



इंडियन रेलवे कैंटरिंग एवं टूरिज्म कॉरपोरेशन लिमिटेड  
(भारत सरकार का उद्यम-मिनी रत्न)  
**INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.**  
(A Govt. of India Enterprise-Mini Ratna)

"CIN-L74899DL1999GO1101707". E-mail : info@irctc.com, Website : www.irctc.com

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<b>BSE Limited (Through BSE Listing Centre)</b> 1 <sup>st</sup> Floor, New Trade Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street Fort, Mumbai – 400 001  <b>Scrip Code: 542830</b>	<b>National Stock Exchange of India Limited (Through NEAPS)</b> "Exchange Plaza", C-1, Block-G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051  <b>Scrip Symbol: IRCTC</b>
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**Sub: Outcome of investors/analysts meet – Transcript of the Q2FY22 Earning Call held on Monday, November 01, 2021**

**Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015,**

Sir/Ma'am,

In reference to our communication dated October 29, 2021, regarding investors/analyst conference call, please find enclosed the transcript of the Post Result Conference call held on Monday, November 01, 2021 to discuss the financial results and operations for the quarter ended on September 30, 2021.

You are requested to kindly take the same on records.

Thanking you.

Yours sincerely,

**For Indian Railway Catering and Tourism Corporation Limited**



**(Suman Kalra)**  
Company Secretary and Compliance Officer  
Membership No: F9199



**Encl: as above**

# “Indian Railway Catering & Tourism Corporation Limited Q2 FY22 Earnings Conference Call”

**November 01, 2021**

**MANAGEMENT: MS. RAJNI HASIJA – CMD, IRCTC  
MR. AJIT KUMAR – DIRECTOR (FINANCE) & CFO,  
IRCTC**

**MODERATORS: MR. DEVANG BHATT – IDBI CAPITAL**

**Moderator:** Ladies & gentlemen, good day and welcome to the Q2 FY22 Earnings Conference Call of Indian Railway Catering and Tourism Corporation Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing “\*” then “0” on your touch tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Devang Bhatt from IDBI Capital. Thank you and over to you, sir.

**Devang Bhatt:** Thanks, Lizann. Good evening, everyone. On behalf of IDBI Capital, I welcome you to the Q2 FY22 earnings call of Indian Railway Catering and Tourism Corporation or IRCTC. On behalf of IDBI Capital, I thank the management for giving us the opportunity to host the call. We have with us the management represented by Ms. Rajni Hasija - CMD and Mr. Ajit Kumar - Director (Finance) and CFO. I would now like to hand over the call to the management for opening remarks and later we can open the floor for Q&A. Thank you and over to you Rajni Ma'am.

**Rajni Hasija:** A very good evening to everyone. I welcome you all to this con call of IRCTC Limited for the quarter that is ended on 30<sup>th</sup> September 2021. I hope that you and your dear ones are safe. I also wish a very Happy Diwali and a healthy and a prosper year for everyone.

Now we start discussing about the results of the Q2 for the Financial Year 2022. The quarter has really seen some moderation and infections and continuous momentum in the vaccination, which has been positive in the travel and hospitality industry, which has started reviving now. Further this places industry in a very good position going into the festive season though the risk of the third wave is still not completely behind. Earlier today, IRCTC has announced its financial results for the quarter and a half year ended on September 2021. The same has been disclosed on both the exchanges too.

I shall first give a brief overview of this quarter results, post which we shall be taking up the questions and answering them well on behalf of management.

In this quarter, that is Quarter 2, for the Financial Year '22 IRCTC yet again demonstrated its resilient business model and has been able to significantly improve its operational performances. While normalization in the catering and the packaged drinking water in the tourism is still going to take some more time, internet ticketing has not been able to surpass its performance in the pre-COVID period, but in fact, in this quarter, that is Quarter 2 of the Financial Year '22 has been the best ever quarter for this segment. I congratulate all participants in this.

On a consolidated basis, Quarter 2 Financial Year '22 revenue came at around Rs. 404.9 crores, seeing a strong growth from Quarter 1 where the revenue was only Rs. 243.4 crores. So, there is a significant improvement quarter to quarter, given that Quarter 2 of the Financial Year '21 had the impact of the pandemic. EBITDA on absolute basis was at Rs. 211.5 crores in Q2 of

fiscal '22, which is much higher than Rs. 111.5 crores in the previous quarter and against the loss of Rs. 5.6 crores in the Q2 of the previous year, if we exclude the other income. Similarly, EPS of Rs. 9.9 grew from Rs. 5.2, that is earnings per share from one quarter to quarter and against a minor loss in year over year. Importantly, both EBITDA and earnings per share in this quarter, that is in the Q2 of FY22 has been higher than in the Q4 of fiscal year '20 level as well. With the resilience of performance in this quarter, gradual opening up of the economy and the festive season, vaccination happening, I believe that IRCTC is placed very well to continue to demonstrate improvement in its other operational areas and the performance is going to be better.

I shall now hand over the call to my colleague and our CFO Shri Ajit Kumar to brief you on the financial and segmental performance of the company. Thank you very much.

**Ajit Kumar:**

Good evening, everybody and festive greetings to you and your dear ones. I shall first give a brief overview about Q1 FY22 results, post which we shall have the question-and-answer session.

Q2 FY22 revenues saw a sharp improvement both on quarter-on-quarter and year-on-year basis. Revenue of Rs. 404 crores grew by 66.4% quarter-on-quarter and by 3.6 times year-on-year given that Q2 FY21 had the impact of the pandemic. Given that internet ticketing continued the drive the growth, as you know, it has the highest margins amongst the various segments. The EBITDA margin continued to make a new high and crossed the 50% mark and was at 52.2% versus 45.8% quarter-on-quarter and compared to a minor loss in Q2 FY21 if you exclude the other income.

Let us now move to the business segments of the company:

The first one is the Internet ticketing. This segment continued to be the most resilient business segment. Q2 FY22 revenue Internet ticketing was at an all-time high at Rs. 265.3 crores growing by 77% quarter-on-quarter and significantly higher than Rs. 58.3 crores in Q2 FY21. The growth was driven by both, the growth in ticketing volume and in non-service charge revenue. EBITDA margin moved back from 80% and was at 83.1% versus 77.9% quarter-on-quarter and 58% year-on-year basis. The catering segment has maintained the declining trend in EBITDA loss. For Q2 FY22 the segment reported a very minor loss of just Rs. 15 lakhs versus Rs. 4.7 crores in Q1 FY22 and loss of Rs. 33 crores in Q2 FY21. Rail Neer has also maintained the momentum in improvement revenue and EBITDA. The Q2 FY22 revenue for this segment grew by 41% quarter-on-quarter to Rs. 41.2 crores and against Rs. 9.2 crores in Q2 FY21. EBIT margin improved to 6.8% for Q2 FY22 versus 6.2% quarter-on-quarter and a loss in Q2 FY21. Tourism segment which has been the most hit by the pandemic for us as well as the entire industry, this has continued to see muted revenue and this loss is at EBIT level. The cash and bank balance and net worth of the company as at the end of Q2 FY22 is Rs. 1,945 crores and Rs. 1,604 crores respectively.

That brings us to the end of my opening remarks. Now we can move to the question-and-answer session.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Jinesh Joshi from Prabhudas Lilladher Private Limited, please go ahead.

**Jinesh Joshi:** Madam, I just have one hypothetical question. If we assume that the decision to share this convenience fee had not been withdrawn, what recourse would we have taken? I want to understand, do we have the autonomy to take a price hike or charge on a per passenger basis? So just wanted your thoughts on that.

**Rajni Hasija:** It is good in the interest of IRCTC that the decision of sharing of the revenue of convenience fee has been withdrawn. But had that not been withdrawn, what we would have done. As we have been mentioning in various con calls that IRCTC has been given the liberty to decide its convenience fee, the amount that can be charged. That amount in various conferences, investor meets also, investors have been suggesting why not charge per passenger. At that time management has been answering let's not be that the greedy. Secondly, we have also been given some dispensation to the UPI where almost 30% transactions are getting, we are getting less of the convenience fee. So, had the decision not been withdrawn, certainly we would have worked on those lines. And for that we needed to have a full board and a lot many decisions to be taken which would have taken some time at least. So, that forum was open for us for which we had already started working. The management had already started working on those lines. So that alternative was available with us. But at the same time, you never know how this is going to take a view, because ultimately this was to be decided by BOD, Board of Directors. So, various schools of thoughts are there. So, this was the option available for IRCTC. We were left with that option, either to increase the licensee fee. Actually, withdrawing benefits to UPI we cannot dream of because it is our own indigenous product and we work in Atma Nirbhar Bharat or we would have fought, intensify the other resources which we are already doing, that you know that our dependency on the convenience fee resources is gradually improving. And our revenue from the non-convenience fee is also increasing. So, our focus is already there on that. So, such decisions don't impact destiny of the company. I think I have been able to answer your question.

**Jinesh Joshi:** Yes, madam. Just one last bit from my side, there have been some media reports which state that this mandatory reservation facility in the general compartments which was implemented during COVID may not sustain completely and some roll back may happen. For instance, in 23 special trains this reservation norm is not applicable. So, do you expect a full rollback sometime around in the near future?

**Rajni Hasija:** I cannot comment upon that but that this is inventory of Ministry of Railways. But if they are converted the general inventory into the second desk, they are also gaining out of that. So, I cannot comment upon the decision to be taken by Ministry of Railways. In the COVID time they have done that, but after COVID when everything normalizes, whether they are going to

retain this or not we don't know. We cannot comment at this juncture. However, I can tell you that around 40% of our reservation is coming, the excess reservation is coming. Normally we used to book around 8.5-10 lakh tickets in a day. As of now, our average ticket is around 12.5 lakhs. That is an add-on inventory that we have got because of this booking. So, that add-on may not be there in case the Ministry would like to withdraw that. But the initial for which we have projected which was projected in our DFRP document also that 8.5lakh tickets are going to be booked. There is some increment after we had released that and from 71% of railway booking now, we have reached around 81% of booking. And the improvement is still there, and people are diverting from offline to online and more and more digital transactions are happening in the country, is also a hard fact which we should not forget before making any decision.

- Moderator:** The next question is from the line of Nitin Gosar from Invesco Mutual Fund. Please go ahead.
- Nitin Gosar:** The question is also again on the similar lines on which the earlier participant asked. Can you help us understand what was Indian Railway or Government of India thinking while they were evaluating this proposal of 50% sharing of convenience fee?
- Rajni Hasija:** I may not be the right person to answer this question.
- Nitin Gosar:** Is this deferment of proposal to ask for 50% of convenience fee deferred on permanent basis or how should we see this?
- Rajni Hasija:** The letter received by us looks can be read like that, than withdrawn.
- Nitin Gosar:** And on this second class which is now become a part of the reserve category inventory, how should we see this going forward? This will stay or the normalization will come into picture, and we will start losing on that 4-lakh inventory that has got created additional?
- Rajni Hasija:** It is very difficult for me to handle this because this inventory belongs to Ministry of Railways where the general category has been converted into the reserved category. The people are opting for it, people have not denied it. And there is a comfort zone also involved in that. Earlier they were going with lot of uncertainty. By converting this a certainty amongst the people has also been created. There are going to be few takers who would like to continue in that. There may be a few takers who would like to have a general inventory. Perhaps at this juncture this question cannot be answered by IRCTC, this is our excess rain that we could capture, and we could provide the environment and could make some good losses covered up by facilitating those customers and providing them the inventory, maintaining the balance reserve, etc., so that is booking doesn't go waste and we are able to tap in the form of a convenience fee to this.
- Nitin Gosar:** Just a clarification. Today we have an inventory available of 12.5 lakh per day.

**Rajni Hasija:** We have been able to book 12.5 lakh tickets per day. The normal inventory in the reserve segment 8.5 lakh tickets in a day. And every size in one ticket is around 1.7 these days. Earlier it used to be 1.9, but after COVID it is 1.7.

**Nitin Gosar:** For the quarter what would have been the ticket booking, PNR booking for the quarter?

**Rajni Hasija:** In Q2 the total ticket booked was around 11 crores, 11 crores 22 lakhs nearly. Average will be around 3.7 crores and passenger travelled is in the ratio of 1.7.

**Nitin Gosar:** And one last bit on UPI you mentioned that we are right now are not asking for any kind of additional charge.

**Rajni Hasija:** I did not say this. I said for UPI instead of Rs. 15 we charge Rs. 10 in sleeper class and in AC segment instead Rs. 30 we charge Rs. 20 in the case of AC class. So that is to promote Atma Nirbhar Bharat and promote digital payments in India, because we are big gainer out of the digitization.

**Moderator:** The next question is from the line of Rahul Jain from Dolat Capital. Please go ahead.

**Rahul Jain:** I have a question that we have seen this massive swing in our stock prices which I would blame to the investor community, but part of the issue on account of the input coming from Railway, Government of India on various elements such as convenience fee sharing and maybe merger with CRIS and RailTel, those kinds of events. While I can understand your limitation, but what I essentially want to convey, or request is that there has to be a faster and frequent communication or clarifications to avoid a scope for such speculation because essentially the business has lot of dependency on Railway. And what can give us comfort that if such events happen, how we would be able to safeguard interest of the minority shareholders?

**Rajni Hasija:** The confidence which I can give, IRCTC can provide through its operating performances. But since most of our businesses are Railway dependent so Railway as a policy maker decides something and IRCTC as a follower, as an extended arm of Railways implements that. Normally we discuss with each other and rather this discussion is happening very frequently on daily basis on all the subjects. So, these are not that issues are not discussed with each other, but there have been few gaps in the past. But I cannot say that people don't discuss, and such kind of decisions are taken. Your discussion point has been noted and we will also try to communicate to our Ministry that investor is worried about that, and investor would like to have more confidence. If this kind of a dialogue happens again and again, we will certainly communicate to Ministry of Railways which we have done also.

**Rahul Jain:** What happens to some of the segments where we are getting immensely benefited because of part of the Railway ecosystem, but there is no revenue arrangement. I can understand in the ticketing they have showed their interest but of course it has been withdrawn. And in catering business, we are already doing it, in tourism we pay whatever holiday charge and everything which is required. But in rail mail business again there is no sharing as such. So, what happens

in case something of that sort is considered in that kind of a business at a later point of time. And also, as you rightly said what you could have done in such an event in terms of pricing increase or UPI discount abolishing. But does that also somewhere imply that if we do a pricing hike in future, it may happen that it may come along with sharing with the railway so eventually the benefit to the minority would not be any different?

**Rajni Hasija:**

One is, securing the interest of minority. Second is handling the expenses of IRCTC. The representation which IRCTC made to Ministry of Railways was on the basis of, one of course was the investor interest and secondly the expenditure that IRCTC would like to do in upgradation of the site. Because there are many things which we require to maintain this website and the infrastructure requirement is huge. If Railway has given us this work, so Railway has also saved, if 80% inventory is being booked through IRCTC for booking one ticket, Railway might be spending, this was a very old calculation I have more than Rs. 60Railway was spending for booking one ticket. If the same work has been given to IRCTC so you can calculate the amount of saving which Railway has done. It is the digitization that has really helped, and the infrastructure placed by IRCTC and the experience of IRCTC in the last 20 years that has helped in maintaining this infrastructure in a very conservative manner. Suppose we increase the price and there can be a sharing with the Railways, I don't think this can be discussed at this juncture. There has to be a lot of deliberations on this subsequently with the Ministry and we would like to discuss, in any case we would be requiring funds for maintaining our infrastructure. We would also be requiring lots of float to handle such huge booking and some other arrangement for upgrading the site and making the DR site etc., handling all the risks involved in the business. There are risks. Because as we know there are no transaction charges in the case of a debit card, in the case of payment which are less than Rs. 2000. All where we were earlier running in the non-convenience resources, they are not there. So, these things are happening, the industry is changing. Till the industry is changing, the flow of revenue that is coming to IRCTC is handholding in the other assignment. There was a time when this money was taken away in 2016-2017 at the time of demonetization. At that time catering helped. During COVID catering and Rail Neer was not there so internet ticketing helped, that is what the resilient business model IRCTC has. Our growth is not only vertical, it is actually horizontal. The more domain we had so that at we can cover up the losses of the other segment and together as we come up as a great strength.

**Rahul Jain:**

And in the catering and the tourism business, if you could share your thoughts in terms of when we expect the revenue getting aligned in the catering segment with the passenger traffic. We are seeing this license fee it is quite low compared to the normalized run rate. And also similarly on the tourism business, our losses have widened in this segment in this quarter which is a bit surprising, because we are seeing the general tourism and hospitality across PSF seen a massive improvement. When could we see this in our numbers as well?

**Rajni Hasija:**

In the tourism our losses have widened as compared to the previous quarter, there is a reason because earning of Tejas is being added into it. And there is some revision in the Tejas policy for which we have requested Railway Board to reconsider. The haulage pattern of Tejas been changed and for which we have already requested Railway Board to reconsider so that these



losses can be curtailed, and we can at least break even. In spite of the festive bookings, we are not able to make good of the losses done previously. Secondly, we have also raised certain issues of passing the benefit of the cost measure during the period when the train was not running. These are the few issues which we have discussed with Ministry of Railways because of those losses being guided in the tourism, other than Tejas you talk about, the tourism is in profit. These we are taking a concrete decision on the Tejas and let us see we are hopeful that we will get some rescue out of that. If we are not, then we will take a tough decision in the subject. Rather will be constrained to take a tough decision.

**Rahul Jain:** This would be like reducing the frequency, increasing the price?

**Rajni Hasija:** Many such things are there, we will either increase the price or we will decrease the frequency or curtail our own expenses, do the re-tendering or increase the non-fare revenue which we have already done. Money for that is yet to be taken. We will try hard so that this segment also makes up the profit. Otherwise, hardcore tourism, it is in profit.

**Rahul Jain:** And catering?

**Rahul Jain:** My answer to your first question will be, that catering we have already raised the matter to Ministry of Railways, and they are taking some time for examination. Perhaps they are waiting for this festival period. Because festival period you might have seen the crowding everywhere. Last year in the month of April, May the second wave had cropped-in after the festival period only. People are just waiting, let's hope for the good. We have already reminded Railway Board even today also.

**Rahul Jain:** So, the thing is that as you just answered to some of this question, you said there is a haulage price increase in the case of Tejas which has resulted into despite higher volume, we are incurring losses in that business. Again, the single point impact is the change in policy by the Railways. Similarly in catering also, we are not able to cope it up with the relevant traffic base revenue because the RT has been imposed by the Railways, I am not saying that they are trying to do something which is not in best interest of the shareholders, but of course the decision-making for us actually lies well beyond the conventional thought process of the Board sitting at the IRCTC or they have their own limitations to that. So that is the big question out here that we are doing fabulously well as an organization, but how we will be able to deal with such risk because we are not able to address the issue which we actually have just because it is the calls has been shot at some other place?

**Rajni Hasija:** Let's go to the root cause of this. Why Ministry had to withdraw the catering. Ministry had to take a tough call because there was COVID and there were many contact points and Railway never wanted to be party in spread of COVID. This was a tough decision, no organization, if we are losing, then Railway is equally losing because our distribution of revenue is also there. 45% of our share goes to Ministry of Railways in this. So, they are also losers, they have foregone their Rs. 700 crores in that. If you recall our previous discussions that we used to do in the year 2019-2020, that in the year 2021 our revenue from the catering should have been

around Rs. 1500 crores out of which 45% around Rs. 700 crores would have gone to Railways. So, Railways also has foregone their revenue in the interest of our nation to save the lives. Tough decisions at times are taken to take care to get the better deal and lifesaving, nothing can better than saving a life.

**Moderator:** The next question is from the line of Shyamsundar Sriram from Sundaram Mutual Fund. Please go ahead.

**Shyamsundar Sriram:** My first question is what is the basis for this revenue sharing with Indian Railways? Is there any underlying economic logic to share, that is the first part of the question? Secondly, now IRCTC also works with many OTA agents as well, where the agent charges an additional convenience fee and there is a revenue shared with IRCTC as well. Is this also decided by Indian Railways, or this is decided by the IRCTC Board per se. So tomorrow if Indian Railways decides to change that also, is that something that is possible, if Railways decides to change your terms of agreement with your OTA agents per se, those are the two questions.

**Rajni Hasija:** Well, I would like to answer your second question first as compared to the first. Like Ministry of Railways has already decided that the agent can charge Rs. 10 and Rs. 20 per ticket. That is already decided. And in that if the OTA is there, his fee cannot be more than that. But however, the IRCTC takes an additional money from him in form of Rs. 12 that is the decision of OTA. The agreement to appoint OTA is done between IRCTC and OTA. Ministry does not have any access to that.

**Shyamsundar Sriram:** But ministry decides the agent charges?

**Rajni Hasija:** No, whatever he has charged before and decided that is continuing for all B2B, any kind of agent can charge only this much, 20-40 they can charge. That is being done by them and over and above what OTA policy has, what is B2B, what is B2C, how the Rail RTA will be there and how the GSA will be appointed, it is all internal decision of IRCTC management. You said, what has been the logic behind that? Well, I have already answered that. My answer remains the same, that ministry has decided that ministry has withdrawn, IRCTC is not in position to comment.

**Shyamsundar Sriram:** No, ma'am I was just trying to understand is there any economic logic in terms of, because we use by Indian Railways backend reservation, so is there any sort of economics or a logic for IRCTC?

**Rajni Hasija:** As per our understanding that ministry has saved a lot of money by doing the online reservation. If the work is not being looked after by them, IRCTC is also incurring lot of expenditure in maintaining the infrastructure and we need to upgrade that. And that we have already been telling our investors all the time that it is a continuous process. We have already awarded many contracts for upgrading our infrastructure.

**Shyamsundar Sriram:** Can I ask one more question? You said IRCTC has the freedom to raise the convenience fee. Now, what factors that you will consider that you go into whether you have to raise the convenience fee, as in is it simple like in services inflation per se or what will you consider?

**Rajni Hasija:** There are many factors. When we will increase our licensee fee, first our expenditure become so much that we are not able to handle our expenditure. The revenue that we receive from the convenience fee is lesser than that. As of now, we are able to handle so we don't want to put any burden on the customer. At the same time, we have to look the overall interest of the country that is in the form of promoting the Atma Nirbhar Bharat concept and creating our own gateway, etc. As long as we are able to handle it well and add to good amount of revenue to our company, getting good profits, I don't think there is any need to for the management to increase the convenience fee. If there is some shortage, then management will take a call.

**Moderator:** The next question is from the line of Urmil Shah from Haitong Securities. Please go ahead.

**Urmil Shah:** I'll maybe try and channelize the discussion on the positives. If we look at the internet ticketing segment in this quarter, it appeared that not only the volume-based benefit has enabled us to do all time high revenue, but even the non-service charge revenue has touched an all-time high as regards the quarterly run rate. If you could throw light on the same. And also, how should we look at it over the next couple of years?

**Rajni Hasija:** I can tell you that the convenience fee in the first half year our total fee has been Rs. 289 crores, that is in the first half, out of which Rs. 104 crores in the first quarter and Rs. 185 crores in this quarter. Non-convenience fee earlier we had 46 now we have 80. Out of which I can give you the sharing, all the time investors have been asking why the advertisement revenue from our side has been less. Let me tell you with great pride that this time around Rs. 20 crore is almost we have received two advertisements where we have been able to tap good government ads for our portal. Then commission also has seen some very high, because the overall ticketing has been high, so the commission has been high in the B2C segment. And AMC fees have also increased. So, all segments except for the SBI where our offer was there that we will not charge revenue has shown some improvement. So, our focus is convenience fee, yes, we have to have, you have to tap that, but at the same time we need to increase our non-convenience fee resources. This is a positive side, and there is non-convenience fee has shown increase of 74% whereas the convenience fee has also shown the increase of 78% over the Quarter 1.

**Urmil Shah:** While on a quarterly basis we might have variation but if I just annualize the 80 crores that comes to around 370 crores on a full-year basis as the non-service charge revenue. Would you say that is achievable in FY23 as a whole? We might have quarterly variation.

**Rajni Hasija:** I feel that will happen.

**Urmil Shah:** My second question was on the e-catering side, if you could let us know what is the kind of volumes being done, as well as regards to getting the aggregators not the top 2 ones, but the smaller ones to get the food options onboard.

**Rajni Hasija:** I have good news to share that pre-COVID I think in the month of April and October '21, if I take the data, so our average meals per day booking has been around 24,210 as compared to the average of 21,000 previously. So, the total value of orders was to the tune of 27.8 crores. And the aggregators which are live around 10 in number Rail Yatri, Rail Restro, Railyatri, Zoop, Rajdhani, OLF, Spicy Wagon, Comesum, Yatri Bhojan etc. are there. We have around thousand odd active service vendors who are associated with us and we are also in process of mobilizing our own food Plaza and FFU, people to be mandatory food providers for our trains, so that the facility is available in more and more trains. Last time when we were doing this earning con call, we had mentioned that we are going to put in our B2C agents in the e-catering. At the time only 2 were active. Now, 20 of such are active. Our number of stations where the e-catering is live has also increased to 252. Our revenue from the e-catering is increasing, average meal order has also increased but a lot more to be done, which we would be doing. We are going for a massive kind of a promotion. We are also in the process of tying up with new aggregator and new vendors also. You will see further improvement as the year passes.

**Urmil Shah:** Just to a follow up on that, as regards the 20 B2C agents, how many of them would be on the supply side? On the ordering side we have never had any problem but as regards to providing the food option, how many of these will be B2C agents would be on the supply side?

**Rajni Hasija:** This B2C agents are not in the supply side, but we are going to have one B2C agent soon, whom I will not name, because our approval is yet in the process in a day, maybe in the next earning con call or in our investors meet, by the time the approval will be there, I would be sharing his or her name. There are operators in the B2C segment who have ticketing agents, but they would be in the supply also. Rail Yatri is one, Rail Yatri is my e-catering agent also and the ticketing agent also. And this Comesum, Comesum is my supply agent, but he is very less of e-ticketing he also does. Similarly, we are going to have 2-3 more who can, who become our ticketing agent also and will also be in the supply chain for e-catering. They are in process of tying up with the other hotel chains who can become. Ultimately, they book orders for those hotels and the supply chain for which we have already linked up and done one to one contract. So, they are gainers of our linking with them. Ultimately IRCTC is the gainer, whether they earn, or we earn the earning to IRCTC remains the same.

**Moderator:** The next question is from the line of Revant Shah from SBI Life Insurance. Please go ahead.

**Revant Shah:** You mentioned that we are in constant discussion with Ministry of Railways for policy related matters. So, whether on this convenience fee circular, which was issued by them, were we in discussion with them to understand the impact on our company or were we left blind sighted by them?

**Rajni Hasija:** Well, I am not in position, I will reiterate my answer. I am not in position to answer this question I have already answered. The good part of it is that the charges have been reversed, withdrawn, so let's accept the fact.

**Revan Shah:** Secondly could you tell us on the developments of merger with RailTel and CRIS.

**Rajni Hasija:** Such things are decided by our body DIPAM. We have not received any official communication in this regard.

**Revan Shah:** And a couple of more things. Could you provide any update on the privatization of trains for which we have won couple of tenders and any update or progress on that? And also, on our payment gateway application, which was pending with RBI, could you give any update on that?

**Rajni Hasija:** Our payment gateway application for that we have recommended changes in our MOS that has gone to Ministry. We have discussed today also, and it has gone to the top authority, once the Ministry approves then we would be sending to the rest of the approving bodies so that it becomes part of our memorandum of association in the main object clause. After that we would be applying to RBI for getting the license for the same. So that the payment aggregators services can be used. However, as far as the payment gateway is concerned, we can always use it. And I forgot your first question can you please repeat?

**Revan Shah:** We have won couple of tenders for this privatization, any update on that?

**Rajni Hasija:** We have not received any communication so far. Perhaps we will get it by tomorrow or day after. Let's hear from them, what Ministry takes a decision.

**Moderator:** We will move on to the next question, that is from the line of Bharat Parekh from CLSA. Please go ahead.

**Bharat Parekh:** I just wanted to ask you ma'am, from an investor relations perspective, how do we reach out to the company? Because we have been writing multiple emails as investors and also other email IDs which is available on your website. Unfortunately, we are not able to reach and also nobody picks up the landline. If you can guide us, how do we reach out to you to understand your company a bit better?

**Rajni Hasija:** We have a defined investment relationship officer, Mr. Anil Sharma. So far, he has been using his personal email ID. I have noted your point. Very soon we will be communicating and putting it on our website. That zero web kind of an ID, which is universally accepted, which can be there permanently on the website will be created and the phone number of the person will also be mentioned in the site. So, your points have been noted, a good suggestion thank you very much for that.

**Bharat Parekh:** So right now, we are emailing at asharma2490@irctc.com, is that the one?

- Rajni Hasija:** Yes. It is the same Anil Sharma is the person. Can you please give me your email ID, you please share after this con call? My number is there, you can give me a message. I will find out where these mails are going, maybe going to junk mails, let me see my system.
- Bharat Parekh:** How do I reach you? That will be my pleasure ma'am?
- Rajni Hasija:** You please share. We are here to sort out the issues. We don't want any investor to say this that his query has not been answered.
- Bharat Parekh:** That is so nice of you ma'am. Really appreciate the thought process you have. Truly commendable I must say, and it would be my pleasure to reach out to you and be in touch with you and understand the company. Really appreciate it.
- Moderator:** The next question is from the line of Mayank Babla from Dalal & Broacha. Please go ahead.
- Mayank Babla:** I wanted you to delve further in the non-convenience part of the internet ticketing. You said 20 crores was from the advertisements. Could you give the details of the balance revenue in that?
- Rajni Hasija:** I will read out for you. In the first half year, I will take the half-year figure, convenience fee resources, convenience fee has been Rs. 289 crores and the service charges other than the I-ticket has been Rs. 23 crores. Advertisement income is divided into two parts, for our convenience we have divided into two parts because we are maintaining it like that, in one part we have received Rs. 5.84 crores and in the second part we have received around Rs. 15.37 crores. Then annual maintenance charges we have received around 58.34 crores. Then E-wallet, that is the close wallet that we run Rs. 2.79 crores in that and commission in the form of B2C segment that is Rs. 12.39 crores. After that small things are there, the agent replacement charges when we change the agent, we also charge something, then from 139 license fee we take it, that is also Rs. 2.36 crores and the agent login of indication and enquiry charges also we have realized. We have monetized few enquiries, there also we have earned around Rs. 1.10 crores. So, more and more avenues of the revenue we are trying to monetize our website and that is why our revenue in the non-convenience fee has been 74% more than the quarter one and has been so far highest in any quarter.
- Mayank Babla:** Second related to the convenience fee was you said 40% was from the general class. Can you give the split between AC and non-AC for the quarter in terms of percentage?
- Rajni Hasija:** I will give you for second quarter. Second quarter average First AC is 0.3, that is less than 1%. You know that Executive First AC put together will be around 1%. Second AC is around 3.5%, third AC is 14.9% and the AC chair car is again 3.5%, sleeper class is 37.3%, second AC is 40%. Our total inventory, there is other class Anubhuti class, we call it 3E, it's very less .01%. And the total inventory booking average is around 80.23% in the same quarter, that is July, August and September. And as of now we have 3000 trains for which we are providing these services.

- Mayank Babla:** And last question was regarding the Rail Neer. I believe this quarter, we had one of plant also up and functioning. So, what is the latest capacity per day in Rail Neer?
- Rajni Hasija:** As of now we have 15 plants operative. Before COVID when we were there, some issues are there in the Bilaspur plant which we are sorting out and our capacity is around 15 lakh bottles in a day still there. But because the Rajdhani Shatabdi Duronto train not running so we are running around 55% to 60% of the capacity. Maybe during this festival period, we have certain variation, might have gone up. I'm sorry, I'm not carrying that figure in front of me as of now. But the capacity is 15 lakhs. I'll certainly inform you and put it on the website if required.
- Moderator:** Ladies and gentlemen, due to time constraint, we'll be taking the last question that is from the line of Madhu De from Avista Capital. Please go ahead.
- Madhu De:** Just a housekeeping question. My question is, what was the increase in the number of trains running in Q2 compared to Q1? And how does that compare to your last peak over quarter?
- Rajni Hasija:** When we initially started, we started after COVID with the 25 pair of trains, gradually started going up and up. In the month of October now I am talking, because October is also over today 1<sup>st</sup> November, we have 3000 trains which are running and for which we are providing the reservation, it starts coming up like this in the month of June, it was 2,500 trains, in July it was 2,745 trains, August the number of trains more or less same, 5-10 trains more added, in September again festival trains have come up. So, you have 2,949 trains, now in October you have 3,019 trains. I think we have these almost as far as the reserved accommodation is concerned in the form of a special trains near to normalization with 10% or 15% short.
- Madhu De:** When do you expect the full catering services to start? And what percentage of these trains you are offering catering at this point in time?
- Rajni Hasija:** The train where you provide these services and where catering services and where you provide the reserved accommodation cannot be actually compared, because for every train you have to provide the reservation and you can provide catering in the train where you have pantry cars and where the trains which are running during the day, if the trains are running during the night. There is no need. So, I can tell you that trains which are running with the WCB, AC car we call them, the number is 346 and train where we have train side vending is 288. So, the total number of our trains is 634 against the 500 odd trains. I think last quarter when we had discussion we were had around 550 such trains now it is 634 and most of the trains are having contract. We have been able to play for all of them. Even for short term contracts are also running, we have been given all the trains on the contract, except for trains, which we run the department because there's one litigation going on and we have to handle that.
- Moderator:** Thank you. Ladies and gentlemen, that is the last question. I now hand the conference over to Mrs. Rajni Hasija – CMD of IRCTC for her closing comments.

**Rajni Hasija:**

It has always been pleasure interacting with investors and good to know how industry thinks about us. There have been certain ups and downs in the past and as life says move on. So, we believe in moving on and we are here and presently today our Q2 results where we have really registered a good amount of our profit in all the segments, my CFO has already read it. In Rail Neer we have built up the losses and in the catering we have reduced the losses to the extent that the losses are reduced to only 19 lakhs. The good days are ahead, it looks. Normalization is happening. Vaccination is happening. The impact of COVID is gradually going away. We need to be a little cautious during the festival season. So I hereby close saying that in the tourism sector also in the hardcore tourism, we are really doing fantastic and in the hardcore tourism, really making profit and we are trying to curtail the losses of Tejas also to the extent possible and we are examining it very aggressively and taking tough calls on each and every department in the Tejas. With this I finish my word here and wishing you a very, very Happy Diwali. Maybe the next year after Diwali is very, very happy and healthy for every investor, everyone in this country. Thank you very much.

**Moderator:**

Thank you. Ladies and gentlemen, on behalf of IDBI Capital, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.