

Date: February 01, 2023

To,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

To,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

Scrip Code: 543333

Scrip Symbol: CARTRADE

ISIN: INE290S01011

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Transcript of the CarTrade Tech Limited Q3FY23 Earnings Conference Call held on Wednesday, January 25, 2023

Dear Sir/ Madam,

With reference to our letter dated January 20, 2023 intimating you about the Analyst / Investor Call with Analysts/Investors, please find enclosed the transcript of the CarTrade Tech Limited Q3FY23 Earnings Conference Call held on Wednesday, January 25, 2023.

The above information will also be available on the website of the Company: www.cartradetech.com.

This is for your information & record.

Thanking You.

for CarTrade Tech Limited

Lalbahadur Pal
Company Secretary and Compliance officer
Mem. No. A40812

Enclose: a/a



“CarTrade Tech Limited
Q3 FY23 Earnings Conference Call”

January 25, 2023

Disclaimer: E&OE. This transcript is edited for factual errors. In case of discrepancy, the Audio recordings uploaded on the stock exchange on January 25, 2023 will prevail.



**MANAGEMENT: MR. VINAY VINOD SANGHI – CHAIRMAN AND
MANAGING DIRECTOR
MS. ANEESHA MENON – CFO & DIRECTOR**

Moderator: Ladies and Gentlemen, Good day and welcome to CarTrade Tech Limited Q3 FY23 Earnings Conference Call. This conference call may contain forward looking statements about the company which are based on the belief, opinions and expectations of the company as on date of this call. The statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vinay Sanghi – Chairman and Managing Director, CarTrade Tech Limited. Thank you and over to you, Sir.

Vinay Sanghi: Thank you and good morning everybody and thank you for taking the time out early this morning for this call. Now what I will do is run you through a few key financial highlights and then we can clarify all your doubts and questions which you might have. I think the first part is really which on a presentation which we have of course shared with each one of you on slide number 2 are the key highlights is we have on a 9-month period had a revenue growth of 23% adjusted EBITDA growth of 30% and adjusted PAT by 43%.

As you can see here the number of vehicle auctioned are almost more than approximately 1.1 million annualized, traffic is 35 million unique visitors per month for the last quarter, organic continuous which is unpaid or traffic we do not pay for is 87.6 which is again healthy in the last quarter. We have also achieved the highest ever revenue close to 116 crores for the quarter and 9 months close to 311 crores and highest ever adjusted EBITDA in a quarter which is 36.6 crores which is almost by about 85.1 now over the 9-month period. So, we had our probably our best revenue quarter or adjusted EBITDA quarter, PAT is 14 crores for the quarter by adjusted PAT, adjusted for ESOP, and deferred tax which is deferred tax for ESOP is for 9 month approximately 52 crores.

The company is obviously debt free and continues to have strong cash balances approximately over 1,000 crores. I just want to highlight that even though you had a highest ever revenue and the adjusted EBITDA quarter it has been a challenging quarter for us. I think these results inspite of some of the challenges we faced in the business. If we go to consolidated financial which is next slide for each one of you as I discussed revenues gone up by for the quarter about 13%, adjusted EBITDA also for the quarter 13% this is QoQ, year-on-year. Over the 9-month period that I discussed with you it is 23% revenue growth and 30% adjusted EBITDA growth the adjusted EBITDA as we discussed is 36.6 crores for the quarter adjusted PAT is 24 crores and PAT is at 14 crores as we highlighted the previous slide.

If you see the EBITDA margin without other income is about 19% of course with other income is close to 33% even our adjusted PAT has grown by 43% for the first 9 months. When we come to the standalone financials which is in the next slide this has really been a good quarter for our consumer business CarWale and a standalone financials reflect that there is a 45% growth in

revenue and 128% growth in adjusted EBITDA for the standalone account even a 9-month period we have shown the consistency in growth in the consumer business which is a 40% growth and as you can see the 92% growth in adjusted EBITDA.

I think there is some of the things we have been talking about through the last few quarters is that when we see revenue growth, our costs do not escalate in relation to the growth of revenue and you can see cost QoQ is almost flat, but big growth in revenues and that reflects in the 92% growth in adjusted EBITDA, cost are not growing in relation to the revenue growth I mean from these numbers you can see it, adjusted PAT standalone is up by 9 months of 100% and even when you look at PAT standalone is close to 11.8 crores or 12 crores and as you can see now the margins without other income in the standalone entity is almost 22% which is double of the last year same period.

So, it was 11% in the third quarter last year and it is now doubled to 20-22% which shows the leverage in the business itself when revenue goes up. In the next slide the remarketing or the auction business of Shriram Automall financial results as we have had a very good quarter in the consumer business the remarketing business has had lot of headwinds and it has been a tough quarter for them, revenues actually down 9%, EBITDA is down 44% although 9-month revenue growth is 11% and EBITDA is there is down by 9%. So, it has been a really tough quarter I think this is primarily as we had talked earlier we have had some fall in our supply from repossessed assets and that caused this revenue degrowth in the quarter. This is also a business which has got leverage so when revenue degrows also EBITDA falls.

As we have seen when revenue grows also it grows and upwards. So, I think that is part of the leverage in this business as well, but it has been a tough quarter and that is primarily because we have seen supply or repossessed assets come down. This is also the case in the previous quarter so we are hoping that of course this is market driven and we are hoping that maybe in the next quarter or the quarter after that this would correct itself, but at this point there are headwinds in this whole reposed asset sale. The one thing is that our retail vertical within your supply of vehicles from retail channels has gone up and has been growing nicely.

So, we feel that one is that has actually helped even maintained this performance because that has been growing at a reasonably fast clip and we feel that may be over the next few quarters the growth in that business it will help our volumes and performances in the remarketing division, but it has been a tough quarter for this business. If we go to the next slide these are the monthly UVs it is up to about 35 million from last year same quarter was 31 million which are every month a unique visitors and our consumer platforms all our consumer platforms.

If you look at a Google search popularity that is also maintain a reasonable or sufficient distance from all our competition on both CarWale and Bikewale side and we look at the auction volume or auction listing volume both have degrown and that is in reflection by the revenue degrowth as well. This is what I wanted to highlight with the overall financials.

I am happy to go into questions and clarifications as we want to give a few more numbers which we normally give out on the consumer business. One is that our dealer shares of this business has been going up over the last year now about approximately 38% of our consumer business comes from dealers and 62% in the last quarter came from OEMs.

Our new vehicle business approximately 84%, 16% is used, but the used business has had reasonably substantial growth over the previous year so the percentages were about 90-10 it has gone to 84-16 which shows a growth in the used vehicle business. So, these are the other couple of highlights I wanted to give to you. I think the other last point would be the share of the reposed business itself as I said is going down as a percentage of our total business and retail business is growing up in Shriram Automall business that is the key highlights I thought we can take Q&A clarifications from you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vijit Jain, from Citi Group. Please go ahead.

Vijit Jain: My question is looking forward into the next year obviously this year the standalone business your margins are nicely expanding, but you have kept your marketing spent steady and employee cost steady as well, so looking forward into next year how should we think about the standalone business in terms of margins and in terms of marketing spent that is my first question and the second question is if you can give an update on where we are right now with AbSure?

Vinay Sanghi: I think the first thing is that I do not think marketing spent will see any dramatic change over the next year if that is the question I think we feel that as you see a digital brand index with a little competition is strong and we think that it will be similar, all in similar proportion to our revenue, in terms of wages you will have definitely wage escalation based on increments, some adjacent hires etcetera so we do see that and that is the leverage in the business where even though wages will go up it is not in relation with a growth in revenue and that should see if there is revenue growth it should see margin growth as well as we have shown over the last year. The fundamentals of the business remain the same where increase in revenue does not have proportional increase in cost just as the nature of the business. So, we see that continuing or the dynamics of that continuing. Absure the continue role out and continue get stronger at it is still a very new business for us this is really an early-stage business for us. So, I think we want 73 locations and we continue to roll out and continue to work closely with dealers and customers to make sure experience for them is best in class.

Vijit Jain: Just two housekeeping questions then from my side you already mentioned the mix of revenue on the consumer side, if you could give the YoY growth rate for new versus used OEM versus dealers that will be great and on these re-marketing side if you could give a current split of mix between retail and repossessed that would be great?

Vinay Sanghi: We can give retail and even last year same quarter the repo was about 70% it is down to 53 retail was about 19%, 20% it is up to 34% I think that is changing the mix is changing there in that business and the growth on new unused.

- Aneesha Menon:** Yes, on the new side of the business the growth is about 27% and on the used side of the business is about 154%.
- Vijit Jain:** This is for the quarter right?
- Aneesha Menon:** For the quarter will be 21% and 129%.
- Vijit Jain:** And how about between OEM and dealers?
- Aneesha Menon:** The OEM business again you would want for the quarter not for the 9 months.
- Vijit Jain:** Yes for the quarter that is right?
- Vinay Sanghi:** We will come back.
- Aneesha Menon:** OEM is about 22% and dealers 50 %.
- Moderator:** Thank you. The next question is from the line of Tushar Sarda from Athena Investments. Please go ahead.
- Tushar Sarda:** This is the first time I am attending the call so I just want to understand your revenue source in the standalone business when you say consumer business, so is this advertising revenue you get or this transaction revenue?
- Vinay Sanghi:** So, on the consumer business we monetize car manufacture and dealers who has step products for sale for new cars and used cars for sale to consumers and we monetize both of them for advertising a lead revenue, the transaction revenues are insignificant here. On the auction side of the business where you have sellers and buyers auctioning vehicle it is all transaction revenue.
- Tushar Sarda:** That is also in the standalone the transaction?
- Vinay Sanghi:** The remarketing is the auction and the standalone is the consumer business.
- Tushar Sarda:** But remarketing is mostly that Automall right?
- Vinay Sanghi:** The company name is Shriram Automall. There is an online, offline business, it is digital business.
- Moderator:** Thank you. The next question is from the line of Siddhartha Bera from Nomura. Please go ahead.
- Siddhartha Bera:** Sir I wanted to first check on the outlook obviously Q3 we have done quite well and reported a very strong double-digit growth. As you said operating leverage is very important in the business, so just wanted your thoughts on how you are looking at the growth in the coming year across segments going ahead?

Vinay Sanghi: We normally do not give any growth guidance, but to be honest I think we being through a year off situation where the auto industry has seen as you can see this year probably grown at about the cars have probably grown at about 25%, 28% for the year and it being a strong year for the growth in the new car industry and also that the used car demand is being quite strong. It is hard for us to tell what the next year the auto industry will be, but I think the growth rates would be much lower than this 25%, 28% in the industry you are seeing for next year. So, also what might happened so that is one part, but also on the other hand supply may be higher in demand I think we have seen some shortages of cars this year next year you might find that the growth of demand slowing down. We might find the supply is higher than demand and then that becomes a little more favorable for us because then dealers and car manufactures tend to spent heavily on advertising. So, we see similar market conditions and it is hard for us to give any real growth guidance at this point in time.

Siddhartha Bera: But just in terms of your mix which segment do you think can grow at a much faster pace like right now dealers is going at quite ahead?

Vinay Sanghi: I think this trend will continue for some time the dealer and OEM, retail and repossessed trend will continue I think it maybe a longer-term trend. I just feel that in advertisement you come to advertising the first part is the OEM which is far more aggressive and in the first year of our business and then the dealers overtime the advertising grows. So, I feel the dealer growth rate may continue to just possible outpace the manufacture growth rate if possible.

Siddhartha Bera: And on the margins again I mean we have seen some in terms of our unique visitors also slightly coming down quarter-on-quarter, is it seasonal phenomena or is it because we have sort of cut back on our marketing spends that it has come down?

Vinay Sanghi: No, I do not think it is related to that. I think it is just if you see last year same period it is 31 million to 35 million now. October tells you a very heavy September, October month and those two, three months were very heavy buying seasons just in India. So, marginally it was 37 million the quarter before is 35 now I do not think it is a reflection on what marketing spent it is also a reflection of consumer demand.

Siddhartha Bera: So, you are saying that level of 12% odd marketing will be a sustainable number going ahead?

Vinay Sanghi: Yes I do not think the marketing will change too much.

Siddhartha Bera: And sir on the AbSure I mean if you see last quarter we had about I think 62 locations now we are at 73, so we added only 10 stores in the quarter, we I think had estimated to touch close to 120 by the year end, is this still on track or do you think the ramp up here will slightly slow?

Vinay Sanghi: I think rule out is a little less than what we predicted a year ago and I think that is also conscious to make sure that we get the right locations, the right franchise, the right model, the right customer experience etcetera. As again I said AbSure is one part of our used car business it is a very insignificant part in our total business it is almost it is a very early-stage business. So, the

volatility in that business is because very early is greater than the other business are far more stable. I think it will probably be 20 locations or 25 locations by March it looks like that from here and may be 20 more.

Siddhartha Bera: Any medium guidance you would look to highlight that in the next two, three years that you want this to be?

Vinay Sanghi: I did not hear that I did not hear the last question.

Siddhartha Bera: In terms of the ramp-up any two, three-year guidance you want to give about how many stores you want to be in AbSure?

Vinay Sanghi: No, I do not think at this stage we will give forward guidance on it, but the idea is to be present and rule out as quickly as we can also subject to getting the right location, the right franchise and the right experience in that location.

Moderator: Thank you. The next question is from the line of Sachin Dixit from JM Financial. Please go ahead.

Sachin Dixit: So, quickly on the numbers obviously as you mentioned that standalone numbers are brilliant, remarketing business take some headwinds, I was just thinking it through on remarketing considering it is so much market dependent, do you think they are levers that you can pull within the company to try growth you do mention the retail business growing, but do you think retail or any other business that you can put your efforts who can drive decent enough diversification for remarketing business?

Vinay Sanghi: No, absolutely right and I think this is something we discuss internally is that even it is a 70% of our business a year ago, it is down to 50 odd percent. So, I think the view here is that how do we grow other verticals within the company or within the remarketing company and retail vehicle from retail sources also is becoming a significant contributor to us and growing at a significant pace so that is clearly one area. We like commercial vehicle side auction; we like multiple verticals. So, we are focusing a lot on other verticals maybe one can say that we should done it earlier and derisk in a way fall in one segment, but now it is happening. I think we are becoming more and more widespread out from supply sources now rather than some part coming from the repossessed.

Sachin Dixit: And quickly on this AbSure business I know you mentioned that it is recently small, but meanwhile is there any headwinds that you are seeing like why do we not see any matrix being released on this business anymore?

Vinay Sanghi: I think it is very early we are still trying to as I said it has been a year and half or so and maybe little more than that from piloting to experimenting to putting up the first rule out, to again understanding customer experience, franchise profitability and then again rolling out. So, these are early-stage business as you know in India early-stage business like 1 to 2 years of businesses that has become more stable now in terms of our understanding. So, we are just trying to assess

it is very insignificant in our financials at this point. We also feel the next three to five years is still in a very small percentage of our total business although we are very excited about it and we have got a very good asset light model. We are still trying to get full understanding on customer experience, franchise profitability and etcetera. When it becomes a little more stable then we start ruling out on matrix which matter, we are still uncertain matrix which matters.

Sachin Dixit: Just one final question the remarketing thing again we did seem very minor revenue growth if we take out the purchase of stock and trade portion from the revenue on a sequential basis, why did other expenses grow?

Vinay Sanghi: In fact, I think it has actually degrown by 9% in the remarketing business not grown it is degrown by 9%, but the other expenses grew because we have got certain contracts with certain customers and during the quarter we normally get confirmation of these contracts and deliveries to customers on our valuation business and during the quarter we had atleast two crores of conformational customers on our valuation business. Our valuation business actually the low margin business and then the corresponding cost got booked which is the cost of carrying on those inspections and valuations and therefore you see a little jump in variable cost which is the other income which is in the other expenses. This is probably a one off I do not think you will see that again.

Moderator: Thank you. The next question is from the line of Nishit Jalan from Axis Capital. Please go ahead.

Nishit Jalan: I have two questions on our two business so new car business obviously is doing well for us, so there I just wanted to understand you partly eluded to this that whether the dealer spending in terms of marketing which had come down very substantially whether as a percentage of revenue how much they tend to spent, is it back to normal levels or it yet to come to normal level because it is demand versus supply issue is still there. So, that will be my first question and is there any room for us to add more dealers on the new car side or our growth will be more dependent on existing dealers spending more, so what will be the drivers of growth in the new car business?

Vinay Sanghi: Year ago the market condition were not favorable where demand was much higher than supply. I think you are seeing that only a few products and there are still a few cars or vehicles where supply is lower than demand. So, it is not I would say it is fully favorable position, but it is much better than a year ago. I think most predictions are there of the next year supply will exceed demand and that is probably the best condition for us, but it is not fully there are still lot of dealers or manufactures who advertise less because their products are under shorter supply. So, I think if the conditions were quite bad a year ago it is much better today and probably in the next 4 to 6 months it will get even better our supply exceed demand. The second question are adding more dealers I think it is combination adding more dealers as well as at the same time penetration of budget within the existing dealers budget. It is still very early days as we put out reports earlier it is hardly 13%, 14% of manufacture of dealer money we spent on digital advertising in most countries are 35%, 40%. So, you should see a long-term shift of dealers budgets to digital number one. Number two is more and more dealers is coming on the platform

both for new cars and used cars so it is a combination of both those factors and that is one of the reason you are seeing the dealer business now grow at a faster rate than the OEM business.

Nishit Jalan: So, Vinay can you share some numbers as to what used to be the marketing spent of dealers and how much it has come back and how much is yet to come back, any broad numbers just to get a sense how much of it is back?

Vinay Sanghi: It is on a Redseer had done report for us which capture some of this, we will share that with you.

Nishit Jalan: And would you be able to share some details on how many new car dealers we are impaneled or we are getting business from, so you just mentioned that one thing which is very clear is that the digital spent of dealers will increase so that will benefit you their overall spent will probably increase that will benefit you I just wanted to understand how many dealers we already have who are paying us and how does it compare to the overall dealer?

Vinay Sanghi: We will share that as well there are three, four buckets of dealers for us. The new car dealer or used car dealer and then used auction dealer which buys them on auction all three will come back on this.

Nishit Jalan: The second question is on the tougher business right now which is auction, so if I look at that last couple of years have been good for auction business, but was not good for overall auto industry so probably repossessions were happening, people were not able to meet EMI now the growth is back, business is back, is that the reason you think that the repossessions are down and if that is true then for the next two, three years if auto industry looks good then don't t you think that repossessed the vehicle auction business could continue to be under stress and secondly if I heard the numbers correctly you mentioned repurchase vehicle is 59% in this quarter which was 70% YoY?

Vinay Sanghi: In this quarter it is 53% and was 72% last year same time.

Nishit Jalan: So, you are seeing some growth mid-teens kind of a growth in your rest of the other business?

Vinay Sanghi: Yes, rest of the business is actually going up at faster because this is degrown I mean at a fast rate throughout, make sure there is even 9% it is only minus 9% because the repossession degrowth is much stronger?

Nishit Jalan: Your comments on the first part of the question which I asked that can repossession?

Vinay Sanghi: We asked if we have been debating and talking to multiple people or stakeholders like banks and NBFCs etcetera I mean there are multiple schools of thought. One is you did have a period of last two years in COVID where loan disbursement itself was lower I think for some quarters there are no disbursements or loans at all people were mostly collecting money rather than disbursing. So, it is possible that the loan which is not disbursed may be in the last two years hit the business because if you are not disbursing a car loan how do you reposes the vehicle that is one part and most of them they were just reworking existing loans and making sure that during

those COVID quarters there were restructuring loans rather than disbursing loans. So, it could be partly that, it is partly also the fact that industry is better. So, corrections are better maybe repossession itself is lower. It is also a fact could be that used car prices are reasonably higher or resale values are better during a market like this. So, maybe customers rather pay them let the vehicle get reposed, you know, it could be a combination of all these factors. It is hard for us to really tell that repossession is going to change or not in the next 3 months or 6 months. I think what we have got to do with a business is really grow other verticals if repossession does come back we are of course there and that will help the company, but it is better than we focus on growing every possible vertical which is within our control, and I think that is where our focus is.

Nishit Jalan: Just two small follow up Vinay one have you seen like a repurchase vehicle has come, have you seen a significant increase in our passenger car mix in your auction business number one and number two in terms of profitability will repurchase vehicles be more profitable probably we are able to view we are able to make more, offer more value-added services in that segment?

Vinay Sanghi: We make margins better on retail just because the supply is more fragmented and the first the question before that was.

Nishit Jalan: So, the mix of cars has increased?

Vinay Sanghi: No, nothing no change it is pretty similar I do not think we have seen any product mix change.

Nishit Jalan: So, I remember correctly it used to be one-third of the total volumes is that still the right number?

Vinay Sanghi: The way we track it commercial vehicle is about 20% that is the way we track it; it is the other way round.

Nishit Jalan: Commercial vehicle is 20%?

Vinay Sanghi: About 20%.

Nishit Jalan: This used to be 30%, 35%.

Vinay Sanghi: It was little higher that was just pre our acquisition Shriram Automall for five years ago I think that is much lower. Once we mold our online business it has been around 20% around commercial vehicle.

Moderator: Thank you. The next question is from the line of Jeetu Panjabi from EM Capital Advisors. Please go ahead.

Jeetu Panjabi: What I am trying to get at is can you give us some color on both the new car business and the Shriram side what gives add on numbers I just want to understand what trends are you seeing there and what do you think the next 3 months, 6 months trends look like, are you seeing some

signs of weakness, are you seeing buoyancy, are you seeing a new class of buyers coming whatever a little bit of a color on both of these will be really useful?

Vinay Sanghi: On the consumer side, which is our new car used car consumer platforms actually we are seeing reasonably good trends. We are seeing obviously the penetration of consumers is already high, consumers use internet to research or buy vehicle, on the OEM dealer side which is far more pertinent in this business we are seeing far more adoption to digital generally in the last year and half and I think the trend will only get stronger. So, our relationship with dealers are getting stronger, our relation to OEM is getting much stronger, we are also seeing OEM interact deeply with us on deep digital integration which is this whole theory about how do you come online and get a complete experience to buy a vehicle because booking a car, whether it is getting a loan for a car, whether it is facing multiple interactions with the OEM in us. So, the basic trend towards digitalization is getting better, market conditions as I said new car demand supply standpoint seems to be getting more favorable which is always for us a growth in the industry plus supply more than demand is probably the most favorable marketplace for companies like us and I think we are getting there. It has been probably the worst over the last year it has gotten better than last quarter, but it has been probably quite bad because demand has outstripped supply and that is really not favorable for companies like us we are manufacturing, and we spent money to advertise to sell their cars. So, this is what we are seeing here. On the remarketing side I think the biggest issue for us has been the repossession volumes coming down, but on the other hand we have seen good growth on retail suppliers of vehicles. So, I feel that the used car industry on the remarketing side generally across the industry seems reasonably buoyant its we have to who have to work hard on building other verticals within outside repossession.

Jeetu Panjabi: So, if I have to summarize next 3 months, 6 months who are feeling about in aggregate as well and things look like?

Vinay Sanghi: We feel that market conditions are okay very similarly I do not think we see any reason that the market conditions are changing any further from here, from what it is today.

Jeetu Panjabi: And one last question so we are also seeing a bunch of new model launches which normally happens and things like that bunching up now and also the EV side because of few things happening, how would you read that do you think it is all positive?

Vinay Sanghi: We feel product launches are highly positive for our business. So, EV I feel it does not matter whether it is an EV or ICE vehicle for us, but new launches are definitely favorable for us.

Moderator: Thank you. The next question is from the line of Vijit Jain from Citi Group. Please go ahead.

Vijit Jain: Vinay I just wanted to check back on the comment you made on the remarketing business the split between repo and retail, so clearly that repo going from 72% to 53% means retail is up if I do the Math right it is about 60% YoY just on that?

Vinay Sanghi: It is in the range correct.

- Vijit Jain:** So, what I was wondering is two things obviously the repo is down significantly 30% YoY might be even close to bottom, do you think the retail momentum remains as strong as it is in these numbers 60% YoY and therefore if I think about repo even if it bottom at this end the retail growing at 60% should give you still decent growth in the overall remarketing business going forward?
- Vinay Sanghi:** The mathematics is that, but this growth of retail on a lower base, base will become bigger. So, of course the growth rates becomes harder. I would just say that we see retail growing because it is the serious effort going behind it and also for us our margins are better, so it is a better business as well and far more defensible as well because it is re-fragmented supply. So, all the elements of what we like but I cannot predict will be 60% or what percent, but we see there is lot of effort going in here, but as a company repossession does as bottomed out or does start to go back and grow and our retail continues to be stronger now, it makes us much stronger if repossession does come back.
- Vijit Jain:** Just a quick question related to that when I do this simple Math of your realizations per vehicle auctioned I know there are other elements here remarketing business as well I can see that the realizations are going up right and is that to do with this mix shift into retail?
- Vinay Sanghi:** A little bit is that it is true that is correct a little bit it is because of the retail the margin is better.
- Vijit Jain:** And just final question on the retail remarketing side so most of this will be driven by the used car listings from consumers on the websites?
- Vinay Sanghi:** No, they are not actually it is not that is still some part which we are trying to plug and get the synergies across both platforms, but it is also independent people giving vehicles to these Automall and then being sold on auction. It is not dependent on CarWale that is the question.
- Vijit Jain:** So, should I think of this is more of a mix of a local dealers?
- Vinay Sanghi:** Local fragmented supply sauces which could be a consumer or it could be a very small broker bringing consumer vehicle in the multiple sauces, but it is one vehicle it is right maintained it is not bulk from a bank or an NBFC or a leasing company etcetera.
- Vijit Jain:** And have we hired a lot of people to kind of push that segment of business?
- Vinay Sanghi:** Yes there have been hiring done there in fact most of the hiring is there to push the segment absolutely correct.
- Moderator:** Thank you. The next question is from the line of Sachin Shah from Shah Investments. Please go ahead.
- Sachin Shah:** I have couple of questions the first one is that how much would be an ESOP cost per funding over the next four to five quarters and the second one was that I wanted to understand if there is anything on the pipeline?

- Vinay Sanghi:** The ESOP cost is roughly 27 crores a year and that is impacted in a quarterly accounts and will be probably around what will be this year. We do not see any significant change in next year is that the question and we do not see any significant change in that.
- Sachin Shah:** And the second question as I said sir is there anything in the pipeline which you see from an inorganic expansion perspective?
- Vinay Sanghi:** Inorganic is the question.
- Sachin Shah:** Inorganic Yes.
- Vinay Sanghi:** We cannot comment on this we keep looking at businesses and companies, but we cannot comment on this at this stage.
- Moderator:** Thank you. The next question is from the line of Abhishek Dave from Bright Securities. Please go ahead.
- Abhishek Dave:** So, I have couple of questions one is on the AbSure business wanted to know what is the current number of outlets and previously we were guiding for 120 outlets by the end of the year, are we on track for that as a follow up?
- Vinay Sanghi:** I think on the call it was earlier asked we are at about 73 now. I think we will end up adding about 20 by March which should be around 90 - 95 by the end of the year that is what it should be.
- Abhishek Dave:** And are the revenues from the segment becoming more meaningful now or is it too early?
- Vinay Sanghi:** No, it is too early it is still a very early business it is almost like an early-stage business within the portfolio.
- Abhishek Dave:** And second question was on the media business while the remarketing business has been subdued the media business has performed strongly what accordingly to you is the steady state, sustainable number of unique visitors and do we ever plan to monetize them directly?
- Vinay Sanghi:** At this stage there is no plan to monetize consumers directly. See the steady growth rate are consumers now if we think that most people who buy cars are on the internet then the steady growth should almost be similar to industry level growth in a way, but we are also having two-wheeler platform etcetera, so you might find a little better growth rate in terms of users in the industry, but on the whole do you remember that our revenues are not dependent on number of consumers coming to the platform. It is highly dependent on the amount of money manufactures and car manufactures or vehicle manufactures and dealer spent. Revenue are not completely correlated number of customers coming to the platform. This is one thing you should keep in mind where the revenues are dependent on the percentage of digital money spent by a car manufacturer or dealer to the advertising money we used to spend.

Moderator: Thank you. As there are no further questions I would now like to hand the conference over to the management for closing comments.

Vinay Sanghi: We sincerely want to thank all of you for joining the call and as said earlier it has been although we have seen the higher revenue and adjusted EBITDA it has been a mix quarter where you had strong performance by consumer group and it has been a tough quarter for the remarketing group. So, thank you once again for joining in and taking the time out to hear us out. Thank you everybody.

Moderator: Thank you. On behalf of CarTrade Tech Limited we conclude this conference. Thank you for joining us and you may now disconnect your lines.