



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

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BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code: 542830	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G – Block Bandra Kurla Complex, Bandra East, Mumbai -400 051 NSE Symbol: IRCTC
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Sub: Outcome of investors/analysts meet

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 June 29, 2021, regarding investors/analyst conference call, please find enclosed the transcript of conference call held on Wednesday, June 30, 2021, organised by ICICI Securities Limited.

You are requested to kindly take the same on records.

Thanking you.

Yours sincerely,

For Indian Railway Catering and Tourism Corporation Limited


(Suman Kalra)

Company Secretary and Compliance Officer
Membership No: F9199



Encl: as above

“IRCTC Q4 FY-21 Results Conference Call”

June 30, 2021

IRCTC MANAGEMENT:

**SMT. RAJNI HASIJA –
CHAIRPERSON & MANAGING DIRECTOR
SHRI. AJIT KUMAR –
DIRECTOR (FINANCE) & CFO, IRCTC**

ICICI SECURITIES LTD.:

**MR. ANSUMAN DEB
MS SEEMA SEHGAL**

Moderator: Ladies and gentlemen good day and welcome to IRCTC Quarter 4 FY21 Results Conference Call hosted by ICICI Securities Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now handover the session to Mr. Ansuman Deb – Assistant Vice President, ICICI Securities Limited. Thank you and over to you sir.

Ansuman Deb:

Thanks Malika. Good morning ladies and gentlemen. It is an honor and privilege to host Indian Railways Catering and Tourism Corporation Limited (IRCTC) for their Q4 and FY21 Results Call. Representing the company, we have Smt. Rajni Hasija – Chairman and Managing Director and Shri. Ajit Kumar – Director (Finance) and CFO. We would request honorable Chairman and Managing Director to start the session with her opening remarks, post which we will open the floor for Q&A. Thank you and over to you ma’am.

Rajni Hasija:

Thank you very much. A very good morning to everybody. I welcome you all to the con-call of IRCTC Limited for the quarter and the year ended on 31st March, 2021. I hope that you and your dear ones are safe in these challenging times of COVID which has affected each and every quarter of our life.

Yesterday our company had announced the audited financial results for the fourth quarter and the year ended of fiscal ‘21 and same has been disclosed on both the stock exchanges too. We all know the COVID-19 the pandemic has had a severe impact on the Indian Railways operation and all our business segments. In fact, it has been the worst year for the tourism and hospitality business. However, despite all the headwinds and challenges IRCTC has shown remarkable improvement in its operation and financial operation. That will be evident from our results, if we compare Quarter 1 with Quarter 2 and Quarter 3 and Quarter 4, there has been a consistent improvement. I shall now handover the con-call to our Director (Finance) and CFO, Shri. Ajit Kumar, who will provide you details of the quarter and the year ended results for the fiscal 2021, 4 which we shall have a question answer session with you all. Thank you.

Ajit Kumar:

Good morning everyone. This is of course in the pandemic time, so whatever the best we have been able to achieve so that we have tried and this financial figure is here like this. The Q4 FY21 revenue was at Rs. 339 crores and saw a sharp improvement of 51% quarter-on-quarter. On a year-on-year it continued to face the headwinds of the pandemic. EBITDA margin came at 42.8% which was another high and saw an improvement of about 60 bps quarter-on-quarter. On a year-on-year basis the EBITDA margin was much higher than 34.4% in Q4 FY20. Net profit before exceptional items was at Rs. 107 crores which implied the growth of around 36% QoQ and a decline of 29% YoY. For FY21 revenue came at Rs. 783 crores which is a decline of 66% YoY. EBITDA margin came at 24.3% versus 31.4% YoY and net profits before the exceptional items came at Rs. 150 crores versus Rs. 527 crores year-on-year basis.

Let me now move to the business segments of the company. The number one will be the internet ticketing, internet ticketing segment has been the most resilient business segment in these challenging times. The Q4 FY21 revenue internet ticketing came at Rs. 212 crores, that is an increase of 48% Q-on-Q and decline of just 7% Y-on-Y. EBIT margin for the segment also saw

sharp improvement QoQ to 83.3%. In catering segment, I discussed in our previous earnings call has been severely hit by the pandemic. While the revenue for this segment improving Q-on-Q basis, however it continues to be lower on year-on-year basis. For Q4 FY21 was Rs. 67 crores and then minus 75% year-on-year basis. As discussed earlier this segment has seen restriction like only ready-to-eat and no cooked food was allowed on board or sealed packed meals being allowed or meals to be ordered through e-catering versus the earlier one that is the pre-cooked meals being served in the pre-pandemic era. However, the company has been able to reduce the losses both on absolute basis and EBIT margin level.

The next segment is tourism segment. Of course, it's worldwide, this has seen the most severe hit the pandemic for us as well as for the industry. The Q4 FY21 revenue though more than doubled, Q-on-Q to Rs. 32 crores, it is still 80% lower than Q4 FY20. This has impact on the profitability of the segment.

Now Rail Neer, the next segment has also seen QoQ improvement throughout the year. Just after the moment we started unlocking, so therefore the earning started here. In Q4 FY21 its revenue improved by 64% QoQ to Rs. 278 million. For Q4 FY21 the CAPEX was 46 crores and for FY21 it has been 73 crores. The company continues to have a strong balance sheet with a net cash of Rs. 1460 crores and net worth of Rs. 1466 crores. Q1 FY22 has again seen the surge in COVID-19 infection and the same has been brought under control. We've also seen significant improvement in vaccination. However, the third wave of infection and impact of same still remains uncertain. At IRCTC we will try fight the tough situation as we have done in FY21 and I'm confident that we could come out of even stronger.

We can now move to the question-and-answer session. Thank you.

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.

Jinesh Joshi: Two questions, first can you help us what is the convenience revenue and number of tickets booked in FY21?

Rajni Hasija: The tickets booked in the year 2021 were around 1740 lakh tickets have been booked. It is almost 50% of the ticket that we had booked in the previous year.

Jinesh Joshi: And what is the convenience revenue?

Rajni Hasija: Convenience fee that we have realized in the year 2021 was around 299 crores.

Jinesh Joshi: Secondly if I look at our 4Q numbers with respect to this tourism division then what I see that the EBIT loss is higher than the revenue. So, is there any element of a one-off here and secondly if I understand correctly majority of our receivables pertains to catering? So, while our catering revenues have gone down from 1000 crores odd to approximately 220 crores in FY21, the quantum of fall in receivables is not that high, so how should we be reading into this?

- Rajni Hasija:** I'll answer your second question first; you said your trade receivables have gone down and the rate is not in commensuration with the revenue earned. Actually, both cannot be compared because the trade receivables which you were seeing at the closure of the last year fiscal was around 777 crores. This was including all the trade receivables of the previous years also. This year for the first time we have since there was no accumulation of the other arrears, so IRCTC focused on decreasing the trade receivable and realized old outstanding dues from the railways. So, the reduction level will be different, although it is very hard and we improved by 30% or so. And while the revenues of the catering is almost 22% of the previous year. It is not in commensuration with these because both cannot be compared. Most of our trade receivables from the railways have been in the catering segment, majority of them, 90% of them are from catering segment.
- Ajit Kumar:** Other segments.
- Rajni Hasija:** Yes, but the total figure of the trade receivable although includes every segment. So, both cannot be compared. This is the outstanding of the previous year, the revenue generation is affected because of the COVID and the pattern of the business and the pattern of the travel. Because in the first quarter we didn't have any train and for the first time we showed a loss. In the second quarter we had few trains introduced, third quarter number of trains further improved, in fourth quarter initially the train number reduced then they were increased because April was very bad. April and May though were bad but till March we could get more trains.
- Jinesh Joshi:** The EBIT loss is higher than the revenue reported.
- Rajni Hasija:** Because of the prepaid traffic which we used to have earlier. If we see the catering segment, our earlier sales from the prepaid segment, it used to be around over 500 crores which is not there now. Since you're asking about the tourism, in tourism many segments like Maharaja trade receivable never moved. And this air ticketing also fallen, then various train operations could not happen. All our rail-based tourism was put to an halt. It is only in the January we picked up a bit.
- Moderator:** The next question is from the line of Urmil Shah from Haitong Securities.
- Urmil Shah:** The first question was on the non-service charge revenue which is internet ticketing. We've done a commendable at a time when the volume decline has been severe. So, just wanted you throw some light as regards the difference of segments of the non- service charge revenue and outlook for FY22 and '23.
- Rajni Hasija:** In 2021, the total revenue from my internet ticket segment has been around 448 crores. Although this is 27% lesser as compared to the previous year because of that smaller number of trains being operated. The number of passengers booked have reduced to half. The share of the convenience fee in the 448 crores have been to the tune of the 66% that is 299 crores and rest of the segment is non-service charge or non-convenience fee like 33% from that segment, out of which annual maintenance of different schemes and the annual other like

integration charges amounts to around 100 crores and other businesses like loyalty cards etc. was there. So, 66 % was the contribution of convenience fee, rest of the other businesses in the indirect ticketing segment. The promotional schemes and the other schemes could not take off well because advertising agency was seeing a very dull sale and not many advertisers were ready to go through the Google DFP tool also where the rates were bit high, reasonable very competitive. Rest of the revenue like annual maintenance etc. some leverage was also given to our licensees, to our service providers and partners because for two months they could not do any booking, so both sides were adjusted also. This has impacted the overall contribution in that segment also.

Urmil Shah: Specifically, if you could help with the income from our own payment gateway and as regards the advertisement income for this year.

Rajni Hasija: You mean to say I Pay income contribution has been around 7%. I'll give you the right figure, give me one minute. It is around 15 crores, this year we have received from I Pay. Last year we had received around 28 crores.

Urmil Shah: Just same number for advertisement for this year.

Rajni Hasija: The advertising revenue has—from SMS it has—been very less. I think put together it is around 9.78 crores, advertising revenue. That is inclusive of all banner, SMS, advertisements, government advertisements, non-government advertisement put together all.

Urmil Shah: I just wanted an understanding on the margin profile of I Pay, so there would be a combination of MG plus revenue share. If you look at FY22 and '23 where there would be a normalization as regards the volume on our network, what would be the kind of revenue share that will have to be done with the partner?

Rajni Hasija: Actually, the revenue sharing along with the partner, transaction we should understand the business in totality. First is that in the UPI there is no share. UPI payments happening through I Pay does not have any share. And on debit card, few debit cards have and any payment below 2000 does not have share. So, after that whatever is left there is a sharing of around the 40-60 for the I Pay between us and the party, our partner. So, you can say the commission received from I Pay it includes transactions from the customer and the commission from the bank. Commission sharing; we share with our partner, the interchange commission that we share, we share with the bank also. First bank pays, after deducting the bank's amount whatever is left, it is shared 50-50 between two of us.

Urmil Shah: What would be the share of UPI transaction because I believe this year the proportion of non-AC volume would have been higher. So, how is the share of UPI moved?

Rajni Hasija: 24.18%, the total tickets being booked through our website, through UPI handle is 24%, debit card is around 22%. So, more than 40% is gone without transaction charges share. So, rest we

earn revenue on the net-banking, credit card, auto-pay, Bharat QR also has some money like that.

Urmil Shah: I was asking the UPI share in the number of tickets booked overall.

Rajni Hasija: It is around 420.78 lakhs, out of this 1700 tickets, 24%.

Urmil Shah: Last question was, now that the catering was allowed during the Q4, e-catering I am referring to and we had talked about, we looking at tie-ups with the aggregators. If you could comment on how has the traction been on e-catering and how are the talks with the aggregators going on for onloading it to our platform?

Rajni Hasija: Are you specifically asking about e-catering or you are asking in general about the catering Urimil ji?

Urmil Shah: Ma'am I'm asking about e-catering only.

Rajni Hasija: In the case of e-catering we have made certain changes in our policy in the aggregator model also. Fortunately, in the e-catering we have done a few new tie-ups and we have increased our commission from 12% to 15% marginally. There is going to be some manifest and booking through e-catering is going up. Very recently we have opened booking of e-catering food through our B2C partners also. Ixigo, MNC and MobiKwik and three-four others lead partners of B2C business have opened e-catering for us. So, this has given some increase and when initially we started, we were booking around 1000 meals etc. gradually from 1000 meals now on the holiday we have reached up to 12,000 or 11,000 meals also. Although the number of a ticket being booked is almost 50% that we were booking earlier. I can say that we are about to reach the pre-COVID level very soon, if this trend goes on because more and more B2C partners are going. We are finding some light in the e-catering.

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

Rahul Jain: If you could tell us in terms of what is the status of number of trains operational at the end of March and what is the status today and similarly on the number of food units that are operational at the end of March and as of today approximation?

Rajni Hasija: You had asked about the number of trains and what was your second question?

Rahul Jain: Number of food units and pantry cars?

Rajni Hasija: Food units and pantry cars. So, pre-COVID we had 417 pantry cars operational, now we have around more than 250 pantry cars are operating but this number is very dynamic because the trains being announced, these are special trains and it is of a very lesser frequency, 2 months-3 months. The number of our trains are changing very fast also. The number I may be telling you now may not be there tomorrow.

- Rahul Jain:** And this 250 is as of June or this is you are saying of March?
- Rajni Hasija:** This is as on date. Up to March I don't have figure rightly available, at once.
- Rahul Jain:** Overall train basis, number of train basis?
- Rajni Hasija:** Even if pantry car is not there, we still have a train side vending and still our trains side vending contracts from these trains. No train is leaving, being left alone without a contract. Each train is a revenue for us.
- Rahul Jain:** The total number of trains which were operational in March and versus now?
- Rajni Hasija:** You can say it has increased by 20% from the March because recently 800 trains, more trains were announced and gradually we are getting trains in a phased manner. Initially we got 130 trains, then we got 140 trains. It is being increased every month rather every week.
- Rahul Jain:** 800 is the recent most status and this is 20% higher than last status?
- Rajni Hasija:** Yes.
- Rahul Jain:** In the catering business wherever we are coming up for renewal, what are the like-for-like revenue we are collecting? Let's assume there is a renewal for Chennai station so what was the license fee on an average they were paying pre-COVID versus what is the percent today?
- Rajni Hasija:** COVID has not ended fully, footfall at the station has not gone up at pre-COVID levels also. The trains, only the reserved segment travel is permitted other than the suburban traffic. Many of the stations are not having adequate footfall so Food Plaza and FFU units are being operated at a reduced license fee. Incremental increase in the license fee that happens normally annually will happen after 2-3 months when the footfall is restored to normalcy. Because first when the units were closed by the states, the dies non period starts and in the dies non period you have to hold hand of license fee so that he is able to fulfill the obligations, contractual obligations. Just to provide services to the customers, they were persuaded to open all the units at a reduced license fee. Now today that period is ending today. Today we are going to decide how much license fee they will be working because the footfall in these at the station has not reverted back to pre-COVID levels yet. The total number of our passenger though in the reserved segment is more but unreserved because at station, sale through food to units is happening through the unreserved segment also, that is not there. Desired footfall is not there for them. We have to work with them on a reduced license fee, increment will happen once normalization is restored.
- Rahul Jain:** On the tourism side our losses even on a quarter-to-quarter basis, what I mean to say Q3 '21 versus what it is today. It has increased from 11 crores to 42 crores. Is it because we started the Tejas operation and also the Golden Chariot which was started during this quarter? Is it some one-time expenses we have incurred towards Golden Chariot marketing or refurbishment or for Tejas which has resulted in particular higher losses on a QoQ basis?

- Rajni Hasija:** That is because of the provisioning needs. During COVID period the Tejas and Mahakal operations were cancelled like other trains. But unfortunately, somehow, we have been asked to, the provisioning was made for the fixed charges. And some fixed charges are to be paid for the operation of these Tejas and Mahakal because we have taken these rates on lease from railways. There are fixed charges for that but since the operation was not happening, we have represented to Ministry of Railways a waiver of these charges which is under consideration because dis- non period as is applicable for the normal license fee is applicable for IRCTC as well. We were given some relief initially but that relief was not in commensuration with the total amount charged so we have represented again to railways. We have made a provisioning for that. Maybe once we get the approval this will be counted in the revenue in the next quarter.
- Rahul Jain:** Out of these 44 crores losses what is this provisioning and is it for the full year instead of one quarter?
- Rajni Hasija:** 28 crores is the provisioning.
- Rahul Jain:** This is for more than 3 months which we have done in this quarter?
- Rajni Hasija:** Actually, for the entire year.
- Rahul Jain:** Basically, in the earlier period we were not assuming this as a cost and that we have accounted in this quarter?
- Rajni Hasija:** This was entering as a cost but once we started Tejas; in the first 6 months in '19-20 we have already built in and we have paid to the railways also discounts and that was in our expenditure. But unfortunately, in 2021 in the beginning of '21, Tejas had to be cancelled. That is why you all can see it very categorically that the trains were not being operated which is there in our footmarks also that provisioning for 28 crores has been made this year; the document that we have submitted to stock exchange.
- Rahul Jain:** This 28 crores amounts to the leasing charges for period of January till March?
- Rajni Hasija:** Leasing charges and the fixed haulage charge.
- Rahul Jain:** This is only amounting for one quarter only?
- Rajni Hasija:** No, it is for the entire year for non-operating year, for which we were told to pay by Ministry of Railway.
- Rahul Jain:** This was the total quantum for the full year?
- Rajni Hasija:** Yes.
- Rahul Jain:** Earlier the fixed lease charges and haulage charges were not expense during those quarters and that's why all of them have accumulated to 28 crores which is charging this quarter?

- Rajni Hasija:** Yes.
- Rahul Jain:** Any significant spend we have done on this Golden Chariot during this quarter?
- Rajni Hasija:** Golden Chariot most of the marketing was done by local offices. It's only the digital marketing we did, no paper advertisement, nothing we did. We are not resorted to any press releases other than Bharat Darshan where we have done a very petty expenditure. In fact, our total expenditure on the marketing would not have crossed even 1 Cr. Mostly on digital media we hardly spend on print media.
- Rahul Jain:** Just to get the understanding. So, in this quarter when we report the April-May-June quarter, the losses in this period, it is more the on line for what we saw in Q3 because this one time 28 crores thing will not be there. It will be reduced by this amount in the subsequent quarters?
- Rajni Hasija:** Yes, it may be reduced in the first quarter or second quarter this year. If we get approval, from the moment we get approval from Ministry of Railways for which we are working very hard, we are also presented ourselves in a very coordinated manner and we appear to be very much convinced so see when we get the letter.
- Moderator:** The next question is from the line of Urmil Shah from Haitong Securities.
- Urmil Shah:** Not sure whether it is the right time to discuss on this but just wanted the thoughts on the train privatization program. Last quarter we had said that the process is getting delayed so one, an update on the same and is there any update on our plan for a JV or leasing out auctions?
- Rajni Hasija:** The date of commission of RFP has been extended from 30th June to 23rd of July, first is this. Secondly IRCTC was very much in the race, I told you that we are told earlier in the earlier conferences also that IRCTC has been qualified for almost 11 clusters except for the Bangalore cluster, 10 clusters because Hyderabad we did not apply. Our stand remains the same. We are in process of getting our partner. There is slight change in our strategy because now we are looking for a strategic partner who can go ahead with us for more than other train for all such kind of operations happening in the future. Expression of interest for that is already out and date for closure of that RFP is going to be around I guess around 2nd July, we are closing that and we are also in talk with many rolling stock providers and other financial houses so that we can find a partner who can spend some money. As you can see that there is some change in our segmental revenue also so we have to find out a partner first to go ahead in this tender so that we can participate in more clusters.
- Urmil Shah:** Did I understand it correct that you are looking at a partner who can participate in this league of privatization and also on other operations like the Tejas trains etc.?
- Rajni Hasija:** It's a strategic tie-up where we are looking a partnership person for who can spend some equity in the company. Though we have reserve but we can't spend it all otherwise our development

will come to halt. So, we need to have a person, we shall be forming a SPV or JV subsequently. Right now, SPV is on the cards.

Urmil Shah: On the bus ticketing business, has that seen a pickup to we talked of or we will have to wait for one, things to normalize and our volume also to augment which might happen during the year?

Rajni Hasija: If you see the previous year 2021 the number of tickets booked had reduced to half. In April it further reduced for few days because many trains were canceled. May picked up a bit but in June there has been a very good increase. On few days we were booking around close to 10 lakhs tickets in a day. I can say the trend is very positive, with the more trains being introduced and the 2S class being there the internet booking in June has been much better than the previous year. Of course, previous year we had COVID and previous June also.

Urmil Shah: My question was more on the bus ticketing business?

Rajni Hasija: Bus, I considered that as a railway ticketing. Bus ticketing has started picking up. Initial there were hiccups, lockdown happening because this is being driven by many state governments. It has started picking up but the pace is very slow. I must say pace is very slow, we are now planning marketing along with our partners.

Moderator: The next question is from the line of Richard Dsouza from State Bank of India Mutual Fund.

Richard Dsouza: I just want to know that currently you said that about 800 trains are operational somewhere in June. So, pre-COVID what was the peak number of trains operational?

Rajni Hasija: I said the 800 number of our trains were ordered that they will be operating. If I give you the correct figure, in the month of March we had total 430 contracts for the train, for the catering. And now we have around 450 trains contracts available and 100 such contracts are in the pipeline. These are the catering contracts but our revenue from trains is not only the catering revenue; it is the ticketing revenue also. Where the trains do not have pantry cars also so if you multiply it by 2 so you can say around 950 or 1000 trains would be running. I will give you the exact number before I close. Before I close, I will give you the exact numbers.

Richard Dsouza: I just wanted the number of trains which are operational for which ticketing is being done?

Rajni Hasija: I will get you the number.

Richard Dsouza: Let's say pre-COVID peak and currently now in March and June. That was one number if you could share? The second thing is when we moved the reservations basically from unreserved to reserved that S2 category. How many coaches were added or how much incremental tickets could be on offer?

Rajni Hasija: I will give you the coaches that were added were of the 2S class, right. So, in the 2S class our booking is amounting to be in the year 2021; the percentage booking for this particular class has

been to the tune of 36% which is slightly lesser than sleeper class which is the highest, around 40%. You can say the second class is now beating and tracking with the sleeper class also. So, increment in the ticketing has been basically due to this and the number of trains.

Richard Dsouza: I will come back later and I would appreciate if you could share the number for the trains.

Rajni Hasija: Just stay for the while. I will get you.

Moderator: The next question is from the line of Varun Goenka from Nippon India Asset Management Company.

Varun Goenka: My question is around ticketing. We were doing around 30-32 crores tickets before pandemic hit us, FY20 I believe. If you could give a sense of what is the kind of ticketing opportunity, we have for next 3-4 years because there is a large non-PRS segment, a lot of unreserved categories. Where this 30-32 crores tickets become over the few years when even normalizations happen and government gives you more ticketing areas opportunity related to managing the whole ticketing part?

Rajni Hasija: I would like to explain first that it is not only that the reserve ticketing that we are doing, we are assisting Indian Railways in the non-reserved segment also because the payment gateway in the non-reserved segments are being provided by IRCTC only but it is kind of a social service. We are not getting any revenue so it may not be of much importance to you but whether we have been trying to get some share in the non-reserved segment also in the form of a convenience fee but the amount our ticket value is very low so in order to promote the digital payment, Ministry of Railways has taken a call that service charges will not be there. It is only the bank charges that bank might be charging at their end. At many places banks may not be charging because the transactions happening on these tickets are very low. As of now what I foresee that this two is getting us the percentage of the 36% will be the determining factor in the years to come. In the next 2 years this 36% figure will vary up to 40, may go up to 40. That is my personal thinking and sleeper class also will go up because you would have seen that there is increase in the total traffic. Earlier we were booking around 72% of the Indian Railways tickets. This year we have booked around 80% of the railway's tickets, reserved segment. This 8% increase in the overall ticketing, don't go by the number, overall percentage, the number of persons booked if we see that, so we some light over there. But our effort in getting some share in the unreserved segment also succeed then we will be a double gainer later. At least we have been trying.

Varun Goenka: On the payment gateway side the efforts that we were making; if you could help us to the progress that side so that eventually all payments go through I Pay itself and we have to share less with the bank?

Rajni Hasija: It will not be in the interest of industry and being selfish on the part of IRCTC if I put I Pay. Firstly, it's not that I Pay will not be handle the load. Why we have such a multiple solution? We take money from many of them. Transaction charges we share with them. Of course, our share in the I Pay is more as compared to the other PGs. There's no doubt about it but we have to see

that the passenger is at ease and he should not get greedy to, gradually we are proliferating but gradually we are increasing the lead and the forum, the place etc. we are changing and end of the day we are a government company with 67.40% share of the government where we have to ensure level playing for all of our partners. If I have I Pay, I have **(Inaudible)** (42.27) also I have Razorpay also with me. I have to be fair to them, they are also giving me money. I have to take everyone along in this digital journey of India.

Varun Goenka:

Will we eventually look to integrate all air ticketing, bus ticketing, railways, food?

Rajni Hasija:

Its already there. There I can because these are my businesses. There we have given assistance to I Pay. Preferences are there, it's not that we are not giving preferences to I Pay. In fact, we are going forward also in getting some licenses from RBI so that we can take this I Pay for the other government agencies as a payment mode, efforts are on. Maybe next year you hear that.

Moderator:

The next question is from the line of Manan from ICICI Securities.

Manan:

My question is towards the capital expenditure across your IT infrastructure, across pay releases and the private groups that we are planning to bid as and when the bidding gets started and if any other areas I have missed. What will be our capitalized expenditure in these areas?

Rajni Hasija:

This year we have spent around, we intended to spend 100 crores but because of the restriction imposed and the second wave starting in February itself and we got reduced ourselves to 73 crores but we have ordered and this year we are planning to spend again around 90 to 100 crores in improving our infrastructure in Internet ticketing because the tenders which we could not do the previous year, we would be doing this year.

Manan:

For Rail Neer and other endeavors?

Rajni Hasija:

Rail Neer, earlier we had 14 of plants operational, now we have Una plant has also been made operational. Bhusawal is going to be completed very soon and Vijayawada, I think Vijayawada NTPC-Simhadri and Bhusawal shall be commissioned in this financial year and the other two plants in Kota and Bhubaneswar will come up in the year 2022 and '23.

Manan:

These will be 20-25 crores kind of number or much less?

Rajni Hasija:

Less, they're lesser because there are 17 plants, I think there we have given them capital support 8 crores each plant. You can say 8 months, three we have already given the support because the machinery has been installed for '21-22. '22-23 yes only 16 crores will be the support.

Manan:

And for the private routes as in when they come in, we were planning to have the rates on our own books because it was a better IRR given 10-year depreciation. How does that work and what are we planning there?

- Rajni Hasija:** It certainly works very nicely provided we win a tender. As of now for running Tejas we were given certain dispensation and certain handholding was done by Indian Railways. If we go for a private rake now so first is getting them approved from RDSO and other railway official agencies will be a challenge for us. Secondly CRS sanction will also be a challenge for us; thirdly if I use those rates and railway loses revenue then the dispensation given to me will be withdrawn. I think I have been able to make myself very clear that we are as of now we are using coaching stock of Indian Railways. It will be a real challenge for IRCTC to run with the private stock as of now because if we win a private train tender then we will have to the separate sanction for those trains then there shall not be a problem. That will be a different story, this is going to be a different story. Yes, your point is well taken that running by with a private stock maybe cheaper option as compared to Tejas.
- Manan:** So, as of now we have no such plans and the thing budgeted for that endeavor, right?
- Rajni Hasija:** Private train what we have to spend this year is first of all winning the tender we have to plan that BG etc. for we have already provision around 60 crores etc. we have reserved. Then in case if we spend them, we are also looking for equity participation from our partner, 60%-50% he would be doing, that we would be doing with you can say we have made internal provision of around 400 crores and phase wise year-by-year. In any case if we win tender by September or October or so, 2-year time period is still there to start the operation. The planning will be done by getting the best rate because SPV will be there, they will be tendering it out. The best rate of the rolling stock provider will be taken then the provisioning will be made in next financial year.
- Manan:** My last question, who will be these difficult partners that we would have?
- Rajni Hasija:** I cannot disclose as of now.
- Moderator:** The next question is from the line of Mayank Babla from Dalal & Broacha.
- Mayank Babla:** You have given us the number for FY21 in non-convenience. Could you give the same for the quarter, the non-convenience income and same number of ticket books for the quarter?
- Rajni Hasija:** Unfortunately for that particular quarter I'm not having the number readily available but can be made available, let me see. Convenience fee was around 150 crores for Q4, I'm sorry I don't have these figures readily available with me, give me some time I'll get you soon.
- Mayank Babla:** I could squeeze in the Rail Neer capacity as of date?
- Rajni Hasija:** Rail Neer capacity earlier with 14 plants we had around 14.08 lakhs per day. With the new plant coming up this financial year, 4 plants are added so it will be around 16 lacks per day, but the demand if the COVID continues and the demand will be less to the production level we maybe not be there, capacity utilization of the plant may not be on the top notch. The COVID is actually affecting ours this business, catering and you know Rail Neer is an extended catering.

- Mayank Babla:** I'll just wait for the number of tickets in the Q4 whenever you get the number?
- Rajni Hasija:** You can note it down. In the month of January, we had around 281 in February 298 lakhs and in March it is 319. So, you can now combine around 898 lakhs something.
- Moderator:** The next question is from the line of Niket Shah from Motilal Oswal Mutual Funds.
- Niket Shah:** Just one question wanted to understand what will be the peak revenues given the fact that we go back to pre-COVID levels and adding the new trains which will also come on board, if you just take that into consideration plus the 2S benefit. What can be the revenues that we can generate because it's very difficult to dissect and dissect a COVID period because the train's will you know there are multiple trains starting up at a higher point and then it kind of shuts off and again starts off. So, it's very difficult to dissect-dissect them. So, would it be possible for you to give us some sense of what's going to be the peak revenues at monsoon assuming everything goes back to normal?
- Rajni Hasija:** Assuming everything goes to normal will not be that hope everything goes to normal fast. Till that time we personally feel because we are in the hospitality sector, we are the worst affected and tourism may not happen because till restrictions are there.
- Niket Shah:** I'm just trying to understand the transactional ticket part of it?
- Rajni Hasija:** Everything will grow the way it is growing.
- Niket Shah:** What can be the peak revenues for that?
- Rajni Hasija:** We have already achieved the 80%.
- Niket Shah:** My question was assuming all the train's go back to full utilization the way it was earlier in pre COVID levels, what can be the peak revenues or peak ticketing whichever number you want to give it because it also either include 2S right?
- Rajni Hasija:** Last year our total revenue from internet ticketing segment was around 619 crores out of which 58% was came from convenience fees that was around 349 crores. So, you can say this go back to previous volumes and then we would be earning around 360 to 400 crores from the convenience fees. Sorry, you can save 349 just because we started in the September '19, so you can take out the average for the month and then multiply that number.
- Moderator:** The next question is from the line of Dhruva Mukherjee from Malabar Investments.
- Dhruva Mukherjee:** Have the share of bookings coming from our B2C partners gone up over time and how high will it going?
- Rajni Hasija:** Well, if I share the exact figures with you the booking with our B2C partners are really doing very-very well. So, I can say that our B2C partners bookings earlier was around 14% now they

are around 17% booking happening to our B2C partners and normal users. Though the revenue you know we have additional revenue also.

Dhruva Mukherjee: Do we mind it going as high as possible? I mean how do you feel about transforming from a B2C company to B2B?

Rajni Hasija: Why should I stop, tell me one reason. If I'm getting Rs.1 per ticket, why should I stop them?

Dhruva Mukherjee: No reasons to stop but do we want to remain the first place that a customer go through....

Rajni Hasija: You have to be like we have a various kind of a booking pattern. We have a B2B partners, we have e-governance team also. We have G2G partners also. Then we have a normal user booking also. So, we have provided multiple faces so it is going to be survival of the faces. But whosoever is going to present the booking in the fastest manner and nicest manner and give the facility to the customer so he will drive away the business. And if the site is going to be mine, so I'm going to be benefited by it more of B2C partners as compared to B2B but still B2B is a gainer for me because still I get the convenience fee.

Dhruva Mukherjee: Currently what share of bookings will be coming from offline agents?

Rajni Hasija: Offline agent is now going very less it around they need generally I think offline agent we have only in the internet café scheme. They are around to the tune of 3% only, then you have government G2G business there you have many facilitation centers of the big government. There the booking is not even 1%. Most of the bookings are happening online only, even in the government sector also where the forces that we have tied up there online, offline we don't do. But railways that do is around 20%, still they are doing 20% because 80% there is online.

Dhruva Mukherjee: So, people are getting the agent id of IRCTC and booking?

Rajni Hasija: So, from 72% the journey has been up to 80%, maybe next time when we talk, we are **(naudible) 56.12** for this.

Rajni Hasija: Can I answer the question that how many trains are routing as of now on Indian Railways? So, it is around 1500 trains are running. I think , many of you had asked how many trains are running from the Indian Railway set up where the bookings are happening. They're around 1500 mail express train and suburban services are also, the passenger trains also there but they are in the unreserved segment that is happening mainly in the Western region.

Moderator: Thank you. Due to time constraint this was the last question for today, I would now like to hand the conference over IRCTC management for closing comments.

Rajni Hasija: Thank you very much all of you. It has been a really brainstorming session. The year had been very difficult and initially we were not doing very well in the first quarter because IRCTC had shown loss in the first quarter. But gradually we improved in the second quarter, then third

quarter we improved further and in the last quarter we improved further and put together I think we have been able to draw your confidence of our investors and declare a dividend of around 50% Rs.5 at a face value of Rs.10 in this pandemic also, rather pandemic is still continuing. As I've been mentioning every time that hospitality sector has been worst affected and the tourism is going to take some time to take off specially going on tourism because many of the air traffic restrictions are still not open. So, our few traffic will take some time to cope- up with the changing environment. Secondly the catering pattern is also changing the segmental profit pattern is also changing. This pandemic has affected each and every corner of our eating habits also. The market though will decide who live in this market for long but we hope that these things will change and by saying I wish you all the best everyone over the coming year and stay safe, stay healthy. May the COVID not take over you and you should all stay healthy and fit. Thank you very much.

Moderator:

Thank you. On behalf of ICICI Securities Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.