



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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BSE Limited (Through BSE Listing Centre) 1 st Floor, New Trade Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street Fort, Mumbai – 400 001 Scrip Code: 542830	National Stock Exchange of India Limited (Through NEAPS) "Exchange Plaza", C-1, Block-G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Scrip Symbol: IRCTC
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Sub: Outcome of investors/analysts meet – Transcript of the Q3FY22 Earning Call held on Wednesday, February 9, 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 February 8, 2022, regarding Q3FY22 Earning Call of IRCTC, please find enclosed the transcript of the Post Result Conference call held on Wednesday, February 9, 2022 to discuss the financial results and operations for the quarter ended on December 31, 2021.

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

Encl: as above



“Indian Railway Catering and Tourism Corporation
Q3 FY2022 Earnings Conference Call”

February 09, 2022



**ANALYST: MR. SIDHARTH AGRAWAL - EXECUTIVE DIRECTOR,
SALES - HAITONG SECURITIES**

**MANAGEMENT: SMT RAJNI HASIJA - CHAIRMAN & MANAGING
DIRECTOR - INDIAN RAILWAY CATERING AND TOURISM
CORPORATION
SHRI AJIT KUMAR – DIRECTOR FINANCE & CFO-
INDIAN RAILWAY CATERING AND TOURISM
CORPORATION**



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Moderator: Ladies and gentlemen, Good day and welcome to IRCTC Limited Q3 FY2022 Post Results Conference Call hosted by Haitong Securities. 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 “*” then “0” on your touchstone phone. Please note that this conference is being recorded. I now hand over the conference to Mr. Sidharth Agarwal - Executive Director, Sales at Haitong. Thank you and over to you, Sir!

Sidharth Agarwal: Hello everyone, I trust you and your dear ones are in good health. On behalf of Haitong Securities India I welcome you to the Indian Railway Catering and Tourism Corporation that is IRCTC's Q3 FY2022 Earnings Concall. On behalf of Haitong India I thank the management for giving us the opportunity to host the call. On the call we have IRCTC's management led by Chairman and Managing Director, Smt. Rajni Hasija and the Director Finance & CFO, Shri Ajit Kumar. CMD Madam and Director Finance Sir shall first give the opening remarks post which we shall open the flow for Q&A. I would now request CMD Madam to provide her overview on Q3 FY2022 results.

Rajni Hasija: Very good morning to all. I welcome you all to this Con-call of IRCTC Limited for quarter ended December 31, 2021. I hope that you and your dear ones are safe and I wish a great and a healthy 2022 as we are interacting for the first time this year so I thought these wishes are very important.

Now when we talk about the results of the Q3 or the fiscal 2022 well it has been a very good quarter for the travel and hospitality industry and which has also contributed by the festive season. It would have been even better but for Omicron infections were not there. Thankfully , the nature has been relatively kind and the Omicron infections have been much moderate as compared to the previous waves that is the first and the second wave which are pretty bad. Hopefully we have completely out of the current wave and there are no new waves of infections, that is what we pray to almighty.

Yesterday our company has announced the financial results for the quarter ended December 2021 and the same has been disclosed on website of both the stock exchanges too. We shall first share a brief overview of the quarter 3 of financial year 2022 results post which we shall also have a question and answer session with all of you and you are free to ask. In the third quarter of financial year 2022 IRCTC has not only demonstrated resilience, but has also reported the operational improvements in all of its business segments. While revenue for the quarter is still below the all-time high, but the absolute EBITDA hits a new high.



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On a consolidated basis quarter three of this financial year, revenue came to nearly Rs.540 Crores where we have seen a strong growth of a 33% over quarter-over-quarter and significant improvement on year-on-year basis also that is nearly more than 140%. EBITDA margin for the second consecutive quarter is at 51%, net profit of a 208 Crores also saw a strong growth over the quarter-over-quarter performance that is 32% and 168% over in year-over-year basis. So both the results have been pretty good, but for the emergence of another wave of infections the travel and hospitality industry can look forward for a much better fiscal year that is 2023 and beyond. IRCTC business segments like catering, packaged drinking water and importantly tourism can look up for a better performance and they change in the industry environment things are improving vaccination is improving we can apprehend a good results.

I shall now hand over the call to my colleague and our CFO, Mr. Ajit Kumar to brief you on a financial and a segmental performance of the company.

Ajit Kumar:

Good morning everybody I am wishing you and your dear ones a much better 2022 especially our regards. I shall first give a brief overview about Q3 FY2022 results post which we shall have the question and answer session.

Q3 FY2022 revenue saw another quarter of a strong improvement on improvement both on Q-o-Q and Y-o-Y basis. Revenue of Rs.540 Crores grew by 33% quarter-on-quarter and by around 1.4 times year-on-year basis given that Q3 FY2021 had the impact of the pandemics given the internet ticketing continued to drive the growth as you know it has the highest margin amongst the business segments. EBITDA margin remained at around more than 50% plus mark for the second consecutive quarter and was at around 51.7% versus 52.2 quarter-on-quarter and 42.2% on a year-on-year basis.

Let us now move to the different business segments of the company. The first one is on the ticketing segment that has continued with the more resilient business segment and the Q3 FY2022 third quarter revenue internet ticketing hit another all-time high at around more than Rs.312 Crores so growing by around 17.9% quarter-on-quarter and significantly higher than Rs.143 Crores in Q3 FY2021. The growth was driven by both the growth in ticketing volume and in non-service charge revenue.

EBIT margin remained above 80% and was at 84.8% versus 83.1% quarter-on-quarter and 76.3% year-on-year basis. The other segment is the catering segment which has moved back to profit at EBIT after six quarters of losses . For Q2 FY2023, the segment reported EBIT



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of Rs.5.7 Crores versus minor loss of Rs.0.15 Crores quarter-on-quarter and loss of Rs.7.94 Crores year-on-year.

Resumption of cooked food was only for part of the quarter and should help better performance in coming quarters because this is going to be a covenant feature now. The Railneer revenue has also maintained the momentum in improvement revenue and EBIT. The Q3 of FY2022 Revenue for the segment grew by 21% quarter-on-quarter to Rs.49.9 Crores EBIT margin got back to double digit mark at 10.1 %versus 6.8% quarter-on-quarter and a loss of course in Q3 FY2021.

The next segment the tourism segment which has all over the world has been the most hit by the pandemics have a sharp revenue growth of 152% quarter-on-quarter to Rs.68.25 Crores which was the highest revenue in the last seven quarters. EBIT loss also now narrowed down to 7.93 Crores versus 21.2 Crores quarter-on-quarter and Rs.11.4 Crores year-on-year basis.

The cash and bank balance & net worth of the company at the end of the Q3 FY2022 is Rs. 1821 Crores and 1840 Crores respectively. So that brings to the end of the opening remarks. Now we can straight move to the question and answer session.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Jinesh Joshi from Prabhudas Lilladher. Please go ahead.

Jinesh Joshi: Thanks for the opportunity. Can you help us with the number of tickets which were booked for the quarter and share of non-convenience revenue to begin with?

Rajni Hasija: Well, the number of tickets which have been booked it has been a very good growth in October we booked around 4.38 Crores ticket, in November it was again 4.18, I am giving the absolute number then I will give you the average also then in the month of December the number dropped a bit it was 4.02 Crores when I say this and in January also the figures have been around 3.41 because we were impacted by pandemic again in the month of January and the second question can you please repeat the second one.

Jinesh Joshi: The share of non-convenience revenue.

Rajni Hasija: The total revenue in the, when we talk about the non-convenience fee revenue because the revenue is earned in one month, but realize in another month, which is better if we take the consolidated nine months kind of a figure. In this nine months kind of a figure the total



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revenue which we earned from the internet ticketing was 728 Crores out of which 499 Crores of the convenience fee that is 68% and the 32% was 229 Crores of the non-convenience fee and if you want further detailing I can give you that also.

Jinesh Joshi:

Madam that should be fine. My second question is on the tourism segment. Now despite this recovery in the tourism revenue, the segment reported an EBIT loss of about 8 Crores for the quarter. So can you highlight the reason behind it because if I look at FY2020 especially 1Q and 2Q our revenue run rate was far lower in the region of about 45 Crores to 50 Crores but despite that we were into profits back then and right now at 68 Crores we are into EBIT loss. So if you can just throw some light on that?

Rajni Hasija:

See as far as the tourism sector is concerned we have reduced the losses that you have noticed that from the losses which were earlier we are more and got reduced to 7 Crores only. So and we are trying although in October and November and December all efforts which we started we could start only in the month of October. So we were about to, our efforts were fructifying in the month of November, December and but when we were doing this the pandemic had already started entering in the month of December. So our December sales from the tourism also got impacted and January was pretty bad for the tourism so January figure impact you will see in the next quarter. In tourism when you start selling I think you start selling in six months in advance, all our departures for that period were fully sold but we had to cancel a few because the pandemic had already started entering and the impact was seen even in the month of December also. So the tourism still is cost is passing to very, very bad phase and the bookings which you had earned earlier lost again in the January again to regain that in the month of February or March you need some time it is a continuous process any breakage in between is going to impact your next three months. So it is a constitutive or a cascading kind of a effect tourism always has. So anything pertaining to law are done, anything happening adverse in the country it impacts your businesses in the tourism sector. It is only IRCTC which has been able to come back at least I think the things are pretty bad with the other private companies where people had to lose plenty of jobs also.

Jinesh Joshi:

I fully understand that, the reason I was asking is because earlier at 50 Crores we were profitable and now at 68 Crores we are into losses. So is there any change in the cost structure which you would want to highlight is what I was essentially speaking about?

Rajni Hasija:

Frankly speaking there is not much change in this structure, but the bookings the sales, sales which were picked up we lost the sales there were many cancellations. The efforts by the teams are even more but the results are not forthcoming because we are losing business



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because of the pandemic people are hesitant of traveling it is only in the deluxe segment or in the mass level the quantum of the mass level that it used to be is not no longer there it is only the very, very necessary thanks to the festive season during the month of October there we could gain something and the marriage season also in the month of December that we could retain some booking so otherwise the things would have been even work and those seasons were not there tourism has started picking up it will pick up further, but you need some time you need six months time at least of the steady environment without any change so that you can get a good result in that.

Jinesh Joshi: One last question from my side is there any roll back of seats happening from 2S to general category given restoration of normalcy.

Rajni Hasija: There was a press clipping which we shared in the last call and we mentioned also that we have not heard of any such thing so far, but the ministry is thinking of rolling back the reservation fee on the second list and put together both segments secondary class sleeper is contributing to the 76% of the booking.

Jinesh Joshi: Thank you so much.

Moderator: Thank you. The next question is from the line of Urmil Shah from Ageas Federal Life Insurance. Please go ahead.

Urmil Shah: Thank you Madam for the opportunity. Madam my first question was on the catering segment, so now that the pre-cooked meals are being allowed how the transition has or to new tenders happen and would it be too early to or speak about the erstwhile price increase that was supposed to happen?

Rajni Hasija: See the cooked food decision came in the I think last week of November and we started giving the trains on tender from the 1st December onwards out of which few trains which were standard bid documents we could restore them little early as compared to the other where we had to do a tendering. If you recall my earlier discussions the total number of our trains where the contracts were to be awarded with the pantry cars that number was 470. So this number is out of these 470, 20 trains were not restored but 44 new trains we got for nutshell there is a gain of a 24 trains. So as of now my total trains with the pantry car is 441 out of which 428 trains are running with the pantry car with the cooked food while 13 are still on the ready to eat food because tender for those trains could not be materialized because of either very low bid or no bid then we also have our train side vending trains their number is nearly more than 700 for which the tender process has already been started and



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very soon you will see the results and increase in the revenue from this segment. So you can say from the pantry car segment and from the Rajdhani, Shatabdi, Duronto, all Shatabdi, Rajdhani, Duronto have been now tendered and licensee fee had started growing and same our turnover from the sale of our Rajdhani and Shatabdi and Duronto food also has been restored, but for TSV yes tender process has started and the licensee will start catering soon from the month of January onwards from February onwards because those tenders take time these are the small value tenders and generally you need some more hard work in tendering those trains.

Urmil Shah: On the price hike when should we expect that it would be...?

Rajni Hasija: In February we are likely to close all the tenders for the train side vending.

Urmil Shah: I was talking about the price hike which was supposed to get implemented and because of the pandemic it got hit.

Rajni Hasija: I think it is there in the balance sheet note also there we have given the impact very clearly I will read out that for the catering contacts awarded before 22nd of March have been treated as a zero period due to the pandemics accordingly no income as well as the railway share payable has accrued during the year 2021 and the period up to 26 November. The railway board's order dated February 23, 2021 for the termination of a standard bid document due to the change in the scope of work has been withdrawn on 19th November and appeal file the railway board has been announced honorable high court of Madras has withdrawn the case particular case has been withdrawn by the ministry of railways and catering services started from 27th of November in the a phased manner the income and the railway share payable has been accrued accordingly. However, the effect of enhancement of the license fee for the period from 27th of November to 31st of December has not been ascertained & recognized on account of increase in catering tariff as per the CC-60 of 2019 issued by the Railway board, since due to Pandemic, the sales assessment by the company is pending. The sales assessment happens in two periods and it one is the lean period another is the peak period, peak period is now coming in the Holi. So one that will be taken care of in that but in January that is considered as a lean period we could not do because of the pandemic. So that sale assessment we are likely to complete in the month of March for the peak period and for the lean period we will see we can do now because February is again a little hierarchy that not lean not considered as lean. So after that assessment is over we will see the increase in the license fee impact.



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- Urmil Shah:** Sure Madam. Coming to the e-catering part in the last concall you had talked about that we are looking at on-boarding partners for the food delivery point of view given that with the large aggregators it is taking time to cut load on the commercials update on that would be helpful and also the volume of e-catering?
- Rajni Hasija:** Well we have been able to bring on-board quite a few of them I will share that figure with you shortly before I conclude as of now I think I have missed that particular thing so my team is collecting that so we have been able to bring many of them on board.
- Urmil Shah:** My last question was on the non-services revenue within internet ticketing, so if you look at the nine months number which you shared at 29 Crores and if I just adjust for the 126 Crores kind of number which was there in the first half that means we have crossed the Q3 number of 100 Crores if you could share which are the sub segments that are driving that revenue and should we expect that this 80 to 100 Crores range on a quarterly basis to be sustainable?
- Rajni Hasija:** Internet ticketing has been contributing not only the maximum revenue as of now but also contributing the maximum of the profit you know, all other segments the profit share is less and the maximum contribution has been from internet ticketing. Whether we will be able to sustain the same pattern January is impacted because of the Omicron yes some impact will be seen in the month of January, February and March we have that Holi period which is considered as a peak period, so my indirect answer is already there that we can expect certain increase in the booking we normally have a high bookings in the month of Holi because of the travel happening towards different region and the return travel also happening and when you say other segments how the internet ticketing for the segment would be doing yes we have done some hard work in the advertisements etc. the business for the same normally fructify in the month of March. So you will see some impact in that also. As far as our own payment gateway is concerned it is doing pretty well if you ask me the nine months period what all marketing revenue we have got it is if I say the percentage sharing with you the total marketing revenue has been around 56 Crores and other than that has been 172 Crores for non-convenience fee resource which is contributing around 32% of the total revenue of internet ticketing out of which 75% shares of the other resources and 25% share is directly of the marketing revenue that is advertisement revenue and there we have done a very well our payment gateway is also doing well and some of the results is fructify and we are also working very hard and reworking all our policies so that more and more efforts and the government business can be achieved in the month of March. So things look good so far.



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- Urmil Shah:** Thank you and whenever it is possible to share e-catering figures.
- Rajni Hasija:** Yes, I will certainly share the e-catering figure with you.
- Urmil Shah:** Thank you.
- Moderator:** Thank you. The next question is from the line of Mayank Babla from Dalal & Brocha. Please go ahead.
- Mayank Babla:** Thank you for taking my question, congratulations on a great set of numbers. Madam could you please give me the capacity of Rail Neer as of end of last quarter capacity utilization in the units sold.
- Rajni Hasija:** Well capacity utilization was again impacted by the Omicron and up to I think current production of the Rail Neer has been to the tune of a 5.5 lakh litres a day where the capacity is around 14.8 lakh litres a day because of the, though the demand has increased as compared to the previous month, but still it has not come up to the maximum level one because of the winter where the consumption of the water goes low and secondly because of that travel, the second AC travel is happening and the second AC travel is around 38%. With the restoration of a cooked food the extended catering that is Rail Neer has set up so production level is to the tune of a 45% the plant utilization have been to the tune of a 45% recently we have done a cost audit also and that also we have found that our production capacity is being utilized in the percentage of 45% to 63% average is nearly 46%.
- Mayank Babla:** Thank you for that and my second question is regarding the tickets booked could you give us the segmentation between this AC non-Ac and the General, 2S class fee in this quarter.
- Rajni Hasija:** Let us start from the highest, 2S is the highest that is 38.6%, sleeper class is 38.1% and put together second AC, third AC and AC Chair Car is 22%, and first AC executive class is less than 1%.
- Mayank Babla:** Thank you so much and best of luck for the future.
- Moderator:** Thank you. The next question is from the line of Manoharan from Retail Investor. Please go ahead.
- Manoharan:** Thanks for the opportunity Madam. Just want to know like in the internet ticketing like if there is a split that you can share between the train and the bus just to know like how it is



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progressing the bus and the air that we invented into right how it is progressing and revenue share you contribute.

Rajni Hasija: I think these things cannot be compared because bus is integrating we have a tool right, but in bus you have a open competition and here the bus booking is picking up as compared to the previous and the air booking has also started picking up but the air booking was pretty bad in the month of January and December. December is picked up January is went down again so there you have many more competitors like OTAs are competing with you in the bus also there are other partners so both in railway ticketing share cannot be compared with the bus and the air share. However our online share of the railway ticketing is we are maintaining at the more than 80% levels and the system ticket which is being booked through counter is nearly 18%.

Manoharan: The next one, so there is an auction for the private trains that got cancelled by the government so any update on that anything that is coming up sooner.

Rajni Hasija: Discussions are still happening with the Ministry of Railways on this issue, in fact today also there is one meeting with them one of the director, we are still I think Ministry is still working on that so I will not be able to give you a major update on this, but things are still under being...

Manoharan: The last one if I may so the payment wallets like so is it in terms of growth percentage or like how are you progressing there in the growth wise not in the profit or not in the number wise just to see how it is progressing. So any growth number percentage number you can share Madam at the wallet alone.

Rajni Hasija: Growth opportunity I think every segment has because in the catering segment more and more trains are being tendered out the train side vending is going to be addressed so they are also bring the scope of a...

Manoharan: Only on the payment wallet.

Rajni Hasija: You said payment wallet. Payment wallet of course, there is some growth is going to happening because gradually, gradually the wallet user number is increasing and but the open wallet yes in iMudra there are certain challenges because now we have changed our partner from one bank to another bank we have shifted however we have found a marginal increase in the business but not very considerable in the open wallet also.



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- Manoharan:** Last one Madam the Swiggy and other things the last time when we spoke about the aggregators we said actually we are trying our own aggregators adds is that we made any progress there anything that we have.
- Rajni Hasija:** We have got some progress our MOA changes are being discussed at a various levels in the Ministry of Railways I think they are in a concluding stage now so once it is approved by our parent Ministry the things will be send to for further action and the MOA changes will be executed then we will also have to follow the course to our AGM. So we are working on the agreement very thoroughly.
- Manoharan:** So we will have our own aggregator is it like we will have similar to Swiggy only.
- Rajni Hasija:** We have our own catering we will have an aggregator license and we will be free to take our PG as an aggregator to other companies to work upon. So that will be an additional source of revenue for us in the coming years to come maybe the next year, may be the year.
- Manoharan:** Thanks a lot, all the best.
- Moderator:** Thank you. The next question is from the line of Shridhar Mandke from FIS Global. Please go ahead.
- Shridhar Mandke:** Madam first of all congratulations on excellent set of numbers there. I have a few questions first is on the tourism segment so I see that expense on the tourism segment from last quarter has almost doubled so could you shed some light on that. The second question is about the profit margin in catering segment the EBIT seems to be at 5% at the moment so do you see it growing maybe in double digits in coming quarters, so that is the second question I will carry on after that so if you could I give some sense?
- Rajni Hasija:** I will answer your second question first the profit margins in catering segment is 5% yes it is going to increase further because more and more trains are going to be tendered so your segment vis-à-vis the expenses are going to remain the same the main expense is generally on the HR and expenditure that you do and we are getting good bids as far as the licensing of the trains is concerned. So the margins are going to increase if I recall correctly though in 2019-2020 our margin in the catering segment has been around I think 10% to 12%, 12% was the total margin and which increased at time in the peak season. In the catering segment in the quarter if I see as compared to the consecutive quarter we have done much better that is around for 34 Crores better than the previous quarter and in profit that in the last quarter the catering was a losing segment now it has become a profitable segment so profit margins



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are going to increase further that is what we are anticipating and in the tourism our expenses had gone up because in the tourism many trains have run because of the revenue has also increased in the tourism segment because of the running of the Tejas and some fixed expenses of the Tejas had to be paid, so that were paid so I think that could be probably one of the very important reason that our tourism profits expenses were little more.

Shridhar Mandke: Another set of questions is that how is the booking shaping up on IRCTC air as probably you have answered that earlier but just wanted to have more highlight on that?

Rajni Hasija: We yet to achieved the 2019-2020 level because they air booking we have not been able to gain the same momentum as we had earlier in fact in December and for the January we had many offers received from the airline but somehow we could not get avail them because of the massive cancellation happening because of the Omicron and we are anticipating good bookings now once the air traffic is resumed to its full and we may also work on the booking charges also again we are also re-considering and re-discussing our sales incentive PLBs, MLB, technical bonus etc. with the airlines also so that the booking is in the segments can be restored.

Shridhar Mandke: Thanks and the last one from me is that do you have any plans to open IRCTC executive lounges at more stations and how is the response on existing stations.

Rajni Hasija: We have executive lounges at I think eight executive lounges as of now we have in with IRCTC because of the Omicron the sale of those executive lounges was also impacted we also have a plan to open in the other segment or which very soon you will see some tender.

Shridhar Mandke: Oaky, thank you.

Moderator: Thank you. The next question is from the line of Shaikh Mohammad, individual investor. Please go ahead.

Shaikh Mohammad: Thank you for the opportunity and many congratulations for excellent results. My question is during the pandemic there was also the reservation of second class means sitting was also being reserved what is the position now. Now still it is going by reservation or general ticketing has been started from the counter.

Rajni Hasija: It is still, second class is still are reserved and IRCTC is booking around 38% of that area it is still reserved so entire booking is with the IRCTC and through system also of course is here 38% of such quantum is being booked through IRCTC portal.



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Shaikh Mohammad: In next quarter what kind of performance you are expecting from IRCTC there will be improvement from the December quarter or there will be slight less.

Rajni Hasija: It is very subjective if Omicron has already hit us in the month of January and being the hospitality segments all our segments were impacted in fact we had a very, very good sales in the tourism segments all our trains were full etc. and we had to cancel all that departure still February most of the departures were cancelled now we are gradually resuming the business so in tourism business there is going to be some hit because one and a half month is already lost and for gaining the rest of one and a half months you need another one month as I said in my previous in the earlier remarks tourism yes has a cascading challenge if you want to sell your product you have to look one year in advance any month lost in between you add to that so booking of that particular month is not only gone the booking for the next three months is also gone so you have to plan in advance you have to do so many things and really yes if it is an extended catering if the train number as the train number has increased you will get, we can see a certain growth in the catering , tourism and the internet ticketing, but even the internet ticketing in the month of January was impacted because of the Omicron.

Shaikh Mohammad: Another question is Vande Bharat trains are coming on board or when it will start do you have any idea.

Rajni Hasija: When it is offered to us for providing hospitality service we will certainly come forward I can only say this but the rest is to be handled by Ministry of Railways.

Shaikh Mohammad: Okay thank you very much.

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

Rahul Jain: Thank you for the opportunity and congratulations on very strong numbers. Firstly my question is on the catering business how the pricing?

Rajni Hasija: Which segment you mentioned.

Rahul Jain: I said about catering segment. I am asking is about catering business so what are the prospects here I mean how the pricing has changed I mean what kind of premium we have seen in general on the retendering basis because earlier the tenders were going on discount so what is the difference between typically what we use to there for the particular catch, that



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you are getting now and we also said that there is two period assessments which is clean and we have done it for the lean season right now but I think the assessment in current period would not be much ideal given that January is has seen significant loss in the passenger traffic so will that also have some bearing in terms of the minimum licensee that we will put in our contract during the assessment will be lower.

Rajni Hasija:

The catering has the two portions two of these handled one is that yes the first challenge with IRCTC was to restore the services and put the train on track as far as the catering was concerned so that particular job is over and we have got very good bids there we have seen some improvements that we were already forcing the rest of the SBD contacts were also restored where the licensee structure remains the same but the increase in the tariff had been there which has been made effective as well as the passenger is concerned so the corresponding increase in the licensee is anticipated because that is based on the assessment that you have mentioned yes January we had identified as a lean period for doing the assessment we could not do because of the Omicron but we are going to encash hopefully everything goes fine and there is no fourth wave and no effect of the pandemic further then we will do certainly we will carry out the adjustment in the coming months for the increase period but for making that effective in the catering segment you need to have a lean period as well so we will see what lean period we need to choose and then we pick up the figure and do the assessment as per the availability once it is completed certainly the impact on the increase in the license fee will be very visible, but that perhaps to the best of my knowledge and the consolidation practices that are being followed in the IRCTC we will be able to see that impact I think in the end of March -21 only so we will start working on that so in the years to come you will see some good improvement as far as the catering is concerned rather I would say good improvement in the catering and Rail Neer is going to be a part of that and as far as our turnover from the Rajdhani Shatabdi food is concerned since the price is increased so you can find marginal increase because of that in the turnover also.

Rahul Jain:

Two more clarification on food that you have raised earlier one of the point was that when you read out that note from the result which clearly says that there is some advantage of this increased in the license fee which will come for the period of 27th November to 31st of December is not been accounted so is it safe to assume that the revised price for this period will come in this quarter Feb, March quarter that is point one.

Rajni Hasija:

Our license fee will increase from 27th November only.

Rahul Jain:

But current number it is not in that higher number that is what I am trying to say here.



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- Rajni Hasija:** That will be after the assessments. It will be only after assessment as per technically as per the contractual commitments we cannot do without assessment more than vendor we are in a hurry to do that and all our team effort got wasted because of the Omicron we had made all the teams etc. everything was ready but revenue will come later on.
- Rahul Jain:** But it can come in the Q4 or it might be more time there.
- Rajni Hasija:** No it will come in the next financial year only for us Q4 we may not get the Q4 we will get the benefit of the increase in the turnover because of the RSD sales and the TSV contract which we could not do earlier but some increase in the earning will be there because those tenders are getting materialized now these are new tender and the huge I think 24 trains have also increased so that impact is also there and the festival season ahead so you will get even the sales are going to be better.
- Rahul Jain:** The number of TSV contracts I think I heard the number to be 700 was that number right?
- Rajni Hasija:** Yes, it is nearly 700.
- Rahul Jain:** This number in the previous quarter was 280.
- Rajni Hasija:** That was we had not done that analysis completely now we have completed, this is the section wise analysis if overall contract may be little less, but the tenders will be like this.
- Rahul Jain:** So you mean to say the lower number was for, so higher number is for section while total contract could be go up.
- Rajni Hasija:** Total number of the trains is also going to be more.
- Rahul Jain:** But this has gone from 288 to 700 on like-to-like basis. And there is one mention in the note number seven that is regarding non-provision of charges till December 31st for the use of PRS for online ticketing direct company for running two private railway trains can you show some light what is this pertaining to.
- Rajni Hasija:** See as of now we for booking Tejas Trains we are using the PRS of Indian railways and that booking engine is doing this our own engine is not yet ready we are in process of making and we are in talk with the various agencies. Since because of the pandemics the Tejas operation itself was impacted so we thought see let us put our effort on making the booking engine on hold we did not make our own engine because it involves expenditure so we were



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using their PRS though in future railways may claim PRS charges on that for the two trends which is not going to be very huge. So that charges we may have to pay so we are making certain provisioning for that and that is the mention as of now we have not made any provision ,may be in the end of the year we will make some provisioning .

Rahul Jain: So the benchmark for this number would be what is the total...

Rajni Hasija: As of now let us do the bidding first only then we can do the benchmarking because railway may ask of x amount but as per the market demand the amount may be x minus 1 so we will negotiate for the x 1 rather than playing x.

Rahul Jain: So ultimately the ticket will be you mean to say it instead of hosting it on IRCTC website we could also use other channel if those are price effective.

Rajni Hasija: See the booking inventory is going to be is with IRCTC the booking engine has to be for the IRCTC, IRCTC can make its own engine or can take the PRS engine we may continue with the PRS engine if the rates are negotiated well if it is later exorbitantly high and we continue with making our own engine and go for our own kind of a setup in our own setup.

Rahul Jain: Just to understand this for example if government is embarrassing x rupees took place for this PRS so total number of train which is two divided by total number of total sales on business.

Rajni Hasija: No business in that entire marketing revenue is with the IRCTC for maintaining the infrastructure we are already paying to CRIS and for using the PRS charges we would be paying to CRIS marketing even their marketing work is also being done by IRCTC for which we charge 50% of the revenue share.

Rahul Jain: Lastly from the luxury tourism prospect I can see on the website that we have started this from October booking October season have we started getting some response or deal has just closes right now.

Rajni Hasija: We have got certain queries from the UK Market, US market we have not in yet factored is that we are making efforts to run through charters you might have seen some revenue also in this segment in the last year in the current quarter also we had run two departures on our Maharaja expresses our third departure was due scheduled on 20th January got cancelled because of the Omicron then the Deluxe tourist train, the Buddhist train we had to cancel because all our booking got cancelled and the booking was coming from either or from the



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other countries few bookings were there from the US also so for the month of October yes we have started booking because these bookings in the luxury segment start two years in advance so as of now we have published only one year calendar for 2023 we are in process of publishing the calendar for 2023-2024 also for which the effort I think it is going to be done very soon.

Rahul Jain: So, technically if there is no new pressure from COVID we may see this season playing out for Maharaja express services.

Rajni Hasija: If the countries are opening up we will also very soon we will start our outbound business also which is now put on hold so we have but within a day or two we are going to take a call the countries which are open like Dubai and etc. here we are going to start our outbound and we are going to encash the upcoming holiday season that is May, June.

Rahul Jain: And just lastly from my end which is on the cash utilization I think you said the cash number is 1800 Crores right now any plan any allocation strategy that you would like to make for us.

Rajni Hasija: See out of this reserve we have to have since our bookings on the ticketing has gone up 700 Crores are on a revolving it will keep revolving if two holidays come then it may reach up to 800 Crores also because every day you get a booking of nearly more than 100 kind of in advance and you have to deposit with the Indian railways if two holidays come then you have to deposit more. So one is the revolving for revolving the thing we want to know and secondly we are also in process of changing the infrastructure for the internet ticketing again when we started getting the tender we were hit by the various supplies now again we are reviving that so we are thinking of doing some capital expenditure on internet ticketing where we really want to improve the infrastructure our talks with the agencies and the tender process we have already initiated. So you will see some expenditure on the internet ticketing and some expenditure in the upcoming railway plans and infrastructure projects that are coming up by the total etc.

Rahul Jain: Okay thank you for the clarification that is it from my side.

Moderator: Thank you. The next question is from the line of Nilesh Jethani from BOI AXA Mutual Fund. Please go ahead.

Nilesh Jethani: Madam good afternoon and thanks for the opportunity. My first question was the two best ticket booking side. So wanted to understand today it is coming into the reserved category



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and what is the potential opportunity of tickets over here and today what could the tickets being booked. So the reason I am asking this question is so for example you want to travel from Mumbai to Ahmedabad there would be a passenger who would booking say from Mumbai to Valsad and another booking from Valsad to Ahmedabad so this same seat can be used by the manifold. So wanted to understand what is the potential over there and today where are we as far as booking is concerned.

Rajni Hasija: See as far as the potential of the sectional booking is that this is going to be forgone and this segment will always be there. So your assessment is right in two ways it happens because the bookings are done from the section right and even in sleeper also the bookings are done section wise the train runs the bookings happening from end to end are there but the inter pool booking you cannot stop it happens and there are pools defined for that I was earlier in that segment so I can share that segment with you that the intersection booking also happens that is why the utilization in few trains is always more than 100% because of the intersectional bookings. So this is there in this sleeper and also then this is going to be in the 2S also.

Nilesh Jethani: So just wanted to understand today what is the booking done and what could be the potential.

Rajni Hasija: The 2S booking is nearly the 38% of the total booking being offered on our portal and the last six, seven months from the day it has started we are seeing that this booking is nearly up to 40% in two, three months in the peak season it has crossed 42% also it all depends how many classes are run by Indian railways in the 2S and as of now we have not got any decision from the ministry of railways that they will not run and second is in the reserve segments in fact in one of the press clippings clarification was also issued by ministry of railways where they had mentioned that 2S is going to be continue to be in the reserve segment because they also get additional revenue on that so that is it that is only I think supplement.

Nilesh Jethani: Any sense on now to say air of these tickets have gone up I mean as well as some growth also has been...

Rajni Hasija: I could not hear you could you come again.

Nilesh Jethani: So wanted to understand this for next say 12 to 18 months what kind of growth we can expect as far as 2S tickets are concerned.



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- Rajni Hasija:** If the overall passenger on Indian Railways is going to increase all classes will gain out of that you might have heard, read in the newspaper also that ministry is targeting good number of our passengers this year. So IRCTC may also be beneficiary of that.
- Nilesh Jethani:** Next question was on the catering side so could I want to understand in the total train being running on the Indian Railways how many have restarted the catering how many is left and earlier margins used to be in the range of mid teens so what is your sense on margins going back say in next 12 to 18 months.
- Rajni Hasija:** See the total number for trains which were running were to the tune in the October they were 3000 such trains where IRCTC was providing the booking they went up nearly 6000, 5997 trains where we provided booking in the month of November in December again they went down to the tune of 4500 and in January again the figure went down and the trains were around 4051 where we provided the reservation. So that is answer your first question.
- Nilesh Jethani:** I was asking about catering Madam.
- Rajni Hasija:** In catering by January end we could provide catering services in the 428 trains with the pantry car we could outsource all those licenses and we could have all the contracts and in addition to this we are also running around you can say 112 contracts which are still running on our team and we are trying to give them again on the cooked food somehow the bidding process has not been very successful in this because of some other reason we are doing such retendering again.
- Nilesh Jethani:** So again this 400, 420 trains they are providing catering today what would be number pre-pandemic.
- Rajni Hasija:** It was 470 we got 44 new trains but at the same time 20 previous trains were cancelled, so net again is 24. So now your number is 441 out of which 420 trains have been rendered with the cook food 13 are running in the with the RTE, no train is running without any contracts by them either you have cooked food or RTE Food, majority 99% is with the cooked food where you get vender licensee and rest is with that.
- Nilesh Jethani:** Yes those were my questions and thank you so much for replying to me.
- Rajni Hasija:** Thank you. Ladies and gentlemen we will take that as a last question I would now like to hand the conference over to Mr. Sidharth Agrawal for closing comments. Thank you and over to you .



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Sidharth Agrawal: I would like to thank CMD Madam Smt. Rajni Hasija and Director Finance and CFO, Shri. Ajit Kumar ji for another insightful session on IRCTC and its growth prospects and also to my colleagues and all the participants of today's call trust me Madam it was indeed a huge learning experience for us. Thanks a lot.

Rajni Hasija: Thank you and before I close the e-catering figures I would like to share. We have I think five partners in the B2C segment it is Figo, PayTm and this Railofy we have made them active but since the cooked food has started the e-catering average has gone down so but it will pick up when the catering business is there and the commission that we have received is nearly 5 Crores. So that is all from our side. Thank you very much.

Sidharth Agrawal: Thank you Madam.

Moderator: Thank you. Ladies and gentlemen on behalf of Haitong Securities that concludes this conference call. Thank you for joining us and you may now disconnect your lines.