last-mile connectivity.

Government-e-Marketplace (GeM) is a contactless, paperless, and cashless online marketplace that replaced the Directorate General of Supplies and Disposals in 2016. As of November 2020, GeM has 0.648 million registered sellers and service providers, of which more than 0.156 million are micro and small sellers with a majority share of 58% in the total order value placed through the GeM. The GeM also has more than 1.6 million products in approximately 10,101 product categories with 170 service categories.

The Consumer Protection Rules 2020 attempts to combine the Consumer Protection Act 2019, Indian exchange control laws, and the Information Technology Act 2000 to ensure fairness in technology and data-driven eCommerce environments. However, its implementation could increase operational expenses, especially for small sellers.

Travel Industry Growth

The travel industry has been the beneficiary of direct government policies to increase both domestic and inbound travel to India. Government policy is also active in all segments of air, road, and rail to transport the masses across the country in the most efficient manner. This is evidenced by the number of roads and airports built, which indicate that the policy may be skewed towards such development to provide more tangible and immediate returns on investment. While this is harder in railway creation given the already saturated nature of Indian railways, the marginal incremental benefit of increased investments are being harnessed through policy actions.

Swadesh Darshan: Under this scheme, the government has developed an integrated approach to provide lasting visiting experiences by creating tourist circuits on specific themes to attract both domestic and foreign leisure travelers. The scheme received sanctions for 75 such projects, with a budget of ₹ 11,060 million for 2019-2020.

Pilgrimage Rejuvenation and Spiritual Heritage Augmentation Drive (PRASAD Scheme): The PRASAD Scheme is a national project undertaken by the Union Ministry of Tourism (MoT). It aims to stimulate tourist and public interest in the pilgrimage and spiritual arena by creating religious and pilgrimage destinations. The scheme has provided a budget of ₹ 1,000 million.

Foreign direct investment (FDI): The government allowed 100% of FDI to motivate investments in construction projects for hotels, resorts, city, and state infrastructure.

TRAVEL INDUSTRY OVERVIEW

From 2015 to 2019, 1 in 4 new jobs created globally were in the travel and tourism industry, which employed 272 million people in the year 2020. The overall contribution of the sector has increased at a healthy rate of 5% from ₹ 539 trillion in 2015 to ₹ 671 trillion in 2019. According to the World Travel and Tourism Council (WTTC), global spending on tourism in the US continues to be ranked first, followed by China and Germany. Spending as a percentage of GDP in the UK, Germany, and Italy were in the top 3 positions, being between 9% and 10% of GDP. India's relative global rank in tourism spending is a respectable fifth, and it ranks tenth in terms of percentage-of-GDP spending. India's tourism spending contributed 8% to the country's GDP, which has grown at a CAGR of over 7% between 2015 and 2020. According to the WTTC, the global industry suffered a total loss of over ₹ 320 trillion as an aftermath of the global pandemic in 2020.

The total Indian travel market has grown at an approximate CAGR of 10% from Fiscal 2015 reaching ₹ 3.90 trillion in Fiscal 2020 when the travel industry was impacted by the global COVID-19 pandemic. This market size is expected to grow by 7% and reach ₹ 5.01 trillion by 2024.

Growth in Domestic Appetite for Travel from Young and Middle India: Middle India is becoming increasingly mobile through the growth of disposable income. There is a growing share of discretionary spending in overall income, of which the share of travel spending is also increasing.

Increasing Affordability and Connectivity of Air and Train Travel: Availability of low-cost travel due to reduced airfares, increasing income per household, high discounts, and offers provided by OTA, have made travel more attractive. The higher number of OTAs and the increasing competitiveness among airlines, railways, and buses as modes of transport have increased the affordability of travel.

Domestic Tourism Trends: The convenience of booking with OTAs is playing a big role in reducing information asymmetry and increasing comparison of travel modes. Even luxury destinations are being made more affordable to fit into middle-income consumer budgets, with deals and newer destinations becoming popular due to their lower-sized tickets.

The widespread practices of Ayurveda, yoga, siddha, and naturopathy, complemented with the nation's spiritual philosophy, makes India a famous wellness destination, or staycation. A staycation is seen as an emerging trend where people stay at luxurious hotels to relieve stress in a peaceful getaway. There is also an increasing preference for staycations post COVID-19.

Airlines, Railways, and Roads

The busiest routes between airlines and railways are Mumbai to Delhi and Mumbai to Kolkata, while Mumbai to Bengaluru and Mumbai to Ahmedabad are the busiest routes between airlines and buses. Frequent users of airlines and buses are corporate travelers, who include white-collar employees, traders, and SMEs. For railways and buses, the common route with most traffic is Pune to Mumbai.

Official DGCA data illustrates that the share of travel between two Tier I cities has been consistently reducing and it is shifting towards Tier I to Tier II and between Tier II to Tier II/III.

Tier I to Tier I: Examples include Delhi to Mumbai and Kolkata to Chennai.

Tier I to Tier II: Examples include Chennai to Vizag and Mumbai to Surat.

Tier II to Tier II or Tier III: For example, Ranchi to Surat.

Most of the travel industry in India is divided into 3 transportation modes: airway, railway, and bus. Of the 100 million commuters on a daily basis in India, road and rail transport absorb more than 75% and 24% of the travel requirements, respectively, together catering to 99% of the passenger demand of the country. Daily, surface transport comprises 60% intra-city traffic and 40% intercity traffic. Intercity travel increases as a direct function of the economy.

In the bus segment, the long-haul inter and intra city buses together account for 25 million which is comparable to rail traffic. The bulk of bus traffic is the medium haul intercity traffic which takes the overall road contribution much higher than rails. In comparison, daily passenger departures by air are only 390,000, which comprises less than 1% of daily transport requirements.

Transportation Pyramid

In the transportation pyramid structure of the Indian travel industry, railway is in the center, from which travelers can either migrate to air (moving up the pyramid structure) or road travel (moving down the pyramid structure).

Migration from Unreserved to Reserved Class in Railways: Unofficial estimates peg unreserved class at 11 times the volumes of reserved class. The daily inventory of reserved class is 2 million and daily unreserved passengers are close to 22 million, comprising the total 24 million daily passengers of Indian railways. Based on unofficial estimates, 5% of the unreserved segment has moved to reserved already in 2021. This conversion is expected to further accelerate over the next three years and grow faster between 2021 and 2024.

Migration from Rail to Air: Due to the affordability of airline travel increasing, along with investments in building airports, secondary airports, and increasing flight slots, there is better connectivity between airports in India. This results in the migration of 1st and 2nd AC rail travelers to air in sectors where the price differential is low. This is further supported by the almost 60% of the annual traffic of any LCC comprising first-time fliers.

Migration from Rail to Road: While the bus segment is booming in India, most buses run at only 50% to 60% capacity, even as trains on the same routes have waitlisted and overbooked seats. The private players in the segment are increasing the comfort and convenience of buses in these routes to offer seamless migration.

Government Initiatives to Boost Growth per Mode

Infrastructure bottlenecks have been a common woe for all modes of transport. In airlines, capacity is restrained due to the shortage of airports and air slots. In trains, there is an upper cap in the number of trains that can be operated due to the shortage of tracks. Comparatively, road transportation has fewer capacity bottlenecks and can be easily ramped up to meet demand surges. The government has put various policy measures in place to bolster infrastructure capacity for each mode. The details of these policies are enumerated in the respective chapters.

Importantly, the efficacy of government measures to boost capacity has been different across modes. Under the UDAN scheme for airlines, in the last 5 years, almost 35 airports have become functional. The National Rail Plan 2030 announced an increase in railway tracks and the introduction of some new AC chair car trains. However, the

budgetary outlay and progress by the Ministry of Road and Transport to construct 65,000 kilometres of national highways has been substantial.

An analysis of the number of new airports and railway stations that have opened, along with the miles of roads that have been laid out in the last 5 years, makes it evident that the biggest modern investment and thrust by the government has gone into the development of road infrastructure, when compared to other modes of transport.

Money Spent Across Different Modes of Transport: According to the Ministry of Statistics and Implementation, Government of India, the overall money spent in India for travel and tourism was approximately ₹ 7,380 billion in 2020 and has been increasing at a CAGR of between 7% and 8% from 2015. Money spent on travel was highest in road transport with ₹ 5,647 billion spent in 2020, which is over 76% of the total money spent on travel in the year. Money spent on railways is ₹ 1,366 billion which is 19% of the overall total followed by water transport and air transport at 2% and 3% respectively.

Spending Pattern of Travel for Transport, Accommodation, and Activities: As travel is increasingly dominated by middle-income budget travelers and young millennials, their priorities are also changing when budgeting for transport, accommodation, and experiences. Spending on both transportation and accommodation is expected to change. Out of the total spend on transport, accommodation and activities, spending on experiences will be gaining a share of pocket as the market matures.

Online vs. Offline Travel Booking: India

At the end of Fiscal 2021, the railway sector leads the online penetration amongst all travel sectors in India with a penetration rate of 85% in reserved train ticketing. Online rail tickets are booked via both direct IRCTC route and routed through OTAs. Airline comes in at second position in online penetration which includes OTA penetration by volumes at 55%. Share of online hotel booking is low at 20% and the bus segment is least penetrated at only 15% of all bookings conducted online in 2020. This is because in these segments the share of offline purchases has been high, with significant offline inventory. Increasing digitization of inventory in general and the COVID pandemic in particular have increased online uptake across all travel modes. The overall travel industry is expected to grow by 7% during the forecast period, but the growth rate of the online segment of the travel industry is expected to be even higher, at 11% until 2024. The growth in the online segments of the bus and hospitality sectors will lead the online travel market growth.

Airlines: the earliest mode of transport to adopt OTA channels for bookings has given it the majority share of the value of bookings due to the high-ticket sizes. However, in terms of volumes, its penetration is at 55% as offline purchases through traditional travel agents and direct airline website purchases are still important. OTA penetration is expected to increase to 65% by 2024. Compared to CAGR of 7% forecasted for 2020-2024 of the overall Indian airline industry, the OTA component of the airline industry will grow at an accelerated pace of 12% for the same period. Thus both the online penetration within air ticketing and the share of OTAs within online ticketing is set to increase by 2024.

Rail: Major source for ticketing is IRCTC, introduced to the market in 2002. According to IRCTC, the online share in reserved railway booking by volumes is approximately 85% at the end of Fiscal 2021 and is expected to increase to 90% by 2024. The value of bookings is expected to increase as IRCTC and OTAs offer an increasing value proposition and take shares from offline. Compared to the flat growth or marginal CAGR of under 2% forecasted for the years 2020-2024 for the overall Indian rail industry, the online component of the reserved rail industry will grow at 6%, which is not significantly higher given that penetration is already quite high.

Hospitality: This segment has about a 20% online share in the overall hotel market by volumes. This is because not many hotels operate online. The online penetration is also quite low as many Tier II and Tier III city hotels do not provide online services and it is extremely difficult for an OTA to coordinate among the hotels. Its penetration by volume is expected to increase to 30% in 2024. Compared to CAGR of 8% forecasted for the years 2020-2024 of the overall Indian hospitality industry, the online component of the hospitality industry will grow at a CAGR of 15%.

Bus: Online penetration of the bus segment is growing the fastest. Before the pandemic, in terms of volume, the penetration was low at 15%. It increased to 35% during the pandemic and is expected to settle at 30% by 2024. Compared to the 7% CAGR forecasted for the years 2020-2024 for the overall Indian bus industry, the online component of the bus industry will grow at a hugely accelerated pace of 20%.

Impact of the COVID-19 pandemic on the Travel Industry in India

According to the United Nations World Tourism Organization (UNWTO), travel and tourism is one of the most impacted industries by the COVID-19 pandemic.

Airlines: In airlines, IndiGo and SpiceJet recorded significant net losses in the first and second quarter of 2020. There was a 30% plummet in passenger demand because of COVID-19. In the fourth quarter of Fiscal 2021, domestic air travel at 23.3 million passengers was already 71% of the volumes of the fourth quarter of Fiscal 2020.

Railways: In the case of railways, traffic revenue up to August 2020 had declined by 42.3% because of COVID-19. In the fourth quarter of Fiscal 2021, rail travel was at 46% of the volumes seen in the fourth quarter of Fiscal 2020.

Hospitality: India's hospitality industry had been affected the worst of all modes during 2020. Fiscal 2021 represented a decline of 70-75% in the average rate per room. Even by Fiscal 2021, hotels had witnessed a recovery of only up to 15-20% of pre-COVID demand.

Roadways: Buses saw a 70% reduction in ridership and many small private operators have closed shop. In the fourth quarter of Fiscal 2021, the bus segment at 80 million passengers was merely 40% of the volumes of the fourth quarter of Fiscal 2020.

The positive impact of COVID-19 has been the drastic increase in the number of online users in all modes of transport. Due to the pandemic, people are willing to pay more for safety and hygiene. There has also been some consolidation, with branded and known brands having an edge over unknown ones in perceived hygiene and safety as customers have become more conscious and discerning.

Key Initiatives Taken by Key Players to Tide Over the COVID-19 Impact

Due to COVID-19, more travelers are opting to book reserved coaches on trains for enhanced safety. Train travel in non-Tier I cities was back to 75% of pre-COVID levels in March 2021. Some travelers from non-Tier I cities are also opting for flights over trains. Generally, OTAs are focusing on user support by providing timely information and facilitating refunds. There has been an increasing trend of users booking fully refundable and free-cancellation options due to the continuing uncertainty on the resurgence of COVID-19.

Many OTAs have responded with agility in providing information and facilitating refunds. ixigo's performance, which has increased its market share, has been noteworthy during the pandemic. Paytm also provides free cancellation and zero cancellation-processing fees on flight tickets and instant refunds.

OTAs have also responded to the development of applications in their offerings to track COVID-19 safety and hygiene protocols. MakeMyTrip offered MySafety, Yatra.com introduced Clean Pass, Cleartrip introduced TravelSafe, redBus introduced the Safety+ app, and RailYatri introduced safe plus. ixigo launched an improved version of the TARA bot to provide better customer service amidst the pandemic and to provide COVID advisory, and which currently successfully answers over 84% of customer queries end to end.

There has been an increase in intercity cabs for hire. For example, Goibibo launched an intercity cab with an e-pass assistance service. RailYatri launched the concept of private cabins for individuals and families, while redBus offers COVID-19-safe trips to employees returning to work in the city via cabs. Other value propositions have also been introduced. For example, Yatra partnered with the Delhi and Gurugram Administration to extend free bus services for migrant workers, and RailYatri is offering COVID-19 insurance cover for its passengers.

AIRLINE INDUSTRY OVERVIEW

Pre-COVID approximately 390,000 Indian travelers took to the skies daily in over 2,500 flights to fulfil their travel needs. Passengers travelling on flights had increased six-fold, as citizens have access to better connectivity and cheaper airfares. This has contributed to many Indians migrating from the use of 2nd and 1st class trains to economic-class airlines. First-time flyers have contributed 60% to air passenger traffic in the past 4 years.

Cumulative air passenger traffic at airports in India grew at a CAGR of 11.3% between 2016 to reach 274.5 million in Fiscal 2020. In the fourth quarter of Fiscal 2021, domestic air travel at 23.3 million passengers was already 71% of the volumes of the fourth quarter of Fiscal 2020. Domestic demand is expected to take another six

months to recover fully. Pent up demand in Fiscal 2022 onwards will bring the industry back on a track of CAGR of 7% in the next 4 years. India could still be on track to become the 3rd largest Aviation Market by 2024 by passenger traffic.

Huge Underpenetrated Market: India has one of the lowest domestic seats per capita as compared to other developing and developed nations. Domestic seats per capita in India is 0.10, less than half of China (0.41), and even lower compared to other developing Asian nations such as Vietnam (0.32), Thailand (0.66), and Malaysia (1.04). This indicates the underpenetrated nature of the market.

New Routes and Improving Air Connectivity: With the development of new airports and expansion of fleets by all airlines, there is an increasing possibility of introducing new routes as all city pairs are not being adequately served. With airport infrastructure in Tier II and Tier III cities and newer pairings between them, there is scope to divert traffic to regional airports as people do not need to only take flights from their nearest metro airports. There has been significant focus by the central government to develop over 100 airports, including helipads, short runways, and secondary airports in metros. The government also plans to set up 100 new airports in Tier II and Tier III cities in the next 20 years to improve connectivity under the UDAN scheme.

Ticketing Modes

Industry estimates suggest that people booking domestic air tickets prefer booking their tickets online, while people booking international air tickets prefer to make bookings offline through travel agencies. A survey of increasingly urban consumer habits in India shows that 95% of consumers conduct thorough online research before purchasing tickets. Approximately 55% of air tickets are purchased on OTAs and approximately 6% of purchases are made offline after online research. Frequent and experienced flyers often prefer to book their air tickets online, while budget flyers rely on travel agents to book their tickets offline.

In India, OTA penetration for air ticketing in terms of volume stands at 55%, which is expected to increase to 65% by the year 2024. This implies that offline travel agents and airline direct websites are still important in air booking especially for international travel and for smaller cities. Offline also comprises several mixed channels due to the cross selling involved in travel from agents to agents, OTAs from other OTAs and others. However, as digitization increases, online penetration will increase.

Compared to a CAGR of 7% forecasted for 2020-2024 of the overall Indian airline industry, the OTA component of the airline industry will grow at an accelerated pace of 12%. Thus both the online penetration within air ticketing and the share of OTAs within online ticketing is set to increase by 2024.

Growth in Air Passenger Traffic

A report by Boeing Co. indicates that Indian air passenger traffic is expected to double from pre-COVID levels by 2030, once the country starts recovering post pandemic. According to Boeing's commercial market outlook for India between 2021 and 2030, domestic air traffic will recover at a much faster rate than international air passenger traffic. Some of these trends were also reflected during late 2020 and early 2021 as domestic passenger traffic bounced back to 71% of pre-COVID levels despite carriers having restrictions of flying at only 80% of their capacity. Domestic travel is expected to regain 80% of its capacity by the end of 2021, and international travel could remain depressed for another 12 months until the end of 2022.

COVID-19 Impact

COVID-19 Impact on Air Travelers

Business travel has been impacted the most during COVID-19. During the third quarter of Fiscal 2021, corporate travel only recovered to between 25% and 30% of pre-COVID levels, while leisure travel recovered by between 75% and 80%. The second wave hit in March 2021 and the impact on corporate travel is going to be adversely affected even further. Traditional corporate travel, such as for IT companies, has depleted due to the shifting lifestyles of working from home. Consequently, it will take longer to recover.

COVID-19 Recovery

In the last 12 to 18 months, the Indian aviation market has been relatively resilient when compared to the rest of the world. It is expected that airlines will continue to grow in the future. COVID-19 will slow the growth of the middle-class segment, which might ultimately have a longer-term impact. Passenger-traffic growth for India is

predicted to regain its momentum after 2022. By 2030, air traffic in India is predicted to be double that of pre-COVID levels. The SME segment within corporate travel will bounce back quickly because it consists of people who need to be on the ground to conduct their businesses. They will contribute a major portion of corporate travel in the future. Leisure travel is much more elastic and will bounce back the quickest once travel becomes safe, and prices reduce.

RAILWAY INDUSTRY OVERVIEW

India has a ₹ 507 billion rail travel market as of Fiscal 2020. Increasing urbanization and rising urban and rural income is driving growth in the passenger segment of Indian railways.

Preferred Mode of Travel for Middle India

The increase in internet penetration and smartphone adoption in India has resulted in a significant number of new or first-time users from the middle and lower-middle-income groups, particularly from non-Tier I cities in India. For such a traveler profile, trains are the most prominent mode of travel.

Government Initiatives

The railway network is highly saturated. New corridors and lines were long required to increase capacity. Of the 1,219 railway track sections, 492 (40%) are running at 100% or above line capacity. For high-density network routes, the situation was severe with 102 out of 227 (45%) operating at above 120% - line capacity. Railway capital investment stood at ₹ 3 trillion from 2009 to 2014, which was only enough to introduce more special trains in an already saturated rail network. From 2014, the government addressed these bottlenecks squarely by allocating spending of ₹ 6 trillion from 2014 to 2020 and ₹ 3.76 trillion for 2020 to 2022. They have allocated a further ₹ 11 trillion by 2025 for the following:

Semi high-speed and high speed rail: Approximately ₹ 6.43 trillion is planned to be invested in developing a semi high-speed rail corridor for the Kerala to Delhi to Agra, Delhi to Kanpur, Chennai to Hyderabad, Nagpur to Secunderabad, Mumbai to Pune to Solapur to Hyderabad, and Mumbai to Goa routes, which are extremely congested with high volumes of commuters. As many as 6 new rail corridors are in the pipeline as Indian Railways plans to expand India's first bullet-train project, expected to be completed by 2023. Detailed Project Reports (DPRs) for an additional 6 high-speed rail projects have been sanctioned by Indian Railways, leading to faster, more convenient, and on-time arrivals of Indian trains.

Dedicated freight corridors: Currently, both freight and passenger trains share the same rail network to travel, giving rise to extreme delays and traffic congestion. The total proposed freight corridor of 8,325 kilometres would greatly relieve the congestion on major rail networks, which will eradicate passengers' main issue of delays. In addition, the inexpensive fares could bring a large proportion of road and air travel passengers back to rail.

Redevelopment of stations: By redeveloping stations, the government plans to bring back the passengers lost to air travel by providing a cleaner, better organized, more valuable, and comfortable option. The government is set to award contracts for 50 station redevelopment projects, entailing an investment of approximately ₹ 500 billion from 2020 to 2021. Under the PPP financial model, this project redevelopment is ongoing for the stations of Gandhinagar, Habibganj, Anand Vihar, and Chandigarh. Further planning for major stations like Nagpur, Gwalior, Amritsar, Surat, and Kanpur are underway.

Wi-fi connectivity: The Ministry of Railways provides free, high-speed wi-fi connectivity at several railway stations across the country to improve connectivity. It serves as the driver for increased convenience and contributes to the value generating initiative.

PPP Model: The Ministry of Railways has announced 150 private trains by 2024 that will run on the Indian Railways network via a PPP model. This will reduce the burden of the government and allow railways to benefit from private-sector funding by providing more funds for better maintenance and improvement in rail facilities.

FDI: The government has allowed 100% FDI in the railway sector, attracting foreign investors to invest into the rail travel segment.

Modernization: Indian railways plan to modernize by running on 100% electricity by 2024 and a net-zero emission by the year 2030. To this effect, large solar power plants will be set up alongside rail tracks on land

owned by railways. Moreover, the government has initiated the upgrading of a decade-old signaling system to convert it into an automatic-train-protection system.

Mass Volumes as Unreserved Classes Move to Reserved classes

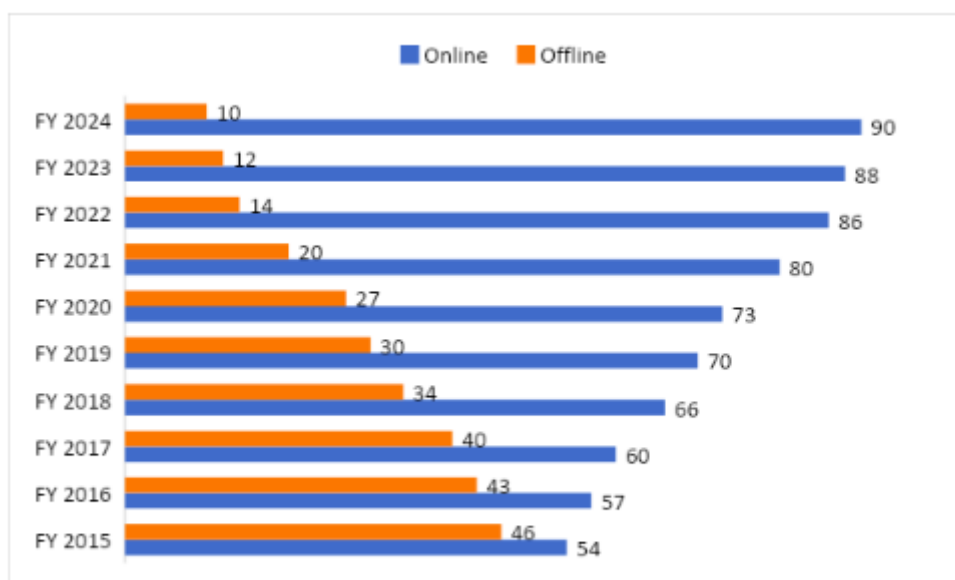
The reserved class has much lower passenger volumes compared to the unreserved class, with a huge scope for growth. Unofficial estimates peg unreserved class at 11 times the volume of reserved class, with reserved class daily inventory at 2 million and daily unreserved passengers at close to 22 million, comprising the 24 million daily passengers of Indian railways. Clear trends are observed where unreserved-class passengers are moving to the reserved class annually. This trend of movement has been even more pronounced during COVID-19. Moreover, the Indian railways are adding 2 to 3 reserved coaches per train to cater to this trend. Based on unofficial estimates, 5% of the unreserved segment has moved to reserved already in 2021. This conversion is expected to further accelerate over the next three years.

Ticketing Modes (Online vs. Offline)

The Indian rail travel market has significantly evolved with digitization. The trend of online rail bookings was further increased with the IRCTC online ticketing services introduced in the year 2002. There was a daily inventory of 1.4 million tickets available on the IRCTC, with a daily volume of booking at 0.825 million tickets on the IRCTC website and app in Fiscal 2020. Even during the first and second COVID-19 wave peaks in 2020 and in 2021, respectively, daily ticket bookings remained at 50% with over 400,000 daily bookings.

Railway ticket bookings started off as a sole offline booking service with 70% being booked offline in 2009. Within 4 years, online ticketing took over as the major mode of booking. At the end of Fiscal 2021, 85% of Indian railway tickets were booked online, with the remaining still being booked offline on passenger reservation system (PRS) ticket counters.

Growth of Online Ticketing, 2015–2024



Source: IRCTC Annual Reports; Frost & Sullivan

From Fiscal 2015 to Fiscal 2021, the IRCTC online ticketing has increased at a CAGR of 7.03%. As of 31 March 2020, more than 2 million passengers traveled using online tickets on Indian railways daily. Prior to the year 2018, only 60% of the reserved tickets were booked online. By end of 2021, the proportion increased to more than 85%. The pandemic has further driven the loyal offline ticketing customers to rethink their ticketing methodology as PRS counters were closed or restricted, pushing the online uptake even higher. By the end of 2025, online ticketing is expected to reach 90% of all railway bookings in India, with a 10% buffer for those who may always prefer an over-the-counter booking.

Growth in Rail Passenger Traffic

According to IRCTC data, the annual rail passenger volumes in India have increased from 8,107 million in Fiscal 2016 to 8,439 million in Fiscal 2019 with a CAGR of 1%. During the COVID-19 period (2020-21) the volumes fell significantly as did for all modes of transport. In the fourth quarter of Fiscal 2021, rail travel was at 46% of the volumes seen in the fourth quarter of Fiscal 2020. Passenger volumes of railways are expected to see a resurgence on account of pent-up travel demand in 2022 and according to IRCTC estimates, settle at the 8,422 million mark by 2024.

Travel Frequency by Pax Class

The reserved class in Indian railways currently has a daily inventory of 1.4 million tickets. This reserved class is expected to see a huge growth during the forecast period, drawing share from the huge passenger volumes of the unreserved class. Unofficial industry estimates peg unreserved class at 11 times the volumes of reserved class and daily unreserved passengers at close to 22 million. More and more of the unreserved class passengers are moving to the reserved class on a yearly basis. This was even more pronounced during the COVID-19 pandemic. The Indian railways is adding two to three reserved coaches per train to cater to this trend. Within the reserved class, there are multiple passenger classes and the proportion of total passenger frequency for each of the individual travel classes are extremely varied.

COVID-19 Impact

If there is no debilitating third wave, the CAGR for Fiscal 2022 - Fiscal 2024 could be flat/zero growth. However, railway demand is resilient. Even during peak COVID times during May 2021, 50% of capacity was being serviced, being driven as it was mostly by tier II, III cities. Essential nature of service demand prevailed and special COVID trains and compartments were deployed to meet the needs of the pandemic and special trains deployed for migrant workers.

Depending on the extent and duration of pent-up demand post pandemic, which remains to be seen, it is possible that the railway sector may even see a marginal growth of 1-2% in the forecast period. The slow growth in the passenger railway could be improved further if the rail reforms stage-1 are completed on time by the year 2024. Moreover, the push by privatization as well as the global economic rebound would also support the growth achieved through these reforms. Even further growth could be seen in the long term when the second stage rail reforms are completed by the year 2030.

BUS INDUSTRY OVERVIEW

Bus is the most preferred mode of travel for the teeming masses in both urban and rural India, accounting for the largest share of 70% of all transportation used in India. Of the total road demand, 60% relates to intracity and 40% relates to intercity distances. Most of the accessibility of interior Indian villages and Tier III and Tier IV towns to the rest of the country depends on the lifelines created by subsidized government buses that carry passengers, agricultural produce, and small artisanal goods to the nearest towns for sale to the Indian rural population.

Bus Industry Categories

The Indian bus industry can be divided into 3 categories:

Long-range Intercity Buses: Long-distance intercity buses connect major cities and operate in the range of 250 kilometres to 1,000 kilometres. This segment of buses is expected to grow at a CAGR of 7% in the next 3 years. There are 72,000 buses operating in this segment, of which 40% are owned and operated by private bus operators, who compete with the state-run transport corporations.

Medium-range Buses: A major share of bus passengers travel in this segment. Medium-range buses operate on routes below 250 kilometres, often ranging from 50 kilometres to 100 kilometres, and connect villages to towns and towns to towns, making multiple trips a day at affordable prices. There are 300,000 buses in this segment 100% owned and operated by the Government. Most of these buses are non-AC and have a low average fare of ₹ 100.

Intracity Buses: There are 100,000 buses in this segment, which is expected to grow at a CAGR of 6.5% in the next 3 years. The intracity buses are operated solely by the SRTCs with some private bus operators emerging.

Mode of Choice for the Growing Middle-Class Population

The middle-class population in India is projected to grow at a rate of 7.5% annually till the year 2030, adding 500 million people into the middle-class bracket by 2030. In metros, Tier I, and Tier II cities, buses are becoming the transport of choice due to their affordability and last mile connectivity.

Higher Focus on the Development of Road Infrastructure than Rail or Air

The road and highway network in India is the second largest road network in the world. Between 2016 and 2021, highway construction increased at a CAGR of 21.4%. In 2020, the government set a target to complete construction of 12,000 kilometres of national highways to improve connectivity in India and aid the bus industry in connecting rural India to metros, Tier I, and Tier II cities.

Development of Smart Cities

The development of smart cities and their connectivity needs to metros, Tier I, Tier II, and Tier III cities in India will be met disproportionately by road travel. This is due to the plug-and-play nature of bus supply that is dependent on bus operators adding more buses, compared to the heavy infrastructure costs of setting up airports or constructing rail networks.

Growth of OTAs

The rise of OTAs providing bus ticketing services has further increased the convenience of buses and driven more existing and new users, driving up the overall market size.

Digitalization of Fleets and at Point of Customer

The bus travel industry has undergone significant digitalization of its fleet and better matching of supply and demand. The introduction of location tracking services and security cameras has increased safety, digital payments, and convenience. The government has also recently mandated the introduction of electronic PoS systems in intracity government-run buses to simplify transactions. These factors make the transition to bus more convenient for first-time users and promotes the retention of existing users.

Augmented Supply of Buses where Train Connectivity is Lower

There is a 65% overlap between bus routes and rail routes. According to industry sources, an estimated 12 million rail passengers are left unconfirmed in the waitlisted seats every year. These passengers can be tapped by the bus industry.

Ticketing Mode (Online vs. Offline)

The offline mode of ticketing includes the proportion of passengers who purchase their tickets from offline modes (travel agents or bus stations) and make payments in cash. Primarily, the mode of ticketing varies with the category of buses, which include long-range buses (intercity), medium-range buses (intercity), and intracity buses.

The overall online penetration is low in the Indian bus market and is limited to intercity buses but is increasing due to the growing information asymmetry being filled by OTAs. In the long-distance bus market, the share of online ticketing was 15% in 2020 (pre-COVID), an increase from 5% in 2012. Online ticketing surged during the pandemic as people opted for contactless digital purchases. Presently, a significant 30% of bus-ticketing transactions are conducted online and are forecast to settle at 25% post the end of the pandemic, which is a significant acceleration from the pre-COVID penetration. The share of online payments in the medium-range intercity and intracity buses is negligible. For these categories of buses, the tickets are available from the bus station and are transacted in cash.

Market Share by Private- vs. State-Operated Buses

The bus market is overwhelmingly dominated by public operators. From a total of 470,000 buses currently operating in the market, the vast majority of 82% are run by Government Road Transport Corporations. They hold sway in both medium-range intercity and intracity travel. The long-distance intercity bus market in India is characterized by the co-existence of private operators, OTAs, and public operators.

Growth in Bus Passenger Traffic

India's public transport needs are likely to grow rapidly as the country urbanizes. The number of buses operating in each segment is also forecasted to rise to meet the demand of growing passenger traffic.

It is estimated that there are 72,000 buses operating in the long-range intercity segment and it is expected to increase at a CAGR of 12%. In the medium-range segment, there are approximately 300,000 buses operating at a CAGR of 4%. The intracity segment has approximately 100,000 buses and is expected to grow at a CAGR of 6%, owing to the growing demand for public transport in cities and to the entry of a few private players in this segment.

In the fourth quarter of Fiscal 2021, the bus segment at 80 million passengers was merely 40% of the volumes of the fourth quarter of Fiscal 2020.

Geographic Mix of Bus Passengers

Regional Split: The southern and western regions of India are the most penetrated by buses, accounting for 70% of the long-distance buses in the country. In contrast, there is relatively poor bus connectivity in the major cities in North and East India.

The primary reason for this is the geography of the country. It takes just a couple of hours to traverse from coast to coast in the south compared to from the east to the west. There is also a larger presence of metropolitan cities in South and West India such as Mumbai, Bangalore, Hyderabad, Chennai, and Pune. Southern states are exceptionally well connected.

Tier I, Tier II, and Tier III Split in Long-Haul InterCity Bus Traffic: With the growth of the road network in India, the bus travel industry has been able to penetrate villages, towns, and cities. While the bulk of the bus demand requires connectivity from bus hubs to metros, there has been a surge in the connectivity of villages and towns with Tier I, Tier II, and Tier III cities, a general macro trend observed from 2015 that accelerated during the pandemic, resulting in them contributing 80% to bus bookings in the first 3 months of 2021.

- **Tier I to Tier I:** From 2009 to 2015, the bus routes connecting Tier I to Tier I cities were driving bus traffic growth across the country. The bus departures and arrivals in these cities have increased substantially since 2009. These cities are better connected by bus than any other mode of travel. Cities like Hyderabad, Chennai, and Bangalore have witnessed a rise in the number of bus departures connecting them, growing to 300 today. The Tier I to Tier I segment remains the bulk of bus commutes.
- **Tier I to Tier II:** Since 2015, the growth engine of the Indian bus industry is moving towards Tier I to Tier II connectivity. Significant fleets are being added to routes connecting Tier I to Tier II cities, like Bangalore to Coimbatore and Bangalore to Mangalore. Other popular routes are Pune-Shirdi, Chennai-Coimbatore and Hyderabad- Vishakhapatnam.
- **Tier II to Tier II:** Since 2015, Tier II to Tier II connectivity is beginning to add growth to the bus industry. Popular routes like Vijaywada to Tirupati, which is an approximate 400 kilometres distance, has 250 buses operating.

Average Ticket Price for the Last 5 years and Future Projections

The ticket prices for travelling via bus are influenced by many factors. The main determinants of bus fare include cost of diesel, the purchase price of the bus, and increasing competition. The average fare for long range bus tickets is ₹ 700 and ranges from ₹ 500 to ₹ 1,200. The average fare per passenger for intracity travel is ₹ 14 and the average fare for medium-distance buses covering a journey of 2 to 3 hours is ₹ 100. Prices of bus tickets for private players and OTAs are up to 30% higher than those of the SRTCs due to the higher value proposition provided by them.

It is forecasted that the average fare for bus tickets will exhibit an increasing trend and rise to approximately ₹ 850 by 2024. This increase is likely to occur since the cost of diesel has been increasing over the last 5 years in addition to inflation. Many SRTCs and operators are incurring losses and bus fares are expected to rise to compensate for those losses. However, there may not be an expected rise in bus prices if many bus operators migrate to EV vehicles, as it is a scenario being explored. This may even lead to more private players entering the medium range bus market.

COVID-19 Impact

During the COVID-19 pandemic, the imposition of lockdowns and travel restrictions across the country significantly impacted the bus industry. A nationwide lockdown was imposed that lasted several months, restricting the movement of citizens across towns and cities. As a result, bus operations were suspended for months. It was reported that during the first few months of the pandemic, there was a 90% reduction in passengers, and 81% of bus operators had no passengers at all. As the lockdown was lifted, travel restrictions were relaxed. However, bus passengers had to maintain strict social distancing while travelling to curb the spread of COVID-19. This further impacted the revenues of bus operators, as buses were not allowed to run at 100% capacity to ensure that social distancing could be maintained. Various safety protocols and procedures had to be followed while boarding the buses, which hindered passenger traffic during these months. Despite the disruptions to bus operations during the pandemic, it is expected that the bus as a mode of transport will make faster recovery compared to other modes of transport due to the low-cost mobility. By the fourth quarter of Fiscal 2021, bus demand had recovered up to 40% of pre-COVID demand.

Emerging Trends Post Pandemic

The pandemic has fundamentally changed the behavior of bus passengers. One major trend that has emerged from the pandemic is the rise of digital payments, as in 2020, there was an increased preference of customers regarding booking bus tickets online. During the pandemic, 35% of tickets were booked online. Another emerging trend is the passengers' requirements for hygiene and sanitation on buses. This has accelerated the growth of branded buses, such as Yolobus, Intricity by RailYatri, Zingbus, Orange Tours, and Gogobus among others. Even post pandemic, bus operators will need to ensure that buses are kept hygienic, even though this will incur higher costs. The pandemic has caused an increased interest in remote working. As a result, many companies have allowed their employees to permanently work from home either part or full time. This trend impacts bus operations because this would cause the demand for daily travel using buses to decline.

HOSPITALITY INDUSTRY OVERVIEW

The overall leisure travel market in India is ₹ 1.1 trillion. From this market, accommodation accounts for around 60%. Hotels account for approximately ₹ 500 billion of the travel and the accommodation markets, which include hotels, vacation rentals, and cruises, and accounts for approximately ₹ 650 billion. The accommodation market is projected to grow to ₹ 750 billion–850 billion by 2025. With only 2.75 million room keys in the country in 2021, India is a highly underserved market.

Increases in Domestic Travel and FTAs: Domestic travel is expected to increase with the rise of household incomes in India. According to IBEF, India's tourism sector is expected to reach ₹ 35 trillion by the year 2029 with a growth rate of 6.7% and contribute 9.2% to the total economy by the year 2029. During 2019, there were 10.89 million FTAs in India, which is a 3.2% YoY growth over last year.

Growing Middle-Class Population: The middle-class population of the country is exponentially increasing. Currently, this group has more purchasing power and greater access to the travel and hospitality sectors. As affordable travel options are becoming more available, the middle class' desire to travel is also increasing. With the growth of the upper-middle class population, the mid and upscale hotels are also increasing, especially in Tier II/III cities. The middle and lower-income segments focus more on experiences and activities during their trip and do not want luxury accommodation. Due to several players, such as OYO, Treebo, and FabHotels, the budget hotel segment that caters to this middle-income group of travelers has grown.

Leisure Travel: Young Population: Millennials and Generation Z Travel Trends: Most of India's population are aged 20–45 years. The young, working population is rapidly increasing, along with the increase in the DINK group. This is because nowadays, the younger population, which comprises those aged 24–45 years, are willing to spend more money traveling rather than saving it. The younger population's demand from the hospitality industry is different from other age groups. It is driven by affordable stay options, experiential travel, and technology. This segment of the population is driving the demand in the hospitality sector. There is an emerging trend of do-it-yourself and experiential travel. Additionally, there are many new players in the activities and experiences segment, such as Thrillophillia and Get My Guide in India, which are activity-based companies.

Business Travelers: Changing Trends: The needs of business travelers are also changing, as they are demanding accommodation that is more compact and functional. Moreover, the needs of leisure travelers are also changing. The hospitality market is maturing, except for the premium segment, which includes 4-star and 5-star hotels. Brands are not important in the budget segment, as both business and leisure travelers in the budget segment want affordable accommodation and do not pay much heed to the brand of the hotel.

Digitalization/Technology: As the digital appetite of the Indian population is increasing, along with an increase in smartphones and the internet, there has been a growing trend of integrating technology into the hospitality sector. Many applications of artificial intelligence, machine learning, and robotics have been used in this sector.

Growth of OTAs

Due to an increasing number of OTAs providing hotel and alternate stays booking services, it has become easier for travelers to book tickets online. Therefore, the growth of OTAs acts as a driver for the hospitality industry. In addition, OTAs provide convenient and holistic services to customers to enable them to compare various service providers and choose the most suitable option. OTA providing discounts on hotels have made travel affordable for many middle-income group travelers. This could have increased the disposable income which in turn can be spent on travel itself, especially for large group bookings. This might lead to a switch from travelling once in a year to more than once, which has a significant growth impact for the OTA industry and travel in general.

Market Size and Growth of Indian Hospitality

The hospitality market is expected to grow at the rate of 8% in the forecast period.

OTA INDUSTRY OVERVIEW

Online Travel Market Size and Growth

The global online travel market is currently valued at about ₹ 90.24 trillion in 2020. After having absorbed a major contraction of 50% due to COVID, from the year 2022 is expected to see an even higher compounding of growth, upwards of 10% per annum in the next four years.

The Asia-Pacific market has the highest growth potential for the OTA industry, with India being one of the most lucrative markets within the region. The online travel market is driven mainly by quick and convenient booking of tickets or rooms, affordability owing to discounts, rising trust of customers in online payments as well as their increased integration and the ability to compare various services. Increased internet connectivity in Tier-II & III cities along with investments from OTAs to make their interface friendlier with regional language set-ups, assist in attracting regional traffic.

Total Indian Travel: The total Indian travel market grew at a CAGR of 10% from Fiscal 2015 reaching ₹3.90 trillion in Fiscal 2020 when the travel industry was impacted by COVID-19. Various travel sectors have been impacted differently, with hospitality and air impacted the most and rail and bus impacted the least. By the fourth quarter of Fiscal 2021, it was seen that rail had recovered to 46% of pre-COVID levels, air had recovered to 71%, bus to 40% and hospitality to only 20% of pre-COVID levels. However, pent-up demand, roll-out of vaccinations and political and economic support will accelerate recovery. This is reflected in a lower than pre-COVID estimates of CAGR for the travel industry at 7% for the forecast period.

Growth of Indian Travel Market, India 2020-24 (₹ Billion)



Note: FY 2021 & FY 2022 uncertain estimates due to Covid impact

Source: Frost & Sullivan Research

Share of Online in Overall Travel Market: In the overall Indian travel market, 45% of all travel spends are made online, with differing penetration across the different modes of transport. Cash purchases account for the rest. Online penetration is highest in modes of rail and airline, less so in buses and hospitality. However, across all modes, there is a marked secular trend towards increasing digitization and increasing online penetration of travel bookings. Online penetration of travel will increase to 54% by the year 2024. The online travel market stood at ₹ 1,763 billion in Fiscal 2020 and expected to grow faster than the overall travel market at 11% for the forecast period. It is expected to reach ₹ 2,716 billion by the year 2024.

Indian OTA Market: The Indian OTA industry increased from a gross booking revenue of ₹ 284 billion in 2015 to ₹ 978 billion in Fiscal 2020, registering an impressive CAGR of 28% for the period. COVID slumped the growth in Fiscal 2021, especially on account of the slow revival of international passenger traffic as well as a decrease in the market size of the hotel industry. However, the OTA industry is expected to bounce back due to pent up demand and accelerate especially in rail and bus segments, reaching ₹ 1,782 billion in the year 2024, with a CAGR of 16% for the forecast period.

Key Growth Drivers of the OTA Industry

The drivers that spur the growth of the economy and individual transportation segments of air, rail, bus, and hospitality, as enumerated in detail above, are also significant drivers of the OTA industry. Today, travel purchases rank second only to retail shopping, in online shopping in India.

OTA Industry across travel segments is driven specifically due to the following factors:

- The surge in affordable smartphone users, expected to reach 829 million by 2022, and 1.1 billion in 2024 (according to estimates by TRAI), along with internet penetration has significantly boosted the online tourism industry.
- Telecommunication companies are expanding 4G services in rural areas with better connectivity and speed such that customers can use apps and easily book tickets online. For areas with weaker internet, OTAs have B2B2C business models in place to help customers easily book their travel online.
- The exponential growth of UPI and other multiple modes of digital payments have led to convenient and trusted online payments. This is shifting bookings of tickets and rooms from offline to online.
- Consumer browsing habits on the internet show how customers are accustomed to spending many hours online, searching and comparing options before finally making a travel booking.
- Well accepted value proposition of OTAs of providing information, convenience and customer service as a one-stop shop for travel-related products.

- The ease of comparison between various travel options across carriers and modes, which augurs well with the price-sensitive nature of the Indian consumer, who is known to respond to even small price differentials.
- The ability of OTAs to offer competitive pricing on account of higher discounts from OTAs themselves, as well as offers from tie-ups with various banking and payment channels.
- A shift in demographics of overall travelers to the age group of 18–35 years who are dominating the Indian travel scene, comprising almost 66% of the overall trips. This age group is much more comfortable using the internet to book and pay for services.

Indian OTAs

Online purchases can be made by travelers via direct supplier websites of airlines, rail, hotels or buses or through the aggregator platform of OTAs. Currently, the Indian OTA industry's market share in the overall online Indian Travel ticketing is 55%, with the remaining 45% comprising direct suppliers within each of the individual modal segments. In all segments of online travel, OTAs are garnering an advantage over the direct suppliers due to their value proposition and thus this share of OTAs in online ticketing is expected to increase to 66% in the year 2024.

Air Transportation

- Number of daily air passengers in India is a significant 0.39 million and the overall airline industry is expected to grow from ₹ 1,950 billion to ₹ 2,556 billion at a CAGR of 7% between Fiscal 2020 and Fiscal 2024.
- 55% of overall airline tickets are booked through OTAs in 2020, representing a large scope to move passengers from offline to online mode by increasing the value offered. OTA penetration of air booking will increase to 65% by 2024.
- OTA air ticket bookings are expected to grow at an accelerated pace of 12% for the same period, offering huge market potential for growth.
- Within this air ticketing industry, an overwhelming majority (55%) of tickets are booked through OTAs, and the share of direct airline websites and other channels in booking of their own tickets is only 45%.
- Uptake for air bookings has increased during the pandemic for certain OTA players who were able to offer customers good customer service with respect to transparent information and quick refunds.
- The OTAs who were seen unresponsive to the changing COVID demands of their customers, lost share as some customers opted away from them to speak directly to the airline or travel agency for more reassurance.
- Even as OTAs are working towards retaining and getting even more customers from airlines, the airlines themselves like Indigo who already have dominant market share, are looking at OTA commission per ticket as their next competitive frontier.
- Despite the competition, OTAs are expected to gain more market share from direct suppliers over the coming years due to their increased value proposition and increase their penetration in air ticketing further to 65% by 2024.

Rail Transportation

- Indian Railways, a ₹ 507 billion market in Fiscal 2020 is expected to show a marginal increase of CAGR 1-2% to ₹ 528 billion in 2024
- In Fiscal 2020, Indian railways on an average catered to 24 million passengers per day including 2 million reserved and 22 million unreserved passengers. Even though the overall rail passenger volume is expected to remain flat between 2021 and 2024, bringing the voluminous unreserved segment into the addressable market for train booking holds tremendous potential for the online market.
- The proportion of unreserved to reserved travel has been falling during the study period and fell even more during the pandemic when people opted for safer option of reserved bookings.
- In the reserved rail booking segment, online penetration is already huge at 85% and expected to increase to 90% by 2024. Because of the existing high penetration in the rail market already, online rail booking is expected to grow at a CAGR of 6% for the forecast period.

- Of this total online rail booking, direct supplier IRCTC books a majority of all online tickets directly on its own platform. IRCTC also acts as a supplier to distributors like OTAs.
- The share of OTAs in online rail ticketing has increased from less than 10% in FY 2015 to 25% in FY 2020. It is expected to reach 35% by FY 2024 with more OTAs providing value added services such as train related information, waitlist confirmation prediction, running status, meal services, platform locators, free cancellation services, etc.
- The OTA Rail market has a significant CAGR of 11% for the forecast period especially with the unreserved class as the new frontier of acquisition.

Bus Transportation

- The long-haul intercity bus market in India is valued at ₹ 585 billion in Fiscal 2020 and is expected to grow at a CAGR of 7% between Fiscal 2021 and Fiscal 2024.
- The overall online penetration of the long-haul intercity bus segment is currently low at 15% in Fiscal 2020 but is expected to double to 30% by Fiscal 2024 as the online uptake in buses is highly accelerated due to the pandemic.
- Online bus bookings are expected to grow at close to 20% CAGR, representing the fastest growing online travel segment for 2021-2024.
- In the case of online bus bookings, OTA players together have share of 75% due to the better user experience of OTA apps.
- Even though the prices of OTAs for bus bookings are higher than of SRTC's, OTA's value added services and increased value proposition is expected to grow the OTA bus segment by a CAGR of 25% for the forecast period and increase OTAs market share in online bus bookings to 85% by 2024.
- Bus presents OTAs with the largest market potential to grow.

Hospitality Industry

- India, with its 2.75 million daily rooms makes a highly underserved hospitality market with a huge potential for growth. Hospitality segment has been the worst impacted during COVID and is expected to take the longest among travel modes to recover. Counting on pent up leisure demand, it is expected to grow at a CAGR of 8% between 2021 and 2024.
- The online penetration in the Indian hospitality segment is low at 20% in 2021 and is expected to increase to 30% by 2024.
- Online hotel bookings are expected to grow at almost double the pace of the overall hotel industry at a CAGR of 15% for the forecast period.
- Within all online bookings, the penetration of OTAs is increasing. In the premium segment, OTAs have a value-added role of aggregating information from various hotel providers and offering choices to the customer. However, there is increasing competition from larger hotel chains who encourage customers to book through direct websites to counter the high commissions of OTAs.
- The OTA market for hospitality is increasing in Tier-II & III towns where budget hotels with standardized features are becoming the new value driver.
- OTA hospitality business is expected to grow by around 20% in the forecast period, increasing the online penetration of hotel bookings to 30% in 2024.

Segmentation Within the Overall Indian OTA Industry

Traditionally, the oldest OTAs in India began as airline aggregators. The higher the information asymmetry and the more complex the ecosystem with multiple suppliers, the higher the value proposition of an aggregator. Due to reduced margins and profitability in the airline segment, OTAs are moving to hospitality and other travel modes, as they are more sustainable revenue streams. Therefore, the volume and revenue contribution of each of the 4 segments is changing in the overall business mix of OTAs in India.

Airlines: Airlines have lost their dominance in terms of revenue contribution in the ticketing segment for OTAs. In Fiscal 2020, for the OTA industry, as represented by top 3 listed players, airlines contributed less net revenues

than hospitality. Though still accounting for over 65% of gross booking values, and increasing in volume of transactions, the declining margins to just 8% are reducing the overall contribution of this segment in revenue share. As a result, OTAs have been shifting focus to other higher-margin segments like hospitality and bus. This trend is true for all OTAs.

Hotel: The share of hospitality in the OTA industry is increasing both in terms of value and volume. Even though volume shares of the hotel industry is much lower than airlines, hospitality accounts for the dominant share in the OTA revenue mix due to the much higher margins – between 15-30%. Hotel bookings contributed 44% of all net revenues in Fiscal 2020. It is the next frontier of competition for all OTAs in India as its one of the two fastest growing online travel segments with a CAGR in the forecast period in excess of 20%.

Rail: Due to the low-ticket sizes and low margins on ticket prices fixed by the government, the contribution of railways to OTAs has historically been less in the overall revenue mix of OTAs but more in terms of volume. The volume of railway ticket booking through OTAs however has been rising significantly as their penetration into Tier-II & III cities increase. Most OTAs are entering the Rail segment to extend their product offering to a full stack and explore the untapped potential of this segment. Many OTAs that have been more focused on the air travel segment have been finding it difficult to compete in this market with the strong incumbent IRCTC. The huge outlier in this general approach to the railway segment is ixigo, which is targeting the rail segment, not as an auxiliary but as its main market, quite successfully.

Bus: The Bus segment is highly underpenetrated by OTAs and represents an increasing segment in terms of volume. Long haul intercity bus services have good revenue margins for players like RedBus, AbhiBus (now part of ixigo) and RailYatri. For middle market OTAs, this represents the next frontier of growth from Tier-II & III cities and provides the bulk of their topline and growth. Bus (along with hospitality) is the fastest growing online travel segment, with a forecasted CAGR for 2021-24 more than 25%. For MakeMyTrip, which acquired RedBus, their revenue contribution from the bus segment has increased from 0.2 % in Fiscal 2015 to a significant 12.7% in Fiscal 2020.

Cabs: Cab bookings for intercity travel have also been a source of unexpected growth during the pandemic as the shared economy took a hit and people preferred to hire small vehicles. These have provided an impetus to OTAs in the last 12 months and many OTAs have increased their car hire offerings. They represent a small share of the OTA revenue and volume baskets.

B2C and B2B in Indian OTA Landscape

B2C segment: Consumers directly book their tickets through OTAs, on the basis of where they find cheaper prices or better services. This segment has been the traditional mainstay of the OTA industry since it first started and accounts for 60% of the OTA market, even in 2020. It is also from the core B2C segment, that the OTAs can extract maximum value through cross selling of value-added products and services. This is why the largest OTA in the market- MakeMyTrip still focuses mostly on the B2C segment.

B2B models: Here the corporate division of an OTA deals with corporate clients by helping generate company specific codes to be used by the employees to book tickets and rooms at lower prices. When companies do business with a complete B2B player, there is a personal connection with the account manager, and this creates a value proposition in the eyes of their corporate clients.

This segment will record growth not just on account of traditional corporate travel but that of middle market and SME/trader space which has been recognized as one of the key drivers for Indian travel. OTAs that provide solutions to corporate India for this price sensitive and resilient segment of essential travel are set to gain. B2B has a higher margin on bookings than the price sensitive B2C segment, but the opportunities to cross sell to corporate clients is more limited than to B2C clients.

B2B2C Models: In Tier-II & III cities, where it is traditionally difficult for OTAs to grow their services due to lack of internet penetration or lack of trust amongst consumers, the B2B2C model is more prevalent, wherein traditional travel agencies route their traffic through OTA portals. There are smaller players who take bookings from SMEs (100 people companies) who would not traditionally go to the larger OTAs directly. Platforms like Travel Boutique Online (TBO) and Travclan work with GDS (Global Distribution Systems) and charge an annual fee.

The B2B segment is also where airlines themselves have not been able to develop deep inroads into corporate India and hence the competition to OTAs is less from the direct airlines. However, in B2Bs and B2B2Cs the

avenues of cross selling are quite limited. It is expected that the share of B2Bs within the OTA segment will increase by the year 2024.

Both the B2C and B2B2C segments are expected to remain strong in the Indian OTA industry. Though B2C is dominant and generates more revenue, OTAs are shifting more and more attention towards targeting smaller business enterprises.

OTA Market Segments

There are four distinct buckets of competition in the Indian OTA market based on their business models as follows: Indian multimodal OTAs, international OTAs, meta-searches, and Indian middle-market OTAs. The main bucket of competition are the big 5 Indian multimodal OTAs. These include MakeMyTrip, ixigo, EaseMyTrip, Yatra.com, and ClearTrip. F&S considers a multimodal travel player as an OTA, making that the primary criteria for selection. There is no minimum revenue contribution threshold applied for to qualify as a multimodal OTA.

MakeMyTrip

MakeMyTrip is the current market leader among all key players within the OTA industry, with a market share of more than 60% of the total revenue. Acquisition of Goibibo increased their overall market share from 35% to 60% in 2017 and significantly increased the gap between them and their peers. Their annual revenue from operations for Fiscal 2021 was ₹ 11.7 billion.

ixigo

ixigo is the leading OTA for NBUs, with its focus on localized content and app features that aim at solving problems of Tier II/III travelers, with 70% of the platform's traffic and 92.6% of its transactions in FY2021 driven by smaller towns and cities, where either the source or destination is a Tier II/III city. They are also leveraging their reach to cross sell other segments like air & bus tickets in these cities through their trains app. ixigo acquired ConfirmTkt in February 2021 and further acquired the Abhibus business effective August 2021.

- ixigo was initially launched as a meta search and went mobile first in 2013. Later, it added the convenience of booking tickets for trains and flights, in addition to hotel and cab booking services, to foray into the OTA market.
- It has a multi-app strategy: **ixigo Flights**, which is an air travel and hotel reservation app that targets consumers mainly from Tier I cities and **ixigo Trains**, which was launched to help people to find information on intercity trains in India. Their dual-app strategy has allowed them to be relevant to both the most evolved Tier I travelers and the aspiring Tier II/III/IV travelers.
- ixigo has separate apps to deal with trains, buses and flights, which allows it to focus on its rail segment while keeping other facilities under its umbrella as well. Their multi-app strategy has allowed them to be relevant to both the most evolved Tier I travelers and the aspiring Tier II/III/IV travelers.
- While other OTAs focused on airlines and hotels, ixigo chose to prioritize railways by providing useful intercity railway information to their customers. Through this, they gained word-of-mouth popularity between 2014 and 2018.
- ixigo was one of the first players to launch innovative AI-based data-driven features, such as a multilingual, voice-based travel assistant (TARA), live running status, Siri shortcuts, and an AR feature, which allows train passengers to locate their coach positions at more than 7,000 railway stations across the country.
- ixigo has achieved a much faster rate of organic growth than all other major travel players in the Indian market.
- Significantly, ixigo grew its market share even during the pandemic due to quick response time on customer queries, full refund options and an up-to-date help centre for COVID travel guidelines. ixigo's AI-driven personalized travel assistant, TARA handled 84% customer queries with a low percentage of escalations being passed on ixigo customer service agents.
- ixigo has the highest cumulative app downloads to date, more monthly downloads than all other apps combined, and the highest usage and engagement, which makes it the fastest growing OTA platform in the country.

In Fiscal 2021, ixigo's annual revenue from operations was at ₹ 1.35 billion.

Yatra.com

Yatra.com has been the second most important OTA in India after MakeMyTrip, with an average market share of close to 15%. Yatra.com remains the largest corporate travel service provider in India. It is currently servicing over 850 corporate and 35,000 SME clients with the acquisition of Air Travel Bureau—a corporate air travel portal—in 2017. In Fiscal 2021, Yatra.com's annual revenue from operations was at ₹ 1.27 billion.

EaseMyTrip

EaseMyTrip started its operations in India in the year 2008 by serving the business to business to consumer (B2B2C) market segment. They operated as a distribution channel and provided travel agents with access to their website to book domestic travel airline tickets to cater to the offline travel market in India. They were the 2nd largest flight OTA in India in Fiscal 2021.

Currently, they have a presence in all 3 customer segments—business to consumer (B2C), business to business (B2B), and B2B2C. In Fiscal 2021, Easemytrip's annual revenue from operations was at ₹ 1.07 billion.

ClearTrip

Founded in 2006, Cleartrip was one of the most popular online travel agencies in India. Until 2018, the OTA had approximately 10% of the overall market share. Recently Cleartrip has been acquired by Flipkart.

International OTAs

These include Booking.com, Expedia and Agoda. The extent of competition with them will depend on how well the Indian OTAs differentiate themselves with respect to price and product. These international OTAs could employ an M&A strategy to acquire a platform and rebrand to strengthen their hold on the Indian market.

Meta-searches and Horizontal E-Commerce Players

Skyscanner, Kayak and Google Flights will continue to play a major role as meta search players. There could be a major shift in the market share if Google decides to enter the OTA segment. Skyscanner and TripAdvisor, who have been metasearch players for 10-15 years, have recently started monetizing some of their transactions. Horizontal E-Commerce players like Paytm, Flipkart and Amazon are largely focused on air ticketing to offer a full-suite of internet-related services/product to their customers and exert some pressure on OTA market shares.

Middle-Market OTAs

The middle market OTAs refer to smaller OTA players in the Indian OTA landscape that started in the bus or rail vertical and expanded horizontally across the value chain for growth. They will continue getting the niche of volume that they are getting right now and develop further into the rail-bus ecosystem not explored much by the larger OTAs. Many middle market OTAs have been acquired. Some examples include Goibibo acquiring RedBus and ixigo acquiring ConfirmTkt and Abhibus. RailYatri is another notable player in this segment.

Recently acquired by ixigo, AbhiBus is a leading online bus-ticketing platform that aggregates over 2,500 private bus operators and all leading State RTCs, covering more than 100,000 routes across the country. The AbhiBus website and apps allow users to check amenities provided by bus operators, compare booking fares, check bus timings in the searched route, live tracking of the bus before arrival, cancellation protection options and other facilities. It is the official ticketing partner for several state road transport corporation bus tickets and IRCTC tickets.

Apart from an e-ticketing platform, AbhiBus also provides an end-to-end technology solution to private and government bus operators. It provides a state of art online passenger reservation system to more than 350 private bus operators and 5 State Road Transport Corporations, including APSRTC, TSRTC, KSRTC, HRTC (Himachal) and Kerala RTC across India. Its software solutions include fleet management solutions, vehicle tracking systems, passenger information systems, and logistics, providing a robust and customizable software solution to small and

big size bus operators. AbhiBus primarily earns revenue from bus tickets in the form of convenience fees and commissions.

RailYatri started as a rail ticketing platform in the year 2011 but has since started rail catering services in 2013 and entered the bus space. RailYatri also has an extensive network of over 630 routes, touching 800 cities, where they provide inter-city bus transportation services.

Comparison of OTAs by Key Metrics

OTA Competitive Analysis

	ixigo	MakeMyTrip	Yatra	EaseMyTrip
Gross Transaction Value	₹22.87Bn	₹117Bn	₹14.7Bn	₹21.2Bn
Revenue	₹1.35Bn	₹11.70Bn	₹1.27Bn	₹1.07Bn
Employee Strength	200	3,256	1,006	374
Monthly Downloads	3.5Mn	0.8Mn	0.07Mn	0.2Mn
Monthly Active Users	31Mn	23Mn	3Mn	1Mn
Monthly Average Sessions Per User	22	9	9	10
App Reviews	1.8Mn	1.7Mn	0.3Mn	0.1Mn

Note: All GTVs compared are net of cancellations and discounts for FY21. MakeMyTrip + Goibibo + Redbus combined, ixigo GTV is Proforma GTV for ixigo, Confirmtkt & Abhibus. Revenue from operations is for FY21. Monthly Active Users and Monthly Average Sessions Per User are as of April 2021. App Reviews are as of 31 May 2021, Employee Strength is as of 31 March 2021 & Monthly Downloads are as of March 2021.

Monthly Active Users, Monthly Average Sessions, App Reviews & Monthly Downloads are for MakeMyTrip + Goibibo and ixigo + Confirmtkt combined, excluding Redbus & Abhibus respectively.

Source: Annual Reports, Company Interactions, App Annie (Monthly Downloads, Monthly Active Users and Monthly Average Sessions Per User), Play Store (App Reviews)

Gross Transaction Values (GTV)

All OTA players witnessed a significant decline in gross booking volumes and gross booking values during the Fiscal 2021 across all segments, notably air and hospitality. ixigo's gross booking value was also impacted by the pandemic, however it seems to be the OTA that weathered the COVID storm well. Their proforma Gross Transaction Value net of discounts and cancellations of INR 22.87 Bn places ixigo in the second spot after MakeMyTrip in the market, with respect to comparative GTV for FY21.

App Downloads

As the overall smartphone and internet penetration is increasing in India, OTAs have witnessed a significant increase in their app downloads, despite the expected dip during the pandemic. According to App Annie, ixigo Trains was the 10th most downloaded travel and navigation app in the world in the first quarter of 2021.

In terms of the cumulative downloads, ixigo is ahead of all other Indian OTA apps. The app with maximum monthly downloads as of March 2021 on the android play store is ixigo (including ixigo Trains, ixigo Flights and ConfirmTkt) with 255 million app downloads till March 2021, followed by MakeMyTrip & Goibibo with 213 million app downloads till March 2021. As per App Annie data, ixigo was the fastest growing OTA platform in the country in terms of monthly app downloads in March 2021.

Number of Monthly Downloads in March 2021 (App Annie)

OTA	Monthly Downloads (in millions)
ixigo & ConfirmTkt	3.5
MakeMyTrip & Goibibo	0.787
EaseMyTrip	0.16
Yatra.com	0.065
ClearTrip	0.005

Monthly Active Users (April 2021)

In April 2021, as per App Annie, ixigo trains, ConfirmTkt and ixigo flights have collectively seen the highest monthly active users among all key OTA players

This analysis is maintained for Daily Active Users as well. ixigo & ConfirmTkt (excluding Abhibus) combined have by far the highest Daily Active Users (DAUs) of over 4.5 million as opposed to 3.5 million of MakeMyTrip & Goibibo (excluding Redbus) in April 2021. This is followed by Yatra at 445,000 users and EaseMyTrip at 154,000 users as of April, 2021 as per App Annie.

Engagement: Monthly Average Sessions Per User (April, 2021)

In terms of monthly average sessions per user for April, 2021, ixigo was on top with 22 sessions per user in a month. The weighted average for ixigo + ConfirmTkt was the highest in the OTA comparison set as per App Annie.

App Reviews

In May 2021, ixigo's Train app had the highest number of reviews among all OTA mobile apps in India on the Play store at 1.8 million. On the Play Store as of May 2021, the most reviewed OTA app is ixigo with ixigo Trains having 1.54 million reviews, ixigo Flights having 97,000 reviews and ConfirmTkt having 276,000 reviews.

In May 2021, ixigo's ConfirmTkt app had the highest Play Store rating of 4.6. The combined entity of ixigo and ConfirmTkt is tied with EaseMyTrip as the best rated app among the top Indian OTAs in the market with a rating of 4.6 on the Play store. The ratings of ixigo and ConfirmTkt can be attributed to their unique features that focus on enhancing the consumer's booking and travel experience.

Revenue

The OTA industry was hit hard during the pandemic and all OTA players saw a decline in their revenues, bookings and profits during the year. Due to the nationwide lockdown, the OTAs had to face a huge number of cancellations and no new bookings. Where the revenues of other OTA have decreased due to the pandemic, the only outlier is ixigo, which has witnessed a growth in its net revenues, placing it in the second spot after market leader MakeMyTrip in terms of annual consolidated revenue from operations. ixigo witnessed a significant growth of 21.5% in its revenue from operations in Fiscal 2021. With 8.6 million bookings in Fiscal 2021, ixigo is in second position in terms of revenue from operations at ₹ 1.35 billion.

Marketing and Sales Promotion Expense

On account of the low demand due to pandemic induced travel restrictions and lockdowns, the revenues and profits of OTAs were deeply affected. As a measure of cost cutting, many OTAs slashed marketing and sales promotion expenses during the year Fiscal 2021. In line with the trend, ixigo's marketing expenses also decreased by 49% to ₹ 86 million in Fiscal 2021 from Fiscal 2020. ixigo spent only 6.4% of its Fiscal 2021 revenue on marketing expenses making it one of the lowest spending OTAs in terms of marketing and sales promotion spend.

OTA Competitive Analysis Across Modes

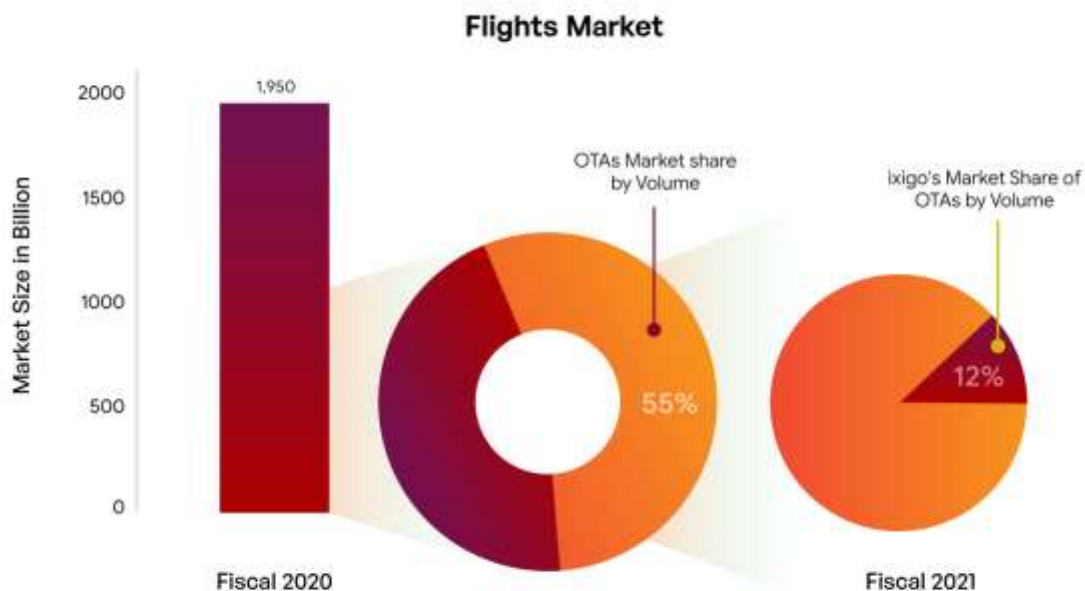
All market shares below are based on gross passenger volumes and are split to reflect proportion of the online OTA pie of the market. It does not include offline modal shares and it does not include B2B and direct supplier shares.

OTA Competitive Analysis Across Airlines

55% of all airline tickets by volume are booked via OTAs and only 45% via the direct airline websites and other channels. The margins for OTAs in airlines are very thin and the competition is purely price based and very fierce due to price sensitivity of the Indian consumer.

For airlines, OTAs play the lowest cost customer acquisition game and compete in offering the lowest cost to customers, as the latter choose between OTAs based on price. All OTAs have heavy dependence and exposure to air travel.

Competitive Analysis of Airline OTA Players



Source: Frost & Sullivan

All market shares below are on volume basis as at the end of Fiscal 2021.

In terms of market share, MakeMyTrip is the market leader with 51% share of the total OTA airline market by volume in Fiscal 2021. EaseMyTrip is in 2nd position in the total OTA airline market by volume in Fiscal 2021. Ixigo along with Yatra.com came in at third spot in the OTA market in Fiscal 2021 with a 12% market share of the total OTA airline market by volume in Fiscal 2021. Cleartrip and others comprised the remaining portion of the market. Yatra.com has a dominance on corporate air travel.



Source: Frost & Sullivan

As of end of Fiscal 2021, 75% of all online reserved rail tickets are booked through the IRCTC directly, with only 25% of online reserved rail tickets being routed through OTAs and intermediaries, who act as distributors of train tickets for the IRCTC. Usually, OTAs only view train ticket bookings from the completion of an offering rather than from the perspective of a source of revenue or profit. For larger players, as this could be 1%–2% of their business, they do not focus on building strong value propositions in this area. The exception to this rule is ixigo's focus on the rail segment, which has helped them to dominate the OTA space in rail ticketing and absorb market shares from other OTAs, especially in Tier II/III cities. ixigo's recent acquisition of ConfirmTkt has strengthened its foothold in the train travel segment.

Split across Business Models for Rail OTAs: There are 2 kinds of private competitors in the rail market. The first is horizontal platforms, who use train ticketing as another transaction system to cross sell some of their other products through huge discounts, such as PayTM, Amazon, and Google. These comprise almost 50% of the private players. The other set are OTAs those whose business also focuses on train travel, mainly in the Tier II/III segments. For these, the higher value proposition not only provides the traveler with a simple booking experience but also provides several add on services, such as a live running status, free cancellations, and Waitlist PNR prediction. These include ixigo, ConfirmTkt, RailYatri, MakeMyTrip, Goibibo, among others.

The Differences between Rail OTAs: Thanks to the entry of OTAs into this segment, train travel no longer suffers from the same degree of information asymmetry that it did previously. The next big goal focuses on the services—improving the passenger's journey, taking care of food, insurance, confirming an unconfirmed ticket, and other pain points beyond ticketing, in addition to the journey itself. The next 5 to 10 years for rail OTAs will focus on the service side.

The private OTA business model is flat service fee-based, earning ₹ 20 – ₹40 per ticket. There is no variation between the prices offered by the IRCTC and the OTAs except for the agent service charges charged by OTAs.

Approximately 25% of the non-direct shares can be divided further as follows: two thirds of this segment belongs to B2C OTAs, such as ixigo, Confirmkt, PayTM and MakeMyTrip-Goibibo; and the remaining third belongs to the B2B2C agents of the IRCTC, such as GI Tech, Payward, Spice Digital, Akbar, ITZ, Paynearby, and Via.

ixigo and ConfirmTkt had the largest market share of 42% as of end of Fiscal 2021 among OTAs and B2C distributors of the IRCTC in the train segment. They are the largest train ticket distributor in the online rail market. They have the maximum monthly downloads on the android play store with 255 million app downloads till March 2021 and 37 million MAUs (including app and web), with a strong foothold in Tier II/III cities.

PayTm contributed to 28% of the market share as of end of Fiscal 2021. It is the second largest player in the train ticket booking segment after ixigo, with several benefits, such as discounts and easy payment options, as it is a payment portal itself.

Others including MakeMyTrip, Goibibo, Amazon, Google, RailYatri and B2B2C OTAs contribute the balance 30%.

User Experience Modalities for Train Apps: The main reason for ixigo's and Confirmkt's considerable lead in the rail market shares is their focus on enhancing user experience. With features, such as live train tracking, PNR prediction, station alarms, AR coach position, and free cancellation, which are the first of their kind in the industry, they can provide first-time users with positive user experiences to ensure that they become repeat customers. Nearly all apps provide basic information, such as live seat/berth availability, live train running status, PNR Status, waitlist prediction, alternate routes, train speed, and traveler details. However, there are some additional features that only hyper-focused players such as ixigo, have developed by building their primary use cases around user experience. Several examples of this are the seat positions on the seat maps, crowd-sourced running status, offline train information, station alarm, free cancellation, AR coach position, an entertainment section, instant refunds, an AI driven travel assistant (TARA), and train-related news. This extends above and beyond a standard experience for travelers and keeps customers engaged.

Additionally, ixigo is the industry leader in tech innovations with its 100% AI-driven, personalized travel assistant TARA, which is powered by deep learning. This differentiates it from the typical chatbots that are offered by other players. Currently, TARA answers over 84% of customer support queries end to end. By applying such AI technology, ixigo is in a better position to offer the best options to its customers, such as deal discovery, personalized recommendations, fare predictions, train delay information, and PNR confirmation status.

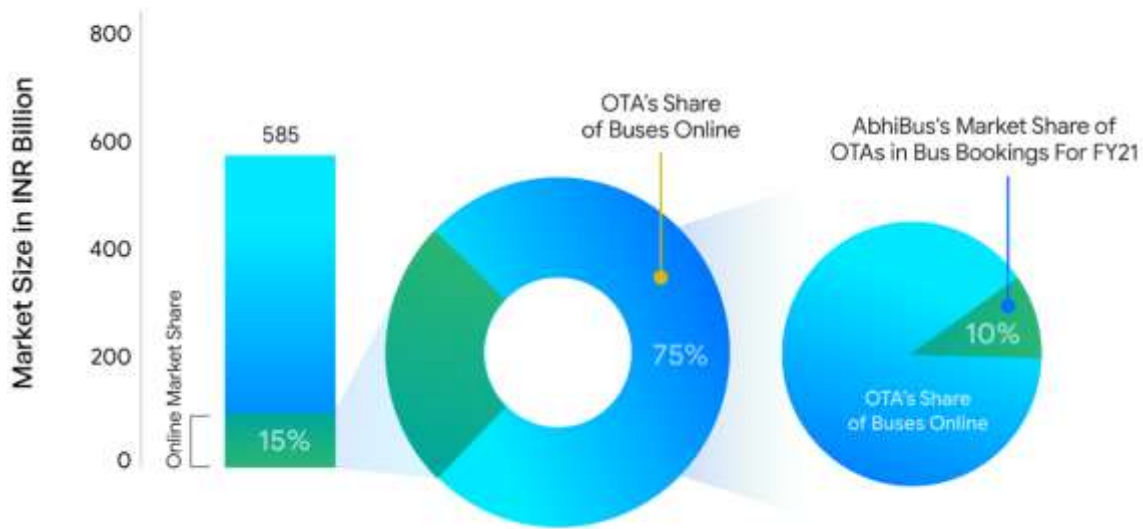
OTA Competitive Analysis Across Bus Modes

Online penetration in buses is only 15% in 2020 pre pandemic and after seeing a surge during COVID times is expected to settle at 30% by 2024. The market share split of the online bus market between SRTCs and private bus operators for online ticket booking stood at 40% and 60% respectively. The bus OTA model is totally volume centric. Intercity travel is a ticket size of interest to the private players, who compete based on the best value proposition on offer to the client.

Certain middle market OTAs like AbhiBus and RedBus are completely vertically focused on buses. Their value proposition is to support the passenger throughout the journey, through any difficulty and across multiple touch points. It involves providing innovative products like clean restrooms and blankets and services like ensuring women's safety, which could make the mode of bus comparable to trains. The OTA model for buses is commission-based. Commissions in the past used to be on a flat rate of ₹ 50-60 per ticket and now have been converted to percentages. Currently, for private operators the commission is 10%-15%+GST and for SRTC it is 6-8%, across all players in the market. The value-added buses are more expensive, and the revenue contribution and margin from the bus segment for these are higher.

Share of Bus OTA Players, Fiscal 2021

Buses Market



Competitive Analysis of Bus OTA Players

RedBus: was acquired by GoIbibo. Under MakeMyTrip’s umbrella, it is the largest online provider of bus and car rentals. It is the undisputed market leader with a 80% market share and a daily gross volume of 0.2 million bus tickets in India pre-COVID.

AbhiBus (acquired by ixigo): The clear number 2 player with a 10% market share. It was selling 26,000 bus tickets per day pre-COVID on the back of its deep client engagement and innovative business model that combines a B2B SaaS platform for SRTCs and Private Operators with technology provision to feed its retail B2C demand. Abhibus is relatively stronger in southern Indian states when it comes to bus bookings.

Paytm: Owns a significant share in the market estimated at 20,000 tickets per day pre-COVID on the back of the discounts that it provides which are beyond what others can provide in the market.

OTA Competitive Analysis across Hospitality

The online penetration in the Hospitality sector in the Indian travel market was approximately 20% in 2020, expected to increase to 30% in 2024. Since the margins on hotels are much higher, OTAs have dedicated resources to capture the market share in this segment.

OTA share in online hotel bookings is expected to increase from 70% in 2020 to 80% in 2024. OTAs have been cross selling hospitality products to their customers acquired from other modal sources like air, rail or bus. The world over, hospitality focused OTAs pre-purchase some rooms as inventory which is very data driven - dependent on season, location, etc. A large chunk of this pre-purchased inventory is sold to business travelers - whose plans are easier to forecast accurately (trips are regular in nature, monthly or weekly). The biggest value proposition for hospitality OTAs is the trust in the brand as travel accommodation is a well thought out purchase and one that is tested from the time of arrival till check out. OTAs are competing on providing the best level of information like reviews, ratings, photographs, etc. to travelers.

Competitive Analysis of Hospitality OTA Players

Hotel OTAs are a concentrated market in India, with the top 3 players—MakeMyTrip, Agoda, and Booking.com—comprising 75% of the online hotel market. MakeMyTrip is the largest OTA when it comes to hotel bookings and has a good lead over the international players because as a brand, it is well known and trusted in India, with many points of customer acquisition.

Yatra.com is the only other significant Indian OTA with a high market share on OTA hotel bookings in Fiscal 2021. Agoda, Expedia, and Booking.com are more familiar to the urban international traveler who has been exposed to the brands abroad.

OTA: Growth Potential and Challenges

The overall travel market in India has strong industry fundamentals and is poised for growth of 7% in the next four years. The prospects of online travel growth are even stronger at 11% during the same period given the internet and smartphone penetration, exponential growth in digital payment, shifting traveler demographics and nature of the evolving Indian traveler.

The OTA industry is expected to ride the wave of digitization of Indian travel, and is expected to grow at 16% for the next four years, double that of the economic growth of the country. This growth will be led by OTA growth in hospitality and buses segments which have a projected CAGR forecasted at over 20-25% until 2024. Volume growth is expected from railways as OTAs tap the huge unreserved segment of the rail sector.

Challenges

The biggest challenge for the existing OTAs is to tide over the muted demand of the current COVID pandemic in the most creative ways by focusing on high growth segments. In the fourth quarter of Fiscal 2021, rail had recovered to 46%, air to 71% and bus to 40% of their pre COVID-19 volumes of the fourth quarter of Fiscal 2020. Though full recovery is expected in the next six months, pace of recovery will differ across sectors. Different OTAs will face unique challenges given their exposure to the most impacted sectors.

Increasing market share in relatively higher margin segments remains a challenge for OTAs as both larger chain hotels and direct airlines focus on reaching their customers directly. However, given the OTAs hyper focus on differentiating their offering, they are bound to have an advantage over the direct supplier in the forecast period.

There is also increasing competition from international OTAs in the hospitality sector. Though their advantage in competitive pricing persists, differentiation by OTAs is ensuring that even in these segments the international players do not have much of an advantage from a product perspective. Their play in the other modal sectors is insignificant.

OUR BUSINESS

1. On page 150 of the Draft Red Herring Prospectus, under the section “**Our Business – Overview**”, the statement: “*We are also the third largest flight OTA in India with a market share of 12% in online air bookings in Fiscal 2021 (Source: F&S Report).*” will be modified as: “*We were also the third largest flight OTA in India with a market share of 12% in the total OTA airline market in volume terms in Fiscal 2021 (Source: F&S Report).*”
2. On page 150 of the Draft Red Herring Prospectus, under the section “**Our Business – Overview**”, the statements: “*We were the second largest OTA in India in terms of total GTV in Fiscal 2021 (Source: F&S Report). On a combined (proforma) basis (i.e., taking into account the operations of Confirm Ticket and AbhiBus in the relevant period) in Fiscal 2021 our combined GTV was ₹ 26,946.02 million.*” will be modified as: “*We were the second largest OTA in India in terms of total proforma GTV in Fiscal 2021 (Source: F&S Report). On a combined (proforma) basis (i.e., taking into account the operations of Confirm Ticket and AbhiBus) in Fiscal 2021 our combined GTV was ₹ 26,946.02 million gross of discounts and cancellations, and ₹ 22,871.42 million net of discounts and cancellations.*”
3. On page 151 of the Draft Red Herring Prospectus, under the section “**Our Business – Overview**”, the statement: “*We were also the fastest growing OTA in terms of app downloads, with 3.75 million monthly app downloads in March 2021, which was more monthly downloads than all other OTAs combined in that month (Source: F&S Report).*” will be modified as: “*We were also the fastest growing OTA in terms of app downloads, with 3.5 million monthly app downloads in March 2021, which was more monthly downloads than all other OTAs in that month (Source: F&S Report).*”
4. On page 151 of the Draft Red Herring Prospectus, under the section “**Our Business – Overview**”, the statement: “*In the first quarter of Fiscal 2021, our ixigo trains mobile app was the 10th most downloaded travel and navigation app globally (Source: F&S Report).*” will be modified as: “*In the first quarter of 2021, our ixigo trains mobile app was the 10th most downloaded travel and navigation app globally as per App Annie (Source: F&S Report).*”
5. On page 156 of the Draft Red Herring Prospectus, under the section under the section “**Our Business – Evolution of our Business Operations**”, the statement: “*Our focus on this underserved train traveler segment with a daily travel utility centric approach has resulted in our ixigo trains mobile app being the 10th most downloaded travel and navigation app globally in the first quarter of Fiscal 2021, according to the F&S Report.*” will be modified as “*Our focus on this underserved train traveler segment with a daily travel utility centric approach has resulted in our ixigo trains mobile app being the 10th most downloaded travel and navigation app globally as per App Annie in the first quarter of 2021, according to the F&S Report.*”
6. On page 157 of the Draft Red Herring Prospectus, under the section “**Our Business – Evolution of our Business Operations**”, the statement: “*In Fiscal 2021, out of approximately 24 million daily train travelers in India, only approximately 2 million travelers booked a reserved train ticket (Source: F&S Report).*” will be modified as: “*In Fiscal 2020, out of approximately 24 million daily train travelers in India, only approximately 2 million travelers booked a reserved train ticket (Source: F&S Report).*”
7. On page 157 of the Draft Red Herring Prospectus, under the section “**Our Business – Our Strengths**”, the statement: “*In Fiscal 2021, ixigo trains and ConfirmTkt were collectively the leading B2C distribution platforms for IRCTC with 42% market share in terms of rail booking among OTAs and B2C distributors of IRCTC (Source: F&S Report).*” will be modified as: “*At the end of Fiscal 2021, ixigo trains and ConfirmTkt were collectively the leading B2C distribution platforms for IRCTC with 42% market share in terms of rail booking among OTAs and B2C distributors of IRCTC (Source: F&S Report).*”
8. On page 157 of the Draft Red Herring Prospectus, under the section “**Our Business – Our Strengths**”, the statement: “*We were also the second largest OTA in terms of GTV and revenues, in Fiscal 2021 (Source: F&S Report)*” will be modified as: “*We were also the second largest OTA in India in terms of total proforma GTV and revenue from operations in Fiscal 2021 (Source: F&S Report).*”
9. On page 157 of the Draft Red Herring Prospectus, under the section “**Our Business – Our Strengths**”, the statement: “*We were the third largest Indian flight distributor and we had a market share of 12% in online air bookings in Fiscal 2021 (Source: F&S Report).*” will be modified as: “*We were the also third largest*

Indian flight OTA and we had a market share of 12% in the total OTA airline market in volume terms in Fiscal 2021 (Source: F&S Report).”

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

1. On page 412 of the Draft Red Herring Prospectus, under the section "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview**", the statement: "We are also the third largest flight OTA in India with a market share of 12% in online air bookings in Fiscal 2021 (Source: F&S Report)." will be modified as: "We were also the third largest flight OTA in India with a market share of 12% in the total OTA airline market in volume terms in Fiscal 2021 (Source: F&S Report)."
2. On page 412 of the Draft Red Herring Prospectus, under the section "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview**", the statements: "We were the second largest OTA in India in terms of total GTV in Fiscal 2021 (Source: F&S Report). On a combined (proforma) basis (i.e., taking into account the operations of Confirm Ticket and AbhiBus in the relevant period) in Fiscal 2021 our combined GTV was ₹ 26,946.02 million." will be modified as: "We were the second largest OTA in India in terms of total proforma GTV in Fiscal 2021 (Source: F&S Report). On a combined (proforma) basis (i.e., taking into account the operations of Confirm Ticket and AbhiBus) in Fiscal 2021 our combined GTV was ₹ 26,946.02 million gross of discounts and cancellations, and ₹ 22,871.42 million net of discounts and cancellations."
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5. On page 419 of the Draft Red Herring Prospectus, under the section "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition - Inorganic growth through strategic acquisitions**", the statement: "We were the second largest OTA in India in terms of GTV and revenues in Fiscal 2021 (Source: F&S Report)." will be modified as: "We were the second largest OTA in India in terms of total proforma GTV and revenue from operations in Fiscal 2021 (Source: F&S Report)."

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Aloke Bajpai

(Chairman, Managing Director and Group CEO)

Date: November 17, 2021

Place: Gurugram

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Rajnish Kumar
(Non-Executive Director and Group CPTO)

Date: November 17, 2021

Place: Gurugram

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Ravi Chandra Adusumalli
(Non-Executive Director)

Date: November 17, 2021

Place: Salt Lake City, UT

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Shailesh Lakhani
(Non-Executive Director)

Date: November 17, 2021

Place: Bengaluru

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Arun Seth
(Independent Director)

Date: November 17, 2021

Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Frederic Lalonde
(Independent Director)

Date: November 17, 2021

Place: Scarborough, ME

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mahendra Pratap Mall
(Independent Director)

Date: November 17, 2021

Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Rahul Pandit
(Independent Director)

Date: November 17, 2021

Place: Gurugram

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Rajesh Sawhney
(Independent Director)

Date: November 17, 2021

Place: Gurugram

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Shubha Rao Mayya
(Independent Director)

Date: November 17, 2021

Place: Bengaluru

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Corrigendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Corrigendum to the Draft Red Herring Prospectus are true and correct.

SIGNED BY THE GROUP CHIEF FINANCIAL OFFICER OF OUR COMPANY

Ravi Shanker Gupta
(Group Chief Financial Officer)

Date: November 17, 2021

Place: Gurugram

DECLARATION BY ALOKE BAJPAI AS A SELLING SHAREHOLDER

I, Alope Bajpai, hereby confirm that all statements and undertakings made or confirmed by me in this Corrigendum to the Draft Red Herring Prospectus about or in relation to me as a Selling Shareholder and the Equity Shares offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Corrigendum to the Draft Red Herring Prospectus.

Name: Alope Bajpai

Date: November 17, 2021

Place: Gurugram

DECLARATION BY RAJNISH KUMAR AS A SELLING SHAREHOLDER

I, Rajnish Kumar, hereby confirm that all statements and undertakings made or confirmed by me in this Corrigendum to the Draft Red Herring Prospectus about or in relation to me as a Selling Shareholder and the Equity Shares offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Corrigendum to the Draft Red Herring Prospectus.

Name: Rajnish Kumar

Date: November 17, 2021

Place: Gurugram

DECLARATION BY SAIF PARTNERS INDIA IV LIMITED AS A SELLING SHAREHOLDER

SAIF Partners India IV Limited hereby confirms that all statements and undertakings made or confirmed by it in this Corrigendum to the Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it in the Offer for Sale, are true and correct. SAIF Partners India IV Limited assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Corrigendum to the Draft Red Herring Prospectus.

For and on behalf of SAIF PARTNERS INDIA IV LIMITED

Name: Jihane Muhamodsaroar

Title: Director

Date: November 17, 2021

DECLARATION BY MICROMAX INFORMATICS LIMITED AS A SELLING SHAREHOLDER

Micromax Informatics Limited hereby confirms that all statements and undertakings made or confirmed by it in this Corrigendum to the Draft Red Herring Prospectus about or in relation to itself as a Selling Shareholder and the Equity Shares offered by it in the Offer for Sale, are true and correct. Micromax Informatics Limited assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Corrigendum to the Draft Red Herring Prospectus.

For and on behalf of MICROMAX INFORMATICS LIMITED

Name: Vikas Jain

Title: Whole time director

Date: November 17, 2021