



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

"CIN-L74899DL1999GOI101707" E-mail : info@irctc.com Website : www.irctc.com

No. 2019/IRCTC/CS/STEX/356

November 18, 2022

<b>BSE Limited</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</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 “Earning Conference Call on Q2 and Half Yearly Results FY23” held on November 15, 2022.**

**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 November 11, 2022, please find enclosed herewith the transcript of **“Earning Conference Call on Q2 and Half Yearly Results FY23” held on November 15, 2022.**

You are requested to kindly take the same on record.

Thanking you.

Yours sincerely,

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

**(Suman Kalra)**

Company Secretary and Compliance Officer  
Membership No: F9199

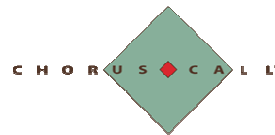
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“Indian Railway Catering and Tourism Corporation  
Limited

Q2 FY ‘23 Earnings Conference Call”

November 15, 2022



**MANAGEMENT: SMT.RAJNI HASIJA – CHAIRMAN &MANAGING  
DIRECTOR–INDIAN RAILWAY CATERING AND  
TOURISM CORPORATION LIMITED**

**MR. AJIT KUMAR – DIRECTOR, FINANCE AND CHIEF  
FINANCIAL OFFICER –INDIAN RAILWAY CATERING  
AND TOURISM CORPORATION LIMITED**

**MODERATOR: MR. RAHUL JAIN – DOLAT CAPITAL MARKETS LIMITE**



**Moderator:**

Ladies and gentlemen, good day, and welcome to the Indian Railway Catering & Tourism Corporation Limited, IRCTC, Q2 FY '23 Earnings Conference Call hosted by Dolat Capital. As a reminder, all participant line 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 star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rahul Jain from Dolat Capital. Thank you, and over to you, Mr. Jain.

**Rahul Jain:**

Thank you, Tanvi. Good afternoon, everyone. On behalf of Dolat Capital, we welcome you all to the Q2 and Half Yearly Results for FY '23 Conference Call of IRCTC Limited. I take this opportunity to welcome the management of IRCTC represented by Shrimati Rajni Hasija ji, who is the CMD of the company; and Mr. Ajit Kumar ji, who is Director, Finance and CFO of the company. And now I would like to hand the conference over to the management to take the proceeding forward. Over to you, please.

**Rajni Hasija:**

Thank you. Rahul, at the outset let me wish you a very warm good evening to everyone, and welcome you all to this con call of IRCTC for the quarter which has ended on 30th September. I hope you and your dear ones are in good health and doing good. Yesterday, company had already submitted unaudited financial results for the second quarter and half yearly for the fiscal year 2023, and the same has also been disclosed on both the stock exchanges website, too. I can give you a brief overview about this financial year, both with our Director, Finance, who's the CFO of the company, will provide the details of the performance of our business segments which will be followed by the question-and-answer session.

In the second quarter of financial year '23, IRCTC business model has again demonstrated the resilience which has been there in the past for so many months. That is the profit after tax surged to INR 226 crores with, you can say that 42.5% up, as compared to quarter of the previous year or corresponding year. And also, the company's revenue in this quarter has also increased to INR 806 crores from INR 405 crores as compared to the second quarter of the previous year.

And this quarter, in the second quarter of our financial year '23, the revenue that is INR 806 crores is almost double, if you see year-on-year basis. And quarter-on-quarter basis, if we compare with the previous quarter, there is a slight decline due to the lean season. September is a lean season for us, gentlemen. We shall provide now more color on the same in a few moments when Ajit will be discussing our segmental performance.

The most important note is that the revenue from the second quarter of the financial year '23 continues to be higher than the quarter revenue which was in the pre-COVID period which is very important because the growth has to be compared with that only. All the business segments, except one, saw revenue higher than the pre-COVID levels. The quarter-over-



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quarter decline in the consolidated revenue was driven by a factor of 5% where our quarter-over-quarter decline in the Catering segment was also noted because of the lean period which has a corresponding impact on the real need as well.

You would recollect that the Catering segment was the driver for quarter-over-quarter revenue growth in the last quarter of the financial year '22 and the first quarter of this financial year. On the positive side, IRCTC has been able to add slightly to EBITDA margin, which has come up to now 37.8% in the quarter 2 of the financial year '23, seeing an improvement of 20 bps quarter-over-quarter.

As I shared earlier, sir, with the headwinds of a pandemic behind the travel and hospitality industry, now can look forward for a much better fiscal year and beyond. IRCTC business segment can also look up to further improved performance in such industry environment. I shall now hand over the call to my colleague and our Director, Finance, who is also CFO of the company, Shri Ajit Kumar ji, to brief you on the financial and segmental performance of the company. Thank you very much.

**Ajit Kumar:**

Good afternoon, everybody, and I hope you and your dear ones in good health. I can first give a brief overview of our Q2 FY '23 results, post this we will have the question-and-answer session. Q2 FY '23 revenue saw another quarter of strong improvement on year-on-year basis. Revenue of INR 806 crores almost doubled on a year-over-year basis, given the impact of the pandemic in this quarter.

As CMD Madam has already mentioned, due to the quarter-over-quarter decline in our largest segment that is Catering, the consolidated revenue declined by 5.5% on a quarter-on-quarter basis to the linked period, but still remaining comfortably over the pre- COVID quarterly run rate. EBITDA margin for the quarter came at 37.8%, which implies an improvement of 20 bps on a quarter-over-quarter basis. The absolute EBITDA and net profit for Q2 FY '23 is also comfortably higher than the pre-COVID level. So now let us come to the business segments of the company, the number one, the Internet Ticketing segment.

It has continued to demonstrate its resilience and revenue for the quarter and stood at INR 300 crores, growing by 13.2% year-over-year and largely unchanged quarter-over-quarter. The segment has shown resilience with regards to profitability with Q2 FY '23 EBITDA margin coming at 84.2% versus 84.5% quarter-over-quarter and 83.1% year-over-year. Next to the Catering segment, that is after strong growth in the previous two quarters has a slight moderation in Q2 FY '23, with revenue for the segment coming at INR 334 crores, lower by only 5% quarter-over-quarter, though on year-on-year, it grew by 4.7 times.

Also, the revenue for Catering segment is well ahead of quarterly run rate seen pre COVID. Lower revenue resulted in EBITDA margin moderating, which for Q2 FY '23 came at 10.6% versus 12% quarter-over-quarter and versus a loss on a year-on-year basis. Importantly, EBITDA margin for the segment is slightly lower than the 11.1% to 11.4% range seen in [9.0



MFOA 0:07:32] financial year '20. The decrease in revenue was due to less passengers traveled in Q2 due to lean season as compared to quarter 1.

Our next is the Rail Neer which has seen Q2 FY '23 revenue come at INR 72.1 crores, which implies a decline of 13.2% quarter-over- quarter and a year-over-year growth of 75%. EBITDA margin for the segment came at 7.5% versus 11% quarter-over-quarter and 6.8% year-over-year due to increase in reform and other petrol material cost which is increasing now. Then the next is Tourism segment, that Q2 FY '22 revenue comes at INR 99.1 crores, which implies a decline of 13.9% quarter-over quarter and a strong growth of 2.6 times on a year-on-year basis.

Due to a decline in revenue, the segment saw minor loss at EBITDA level as the cost of stay increased as compared to quarter 1 and less passenger travel in Tejas in the season as compared to quarter 1. For Q2 FY '23, the cash and bank balance of the company as of the end of the quarter is INR 1,900 crores. Net worth for the shareholders also increased from INR 2,238 crores. It has increased from INR 1,884crores as on 31st March 2002 to INR 2,238 crores. Now that brings to the end of the opening remarks. So now we can move straight to the question and answer session. Thank you.

**Moderator:**

The first question is from the line of Jinesh Joshi from Prabhudas Lilladher.

**Jinesh Joshi:**

I have a question on the ticketing segment. So is it fair to assume that full migration of US reversal from the reserve to unreserved category has already happened and now the current situation is up into pre-COVID? And in that context, can you share what is the convenience fee and number of tickets booked for the quarter?

**Rajni Hasija:**

Yes, Mr. Jinesh. Your question is that if pre-COVID level of the class wise travel has been achieved. So let's take a look. In this particular quarter, which has ended in September, the sleeper class now has contributed to 46% and 2As has been nearly 13%, average for, July, August, September. The pre-COVID level, although the total number of sleeper class maybe a little more than the sleeper class as of that time because two more numbers have been added. In this quarter, the overall percentage ticketing has been almost 82% instead of 81%, it is 81.93%. And you said the convenience fee, can you please repeat your second question, please?

**Jinesh Joshi:**

What is the convenience fee number of ticket books?

**Rajni Hasija:**

Okay. In the convenience, the number of ticket booked is nearly the entire quarter has been INR 10.69 crores. Average is nearly INR 3.5 crores I think in each month. So that makes a total of INR 10.69 crores , with a few crores here and there for that week. And then you had asked about the revenue received in this particular quarter from the Ticketing Segment, convenience fee. Inthis particular quarter, we have got nearly INR 200.32 crores which is as far nearly the



four-year achieved in the first quarter. In the firstquarter, our revenue was nearly INR 207 crores, now just INR 200 crores.

**Jinesh Joshi:**

Sure, madam. One last question from my side, and that pertains to the Catering business. I think in the last call, you had mentioned that we are servicing approximately 1,000 trains. And out of that, roughly 600 is on the TSC side. The balance is pantry. So just wanted to understand how big is the potential here, especially on the TSC side, given the fact that it will not be feasible to have apantry cars in all the train which have relatively shorter rooms. And in that context, how should we look at the growth in the Catering business given the fact that we have seen some sequential decline this time around?

**Rajni Hasija:**

Well, there is no decline. We were happy to note that there is increase in this segment as well as far as the number of trains is concerned in both segments. I think, prepaid trains and the Gatimaan, Tejas put together the train where we have pantrycars. We have nearly 450 trains. And in the same side, vending, where we don't have a pantry car, they are now, as of now, as ondate, 715 trains are there, where IRCTC has been able to place the contract. And I think nearly for the 200 more trains but tender is inthe pipeline which is going to be finalized within a week or so. So as far as the number of trains is concerned, it is going to be on an incremental side.

**Moderator:**

The next question is from the line of Akshay Bhor from Citadel.

**Akshay Bhor:**

And as always, congratulations on good set of numbers. I think just a question, just a follow-up to the previous question. The railway, the Indian Railway provides 10-day data on passenger traffic would suggest that October versus last October result, 30% decline or 29% decline on the passenger traffic. I understand there is an impact of two elements. But I just want to understand, is the impact of 2S now fully captured in the October data and from here on whatever the number -- absolute number is, we should continue to see that number continue, which is about 59 crores passengers. Should we 5.9 crores passengers should we continue with that kind of run rate?

**Rajni Hasija:**

Mr. Akshay I would like to correct you here. So that first is October data, we are not talking about in the financials, we are only talking about the September. There is a clear demarcation between the reserve travel and the unreserved travel. In the overall data, which Indian Railways had published for the 10 days, contains the unreserved days as well. For IRCTC as of now deals with only with the reserve data. So one difference is that. So that cannot be compared with our figures. And moreover, our figures is only up to September, and there you were talking about the October figure. So I don't think so that will be an appropriate. It would be appropriate to compare both the segments at this juncture because October data, I don't have with me as of now.

And in October, let me tell you, for the reserve segment, we have a festival movement, which is always going to be always higher than the September movement. Maybe in the next con call,



if for the next quarter, if I would be discussing, perhaps we would be talking about that. So September is considered as a lean period, which I mentioned in my previous remarks also. October is a festival period. All festivals in the Eastern India, Northern India and the Western of India fallen in this period. So we are going to have a good number. That is why our average though stood at 82% in September, we may see some variation in the month of October. But here, we take only the cumulative figure. So more or less, it may be come out to be nearly or nearly a little more than the previous average.

**Akshay Bhor:** I'm sorry, let me clarify. This is -- so the railways also provide reserve versus unreserved, right? So we are only talking about the PRS non-suburban data. So my question is that, should we assume that from October onwards, the full impact of 2S going away will be visible from here on? That's my question.

**Rajni Hasija:** It's a gradual, it has already started from the previous month also. Earlier we were having nearly 36 to 37 – at a time 39% of the 2S booking. But as now turn have informed while answering question of Mr. Jinesh that, that figure has now reduced to 13%. But the overall earning in the convenience fee in that segment has remained the same. Our revenue from the convenience fee has been impacting because in the results segment, the bookings start 120 days before. so the festival gain, which I mentioned in my last – if you recall, last year, the con call which I had for the investors, when we had submitted our first quarter result, I said we are going to be compensated by the volume gains of the festival booking, which is going to happen for the 120 days before. So that is the impact we got this month and our revenue from the convenience fee reported is nearly the same

**Akshay Bhor:** Yes. Ma'am, I agree. But the question is, from here on, should we expect that number to be steadily growing or declining and that...

**Rajni Hasija:** As I've been mentioning, that temporary gains now has been adjusted and more or less 13% is more or less -- if I see the average of all the three months, July, August, September, the figure is nearly 13.2% to 13.1% or 12.75% likes that the average comes out to be 13%. So More or less, it is going to stabilize near here and there.

**Akshay Bhor:** And then my second question is on the Catering segment. You're obviously well ahead of pre-COVID levels and the revenue is obviously higher than pre-COVID. But how to think about margins here? I mean is this 10% to 12% kind of margin is something that we can work with? Because the margins in both Catering and Rail Neer are still below pre-COVID despite the revenue being higher? Just wanted to understand where do we expect margins?

**Rajni Hasija:** At the outset, let me tell you actually that the margins in the Rail Neer has been impacted because petroleum prices have gone up. And because the petroleum prices have gone up, it has affected marginally [inaudible 0:19:14] from where the bottles are manufactured. So it has impacted. So we can only gain by volume. So whenever more plant come in, we gain by that.



And most of the plants which are coming up around the PPT model where we are going to really negligible expenditures. It's only the capital expense we are going to have.

The Catering is -- our margins are more or less same rather. If you have a -- we are going to have a long-term contract -- five years, there we will get more margins. We are going to be in a positive side in the next few months to come. But we are going to have a long-term contract instead of a short-term contract. COVID has almost settled. We are now -- we can now plan for a long-term contract. And the all trains, which were in the pipeline. Most of the trains have started new trains are pouring in IRCTC has been providing catering in all the trains. Most of the TSG trains have also been taken into account. And all our tender of the TSG trains are gradually in the pipeline, 700 or nearly 700 awarded -- 200 in the pipeline...

**Moderator:** Sorry to interrupt, ma'am, your voice is fluctuating a little bit.

**Rajni Hasija:** Now, if it is okay?

**Moderator:** Yes. We were not able to hear the last sentence that is.

**Rajni Hasija:** I said the process is going to be continuous addition of trains. And with the long-term contracts, we may have -- we may anticipate some increases in revenue also.

**Akshay Bhor:** And there is no change in revenue sharing between you and Indian Railways in Catering and Rail Neer segment from the pre-COVID level, and that remains so?

**Rajni Hasija:** No, that is going to be same because it is based on an MOU between Indian Railways and IRCTC.

**Moderator:** The next question is from the line of Madhuchanda Dey from MC Pro.

**Madhuchanda Dey:** I have two questions. As you mentioned that the profitability will improve as you have more of your own plant in the Rail Neer. If you could just highlight the trajectory of capacity expansion and what kind of revenue should we be expecting in the next couple of years as this process happens? I have a second question, which is on the segmental loss in the tourism business. I just wanted to know you had mentioned in your opening remark about change. So I just wanted to know what contributed to the loss in the quarter in this segment?

**Rajni Hasija:** I enlighten you on this Madhuji. First is the Rail Neer plant. You said the capacity of the segmentation. As of now, we have already opened our Una plant and Simhadri plant, all licensing work has been done. And the first two bottles have been produced. We are just refining the quality of the water over there. Once the quality of the water is settled, and because this is a unique kind of a plant where we are making water from steam. So it is an association with the NTPC Simhadri.





So now as of now, my capacity, IRCTC capacity is to produce 15.52 lakh bottles a day. And our other plants, Bhusawal, Bhubaneswar are going to be live this year. We had planned this year, this financial year, they are going to be live. With this, we would be further adding two capacity of 1.44 lakh bottles. So that is going to be making my capacity near 17.5 lakh bottle a day. And by the end of '23 or the beginning of the very next fiscal, other two plants will also be there in our final commissioning stage. So you can anticipate that our achievement of 18.4 lakh bottles a day would be achieved in the beginning of the next financial year.

**Madhuchanda Dey:** And that will make you self-sufficient in to what extent, I mean you would stopping here...

**Rajni Hasija:** We are going to appoint a consultant, again, to review the water requirement. Because the population has also increased and this is based on our data which is two years old. So after that, the things have gone changed. So we are again reviewing the requirement at other locations now.

**Madhuchanda Dey:** So for the capacity addition is expected?

**Rajni Hasija:** And you're taking question why the Tourism segment has shown the losses. Well, September is not a month where one goes out on to reserves. Generally, it is a period when the lot of fasting and the Pitru Paksha happen. So our is main chunk is religious tourism. So that did not happen in the month of September. Now we are going to have -- in the October, we had a very good movement. And in November, also, we are also going to have a very good movement.

And in Tejas segment also, Tejas, may be -- customer movement was less. Although the segment was in profit and overall profit in the half yearly has been nearly INR 9.3 crores in the Tejas, but since the revenues from the Tejas have been less, so it has impacted the other segments also. Although the occupancy in the Tejas was less in the last two months lastly in the month of September. In October, it has gone up.

**Moderator:** The next question is from the line of Ajinkya Permale from Metaverse Equity.

**Ajinkya Permale:** Good afternoon, everyone. So my question is state and tourism segments have not performed well during this quarter. So is there any specific reason for that? And increased liability and financial risk liability is creating additional burden of financial costs, which is impacting bottom line. So how management is planning to improve bottom line?

**Rajni Hasija:** First thing first, you see that state presale is not a liability to IRCTC in any manner. Because these are the special trains which we intend once we get the request -- and most of the safety the trains are running on a sponsor basis. So the state sponsor that. And in the cold period, when everyone as the state was struggling, there was not much activity happening on the welfare side. Now the states have started and our revenue in this particular segment has gone up. In October, you will see we have run 19 trains of Madhya Pradesh, which is the impact of the same will be seen in the next quarter. September in any case are not a time to travel. In



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Pitri Paksh, Navratri, so many things are there in the September. So '22 days very less travel happens an overall figure also goes down. So Tirat not a liability, not any cost. It's only a pure revenue game for IRCTC.

**Moderator:** The next question is from the line of Ayan Bheda from Equi Treasure Capital.

**Ayan Bheda:** I have two questions. The first one is I want to know about the non-convenience fee revenue this quarter. And any overall guidance of non-convenience fee revenue for the whole year? And my second question is regarding if you are able to provide any tourism revenue guidance for the whole year?

**Rajni Hasija:** In the -- if you see the total Internet ticketing revenue, their revenue is divided into two parts. One is the convenience fee and other non-convenience fee. If I take the half yearly figure of the IRCTC, the total revenue in the half year as INR 601 crores, INR 300 or 300 in each quarter, we can say roughly -- so in that 67% of our is from the convenience fee and thus 32%, 32 point some percentage based on the non-convenience fee resources.

And out of that, if you see the total non-convenience fee resources, how much is contributing to the total income of IRCTC into the total percentage. 6% is the service charges that we are receiving from the various banks and nearly 12.5% that we are receiving from the agent. iPay my payment gateway is contributing to my total revenue in north of the Internet ticketing is nearly 5.32% and advertisement is nearly 6%. It is contributing. So you can say the major Q-on-Q case still with the agent business that 13% is coming from the agent business and iPay is also contributing 6% of the total revenue.

And you wanted to know the road map of the tourism. Tourism all our rail tour packages are -- have been on the track. Our trains are on that track. We have again almost started one more Parvesh Darshan. Our trains are running. Our FTR operations are on. Impact will be seen because FTR operation impacts team in the next month once we get the entire revenue. And State Teerth we are running this State Teerth for the three states as of now, Rajasthan is train is flying Go is running Madhya Pradesh is going to start again.

We operated in the month of October. And we operated around 20 trains for Delhi government up to July, August, September, there was no movement from their side. So we are going to operate that also. We are also talking to many states. Rajasthan is also going to add more. So we are going to have a good amount of our business in this particular segment as the time to come in this financial year.

As far as air ticketing is concerned, yes, we have started gaining in these segments. Our segments have improved. Our business on the budget total is also going to improve because new tenders have been decided and two more in the pipeline with the new license fee. In fact, there has been a record collection of license fee in one of the budget orders, which you will come to know very pool once we discuss the results of the next quarter. And -- all other



various packages are also doing fine. Our air package business has gone up, and you will find a good improvement in this particular quarter.

**Ayan Bheda:** Madam any Tourism in total revenue guidance for this financial year upcoming '22, '23?

**Rajni Hasija:** Tourism is only the choice business. So it may jump to any number or it may be on a very average kind of a side also. Any negative news in the market, for example, as of now, we don't have any e-Visa. It is impacting inbounds in the entire country. So is our train may also get affected. Maharaja and Golden Chariot.

It is Tourism is the impact of the overall condition of the country. Any news of the COVID will impact it. Any news of pandemic is going to impact it. So it is -- you cannot commit on the tourism business, however, we try to make it as much as we can. We are going to operate many trains of the state. You might have seen that we have tied up with the Karnataka State Tourism, Karnataka government also for operating their train. That is also there. We are also going to have a tie up with the other state government for operating their train. So this business, we are going to capture our new afresh.

**Ayan Bheda:** Any EBITDA margin which we expect to generate any target EBITDA margin we have in mind for the tourism segment itself?

**Rajni Hasija:** Tourism is -- 7% to 8% margin is working in this segment, the margin is less. -- here we are -- we don't have any monopoly complete with the unorganized sector. And it is just like any other tour operator IRCTC is nothing but just like any other tour operator. The way other tour operators are operating we have to operate in the same manner, same competitive environment, run here and there are make these packages success in all atrocities. So the competition is very, very high. Everyone is doing the business. So what we are doing, we are doing our best trying to level best.

**Management:** In this scenario, we can expect 7% to 8% margin roughly.

**Rajni Hasija:** Yes. At least that product segment is not in the losses. The impact of COVID is still seen in the tourism. It has not gone from tourism. But in the -- because that is a railway business is a different kind of a business. This is a different kind of a business.

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

**Rahul Jain:** Firstly, ma'am, I would like to ask about the tourism business. What is the incremental trigger that we see from a growth collection point of view. You already alluded about hotel, new licenses, I miss that part, and anything from the outbound level also if you could comment on?

**Rajni Hasija:** The first is the Tejas that is our private train which has contributed nearly INR 74 crores in the overall revenue of this financial year. October revenue as we now and we can anticipate that the November, December is going to be good, if nothing goes wrong in the industry. If our



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occupancy level increase, we are going to gain out of that. If you see our bus segment, hotel segments and the retiring room segment, there also, if the passenger number increases, retiree room segment always increases.

And in the hotel, we are going to bring an aggregator, the moment we get an aggregator our hotel bookings are going to rise. And in the bus we are doing pretty fine, up to October rather, we have done a revenue of nearly I think INR 10 crores or so in the bus alone up to in this financial year and where we have covered 22 states and state transport also we have tied up individually with eight transport also. So that segment is also going to do good.

The only segment, I don't see any negative point in this because now the season for the travel is come. From October to March, it is a season when we travel. So luxury tourism also for our Maharaja is on the track and is still running. Our Golden Chariot will start its first operation on 20th of November. And all our other, our Deluxe train is going to be on the track very soon because things are now improving. We are also going to operate, revive our Baddish sector very soon.

**Rahul Jain:** And any volume we could give in terms of the air ticketing what was the peak number in last couple of quarters? And what is the run rate right now?

**Rajni Hasija:** I can only give you the segment number, let me check if I have that figure with me for the A of, just wait, let me see. Segment booked, if you see in the month of July, August and September, I'll just read out the segment in the each quarter, the segmental, it is a month, in the month of July, we had booked around 1,29,000 segments. In August, we had booked around 1,39,000 segments. And in September, we had booked around 1,68,000 segments. And we have also increased our convenience fee from INR 50 to INR 100. So income from booking gross booking amount has particularly been more and our, I think INR 5 crores revenue, we have registered from this particular segment. It is a pure revenue commission.

**Rahul Jain:** And secondly, on stages, what was the revenue; utilization, what is the frequency right now? And what was the profitability for...

**Rajni Hasija:** Frequency, Rahul ji, has been restored to the previous level. On the day of a holiday, we operated also in the month of October. Our occupancy level in this particular financial year for the Ahmedabad Tejas is nearly 83% and Lucknow Tejas is nearly 73%, 73.9% or 74%. And overall revenue from both the Tejas up to September '22 is INR 74 crores. Operating expenses has been to the tune of INR 64 lakhs, INR 64.8 lakhs, and there is a net profit of INR 9.3 crores in the Tejas segment. Had we got more passengers in this, so that would have been better, but let's see if we can get it this month or for the next month.

**Rahul Jain:** Yes. Sorry, I missed the, after revenue at INR 74 crores, I missed the rest part.



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- Rajni Hasija:** Our operating expense has been INR 64.82 crores. And our net profits from this segment is INR 9.3 crores.
- Rahul Jain:** And any, of course, there's no new tender or about those train that we have to star for privatization, but is there any process that we are also initiating from our end to clients which for more private routes?
- Rajni Hasija:** Sir, as of now there is no tender or policy from Ministry of Railways. So once they have it, so we'll certainly inform our investors.
- Rahul Jain:** Right. And ma'am, in the Catering segment, we were to do the lean period assessment, is that process behind us? Or is still pending for some time?
- Rajni Hasija:** Almost completed Rahul ji, and you will see impact in this quarter. But we will tell them to pay in case there is any increment, wherever the increment is in the, I think, last quarter because we have to give them some time for payment. The impact will be seen in the fourth quarter only. We have completed the process, and now we will be initiating the invoices if required.
- Rahul Jain:** And what number of licensees have been now asked for this revise pricing?
- Rajni Hasija:** It depends on the train, sir. There are a few trains, there is a zero increment has been noticed. few trains that we have been seen, few trains it has been I think decreasing side also. But that is not going to impact us because we are going to charge only the quoted license fee. So the loss is not going to be there. And we have to just sort it out but the assessment has resulted in to, so we'll have to have a consolidation. We are having consolidation. We'll be submitting the results soon.
- Rahul Jain:** So, but as you just said now, this has now been identified and, but the revised pricing advantage we may see only in Q4.
- Rajni Hasija:** Depending on case to case basis, sir. We will be in the Q4.
- Rahul Jain:** So can we say that now since most of the business, and I think you also mentioned this in your opening remarks, that most of the business now have seen that complete cycle, so as to call it from a COVID and pricing hike plus 2S, all those things are now largely done with. And from calendar '23 onwards, we would see a more normalized picture of the business from all the segments?
- Rajni Hasija:** Yes, sir. Hopefully, yes.
- Rahul Jain:** So with these things behind what could be the real growth driver other than the usual passenger traffic growth, which may happen in a year now?



**Rajni Hasija:**

As I mentioned that our really plant study is, we are going to do it again because we are finding it that very soon we are going to have our production level reaching at the optimum level that is around 18.5 lakh liter bottles a day. But we will again do the survey and we'll find out another opportunity in this business is there or not. Then second will be, we would like to increase our non-convenience fee resources to the best we can.

And our commission in the IPay model, our model, as you can see in IPay alone, in this financial year, our business has been to the tune of nearly INR 32 crores is the total revenue and INR 9.13 crores is the net revenue, net profit to the IRCTC. And that is up to September. So this figure may go up to, may go up more than INR 60 crores, INR 70 crores, who knows? So we are trying our level best and our profit in this segment will also go up. So we would be targeting any specific points, and then we would also be targeting the state pizzas and other segments. Our election vehicles are also happening this month.

So we would have incremental benefit in October, November, December until the time elections are done, we would be gaining. If we are able to get the BSF for which we have already signed an agreement with them, BSF movement traffic, we will be gainer out of that also because we would be doing that train. Half of the train will be covered in the tourism segment. Half of the train catering portion will be covered in the catering segment. So that gain is also going to be there. Hopefully, if everything goes right, the company will certainly do good.

**Rahul Jain:**

And the current output, what is the total unit produced during this quarter?

**Rajni Hasija:**

About the Rail Neer?

**Rahul Jain:**

Yes.

**Rajni Hasija:**

Capacity utilization has been very good in the month of the summer. In the summer, few plants have done as high as 90%, but the overall capacity utilization of these plant, I'm sorry, I don't have figures readily available as of now, but before we close, I'll get you. I got it. 75% nearly is the capacity utilization figure like, Capacity utilization has been very good. New plants we have definitely like Jahangir road when there was a flood. And two places that there was a some issue in the water as such, the groundwater level has gone down. So those issues keep coming. So put together, 75%, we will increase this further. However, November, December, January as a bad month for Rail Neer, because the requirement goes less. Summer again from February onwards, it will pick up.

**Rahul Jain:**

And on the capex side, can you share the capex for new office and also the other capex that we plan for next year?

**Rajni Hasija:**

INR 250 crores, we have to pay to NBCC for acquiring our new office, which we have to pay in the phased manner. Our first two installments have gone. So that capex continues to be there



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as per the plan given by NBCC. Secondly, we have already started giving tenders for doing our, one is the regular expenditure and another one is for the capital expenditure in the Internet ticketing. And we are going, we are completing our upgradation in the Internet ticketing. So that plan is also on for that, we had anticipated INR 100 crores in the my first quarter con call, if you recall, out of which we have already spent some amount and some amount is still due which we are going to close very soon.

**Rahul Jain:** And last question from my side. Any specific reason why the depreciation charge has gone up from INR 13 crores to INR 18 crores in this quarter?

**Rajni Hasija:** We have some, as per our advice of our auditor, I think I'll, this question will be answered by our finance that will be better because they have done it.

**Ajit Kumar:** Rahul, because of this quarter, our ROEs increase because of the new leases added in this quarter now because of that, the depreciation has increased.

**Rahul Jain:** Sorry, I could not understand. ROE increased for?

**Ajit Kumar:** Whatever the lease this year to be have to accounted as the assets of the company, right, and for the accounting standard. So whatever lease as said, the lease charges we have paid to the our distinct leases. So we have to account it as assets in the company. And accordingly, we have to account for the depreciation as interest on that. It's the requirement of the accounting standard actually.

**Moderator:** The next question is from the line of Uday Nagi Reddy, Individual Investor.

**Uday Reddy:** My question is about is there any plan in the future to increase the revenue price? What is that? I think since very long time it is only INR 15?

**Rajni Hasija:** The deliberations are on in our company. And we are doing some cost analysis. So let's hope for the good. Till the time it is done, it is not there in the market and we cannot comment upon that because you know these prices are administered prices. Since the pre-form prices are going up, it calls for the day that we should recommend to the Ministry of Railways for increasing the price. And the deliberations in the company is already on. We have already discussed this matter amongst ourselves. So let's hope for the good.

**Moderator:** The next question is from the line of Akshay Bhor from Citadel.

**Akshay Bhor:** Ma'am, I just want to clarify the previous question. You are saying for the Rail Neer, if you have to increase prices, you have to go through the Ministry of Railway and sort of get an approval from them to increase the prices, is that correct?

**Rajni Hasija:** I speak to that, we can only deliberate internally. And we can only decide whether what should be done. We are deliberating internally. In any case, these are eyes are set just now. The



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pricing for the Rail Neer are administered by Ministry of Railways. So we will have to go to Ministry of Railways for get the approval and decide on price decision.

**Akshay Bhor:** Just to clarify, similarly on catering as well, if you have to make any changes to the pricing or to the content, It has to be approved by the Ministry of Railways?

**Rajni Hasija:** Yes sir, from DFRP to onward we have been mentioning all this that our pricing in the catering front, in the Rail Neer front is decided by our ministry, parent ministry that is Ministry of Railways. It is only in the convenience fee, IRCTC has been given a flexibility where BOD of IRCTC can decide the convenience fee to be charged from the customer.

**Akshay Bhor:** One last question from my side. We know that all your tickets ultimately get booked on the IRCTC platform. I just wanted to know what is the share of third party initiation of bookings? So let's say somebody initiates the booking on Make My Trip and what is the percentage share of such bookings which are originating from our third party websites?

**Rajni Hasija:** It would be initiating from the third party website, but finally it would be coming to me as my B2C partner. Right, in this B2C partner, our charges are high and we charge not in addition to convenience fee, our convenience fee which is 1530 in the normal case and a little concession for the UPI payment. We charge INR 12 per ticket more from them.

**Akshay Bhor:** Just wanted to know what is the rough percentage of such tickets getting booked?

**Rajni Hasija:** It is nearly I think so not more than 25%. 20% should be there. I'll get you the exact figure before we close.

**Moderator:** The next question is from the line of Gadatan Juneja from Cove Value.

**Gadatan Juneja:** Ma'am, I have two questions. One is, we said that the internet ticketing pricing for convenience fees is in our hands. So I think INR 15 and INR 30 seems to be very low. When are we likely to revise this?

**Rajni Hasija:** Not in the near future sir, not in the next six months to come. Because we have just passed through the bad phase of COVID. And still our effort should be to maximize our non-convenience resources and other resources. Let's not put more burden on the customer.

**Gadatan Juneja:** So in the long term can we expect...

**Rajni Hasija:** This is in our board's hand. Our board is competent to decide on this matter. So we do have internal deliberations happening in our board on this issue also. But as of now we are in the anniversary, we are of the opinion that as of now we may spend it for some time unless the industry restores to the maximum. Travel and tourism as I mentioned, in the tourism sector things have not restored completely. Things are still hanging around. Many people have lost their job. COVID has been very bad as far as the travel and tourism is concerned.





- GadatanJuneja:** And we are not charging any convenience fee for UPI payment?
- Rajni Hasija:** No, we do charge. We do charge. Like our normal convenience fee is INR 15 and INR 30. INR 15 for the sleeper class, INR 30 for the AC class. It is INR 10 and INR 20 for them.
- Gadatan Juneja:** And what is the percentage of UPI bookings versus the total...
- Rajni Hasija:** 33% is the booking.
- Gadatan Juneja:** And my last question is, we had applied for a license ...
- Rajni Hasija:** Sorry, let me correct sir, let me correct. It is 27% is the booking for that. And in the month of, it was average is 27% but it has been nearly 33% from April to September.
- Gadatan Juneja:** And my last question is, we had applied for a license of payment aggregator with RBI, payment. What is the status on that?
- Rajni Hasija:** For that, RBI had asked us to make certain changes in our MOU, that changes have been approved by our esteemed shareholders in the AGM. After that all documents have now been submitted and our consultant has also been appointed in the matter so we are pursuing that further. So maybe we may get a good news soon. As soon as we are done, we will inform our investors.
- Gadatan Juneja:** And what should be the impact of this on the revenue and margins?
- Rajni Hasija:** I just mentioned in answering one of the questions that iPay is a very good option. See, iPay as of now we are operating only as a PG, we are not operating that as an aggregator. Only in our system because we don't have a license of that. In the six months of this year, we have been able to earn around INR 32 crores of revenue out of which INR 9.13 crores is the pure profit.
- And this is the half yearly figure I have. So merely in the, if we count the figure to be doubled in the year, so maybe a little less, we would be ending nearly around INR 60 crores or so. And our revenue will be nearly, I think, 15% to somewhere between INR 17 crores to INR 18 crores. And this is when we have only the PG. But if we have aggregator, come up as an aggregator in our website alone, and the way we can go outside our website also, this is definitely going to add more business and getting us from the transaction.
- Moderator:** As there are no further questions, I now hand the conference over to the management for closing comments.
- Rajni Hasija:** It has been a very thought-provoking session. And our first quarter has been good, our second quarter has been more or less the same, with slight changes, with certain segments getting affected. First quarter was very good because we were comparing with the bad times. And second quarter we are comparing with the good times, but if you compare with the quarter of



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the previous year, we have certainly done very nice. So we are hoping that in the will continue to have a same relationship as they have earlier and keep showing their faith in the IRCTC in the times to come. Let's hope for the good and wish very good for the company. With this, I wish you all the best in the days to come. Thank you very much investors and just stay with us. Thank you.

**Moderator:**

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